

# 快狗打车 | GOGO X

## GOGO X HOLDINGS LIMITED 快狗打车控股有限公司

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 2246

### GLOBAL OFFERING



Joint Sponsors, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Joint Bookrunners and Joint Lead Managers



Joint Lead Managers



# IMPORTANT

**IMPORTANT:** If you have doubt about any of the contents in this prospectus, you should obtain independent professional advice.

## 快狗打车 | GOGO X GOGO X HOLDINGS LIMITED 快狗打车控股有限公司

(incorporated in the Cayman Islands with limited liability)

### GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 31,200,000 Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 3,120,000 Shares (subject to reallocation)
Number of International Offer Shares	: 28,080,000 Shares (subject to reallocation and the Over-allotment Option)
Offer Price	: HK\$21.50 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, FRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars, subject to refund)
Nominal value	: US\$0.0000025 per Share
Stock code	: 2246

### Joint Sponsors, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



### Joint Bookrunners and Joint Lead Managers



### Joint Lead Managers



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies and on Display" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other documents referred to above.

The Offer Price will be HK\$21.50. Applicants under the Hong Kong Public Offering are required to pay, on application, the Offer Price of HK\$21.50 per Offer Share in addition to the 1.0% brokerage, 0.0027% SFC transaction levy, 0.00015% FRC transaction levy and the Hong Kong Stock Exchange trading fee payable of 0.005% on each Offer Share.

The Joint Global Coordinators (for themselves and on behalf of the Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the Offer Price below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company and the Hong Kong Stock Exchange at [gogoholdings.com](http://gogoholdings.com) and [www.hkexnews.hk](http://www.hkexnews.hk), respectively, notices of the reduction. For further information, please refer to the sections headed "Structure of the Global Offering" and "How to apply for Hong Kong Offer Shares" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Joint Global Coordinators (on behalf of the Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Grounds for Termination" in this prospectus.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, except that Offer Shares may be offered, sold or delivered (a) in the United States solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or (b) outside the United States in offshore transactions in reliance on Regulation S.

#### ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this document or printed copies of any application forms to the public in relation to the Hong Kong Public Offering.

This document is available at the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and our Company ([gogoholdings.com](http://gogoholdings.com)). If you require a printed copy of this document, you may download and print from the website addresses above.

June 14, 2022

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## IMPORTANT

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Your application through the **White Form eIPO** service or the **CCASS EIPO** service must be for a minimum of 200 Hong Kong Offer Shares and in one of the numbers set out in the table. You are required to pay the amount next to the number you select.

No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application
	<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>
200	4,343.35	5,000	108,583.44	80,000	1,737,335.02	700,000	15,201,681.43
400	8,686.67	6,000	130,300.12	90,000	1,954,501.90	800,000	17,373,350.20
600	13,030.02	7,000	152,016.82	100,000	2,171,668.78	900,000	19,545,018.98
800	17,373.35	8,000	173,733.50	120,000	2,606,002.53	1,000,000	21,716,687.75
1,000	21,716.69	9,000	195,450.19	140,000	3,040,336.29	1,100,000	23,888,356.53
1,200	26,060.03	10,000	217,166.88	160,000	3,474,670.04	1,200,000	26,060,025.30
1,400	30,403.37	20,000	434,333.76	180,000	3,909,003.80	1,300,000	28,231,694.08
1,600	34,746.70	30,000	651,500.64	200,000	4,343,337.55	1,400,000	30,403,362.85
1,800	39,090.04	40,000	868,667.51	300,000	6,515,006.33	1,560,000 <sup>(1)</sup>	33,878,032.89
2,000	43,433.37	50,000	1,085,834.39	400,000	8,686,675.10		
3,000	65,150.07	60,000	1,303,001.27	500,000	10,858,343.88		
4,000	86,866.75	70,000	1,520,168.15	600,000	13,030,012.65		

*Note:*

(1) Maximum number of Hong Kong Offer Shares you may apply for.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

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## EXPECTED TIMETABLE

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*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement to be published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of our Company at [gogoxholdings.com](http://gogoxholdings.com).*

Hong Kong Public Offering commences .....9:00 a.m. on Tuesday,  
June 14, 2022

Latest time for completing electronic applications  
under **White Form eIPO** service through the  
designated website [www.eipo.com.hk](http://www.eipo.com.hk)<sup>(2)</sup> .....11:30 a.m. on Friday,  
June 17, 2022

Application lists open<sup>(3)</sup> .....11:45 a.m. on Friday,  
June 17, 2022

Latest time for (a) completing payment for  
**White Form eIPO** applications by effecting  
Internet banking transfer(s) or (b) giving  
**electronic application instructions** to HKSCC<sup>(4)</sup> .....12:00 noon on Friday,  
June 17, 2022

If you are instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists close<sup>(3)</sup> .....12:00 noon on Friday,  
June 17, 2022

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## EXPECTED TIMETABLE

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- (1) Announcement of:
- (i) the level of applications in the Hong Kong Public Offering;
  - (ii) the level of indications of interest in the International Offering; and
  - (iii) the basis of allotment of the Hong Kong Offer Shares to be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company's website at [gogoxholdings.com](http://gogoxholdings.com)<sup>(5)</sup> on or before . . . . . Thursday, June 23, 2022
- (2) Announcement of results of allocations in the Hong Kong Public Offering (including successful applicants' identification document numbers, where appropriate) will be available through a variety of channels (see "*How to Apply for Hong Kong Offer Shares – D. Publication of Results*") from . . . . . Thursday, June 23, 2022
- (3) A full announcement of the Hong Kong Public Offering containing (1) and (2) above to be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company's website at [gogoxholdings.com](http://gogoxholdings.com)<sup>(5)</sup> from . . . . . Thursday, June 23, 2022

Results of allocations for the Hong Kong Public Offering will be available at [www.iporesults.com.hk](http://www.iporesults.com.hk) (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a "search by ID" function from . . . . . 8:00 a.m. on Thursday, June 23, 2022 to 12:00 midnight on Wednesday, June 29, 2022

Telephone enquiry for the results of allocations in the Hong Kong Public Offering by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from . . . . . Thursday, June 23, 2022 to Tuesday, June 28, 2022 (Except Saturday and Sunday)

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## EXPECTED TIMETABLE

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Share certificates in respect of wholly or partially successful applications to be dispatched/collected or deposited into CCASS on or before<sup>(5)(7)</sup> ..... Thursday, June 23, 2022

**White Form** e-Refund payment instructions/refund checks in respect of wholly or partially successful applications (if applicable) or wholly or partially unsuccessful applications to be dispatched or collected on or before<sup>(6)(7)</sup> ..... Thursday, June 23, 2022

Dealings in the Shares on the Stock Exchange expected to commence at .....9:00 a.m. on Friday, June 24, 2022

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*Notes:*

- (1) All dates and times refer to Hong Kong dates and times.
- (2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at [www.eipo.com.hk](http://www.eipo.com.hk) after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of the application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is/are a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, June 17, 2022, the application lists will not open or close on that day. See “How to Apply for Hong Kong Offer Shares – C. Effect of Bad Weather and/or Extreme Conditions on the Opening of the Application Lists.”
- (4) None of the website or any of the information contained thereon forms part of this prospectus.
- (5) The Share certificates will only become valid at 8:00 a.m. on the Listing Date, which is expected to be Friday, June 24, 2022, provided that the Global Offering has become unconditional in all respects at or before that time. Investors who trade Shares on the basis of publicly available allocation details or prior to the receipt of the Share certificates or prior to the Share certificates becoming valid do so entirely at their own risk.
- (6) e-Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering.

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## EXPECTED TIMETABLE

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- (7) Applicants who have applied through the **White Form eIPO** service for 1,000,000 or more Hong Kong Offer Shares may collect any refund checks (where applicable) and/or Share certificates in person from our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, June 23, 2022 or such other date as notified by us as the date of dispatch/collection of Share certificates/e-Refund payment instructions/refund checks. Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. Individuals must produce evidence of identity acceptable to our Hong Kong Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through **CCASS EIPO** service should refer to the section headed "How to Apply for Hong Kong Offer Shares – G. Dispatch/Collection of Share Certificates and Refund Monies – Personal Collection – (ii) If you apply through the **CCASS EIPO** service" for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund checks by ordinary post at their own risk.

Share certificates and/or refund checks for applicants who have applied for less than 1,000,000 Hong Kong Offer Shares and any uncollected Share certificates and/or refund checks will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the sections headed "How to Apply for Hong Kong Offer Shares – F. Refund of Application Monies" and "How to Apply for Hong Kong Offer Shares – G. Dispatch/Collection of Share Certificates and Refund Monies."

For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares," respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such a case, the Company will make an announcement as soon as practicable thereafter.

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### IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

*This prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.*

*You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus and the Application Forms must not be relied on by you as having been authorized by us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering.*

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## SUMMARY

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*This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. Moreover, there are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors”. You should read the entire document carefully before you decide to invest in the Offer Shares.*

### OVERVIEW

We are a major online intra-city logistics platform in Asia. We operate in more than 340 cities across five countries and regions in Asia, namely mainland China, Hong Kong, Singapore, Korea and India. We own and operate two highly-recognized, well-trusted brands in the online intra-city logistics space: Kuaigou Dache (快狗打車) in mainland China and GOGO in other countries and regions in Asia. According to Frost & Sullivan, we are the third largest online intra-city logistics platform in mainland China with a market share of 3.2%, ranking after players with market share of 52.8% and 5.5%, and the market leader in Hong Kong with a market share of 50.9%, each in terms of GTV in 2021. According to the same source, mainland China and Hong Kong collectively accounted for approximately 71% of the online intra-city logistics market of Asia in terms of GTV in 2021.

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

We have built a vibrant ecosystem of millions of shippers and drivers. As of December 31, 2018, 2019, 2020 and 2021, we had approximately 14.5 million, 19.8 million, 24.0 million and 27.6 million registered shippers and 1.3 million, 3.0 million, 4.2 million and 5.2 million registered drivers, respectively. In 2018, 2019, 2020 and 2021, there were 32.4 million, 33.4 million, 27.1 million and 28.4 million shipment orders fulfilled on our platform, generating a total GTV of RMB3,356.9 million, RMB3,313.0 million, RMB2,694.4 million and RMB2,676.7 million, respectively.

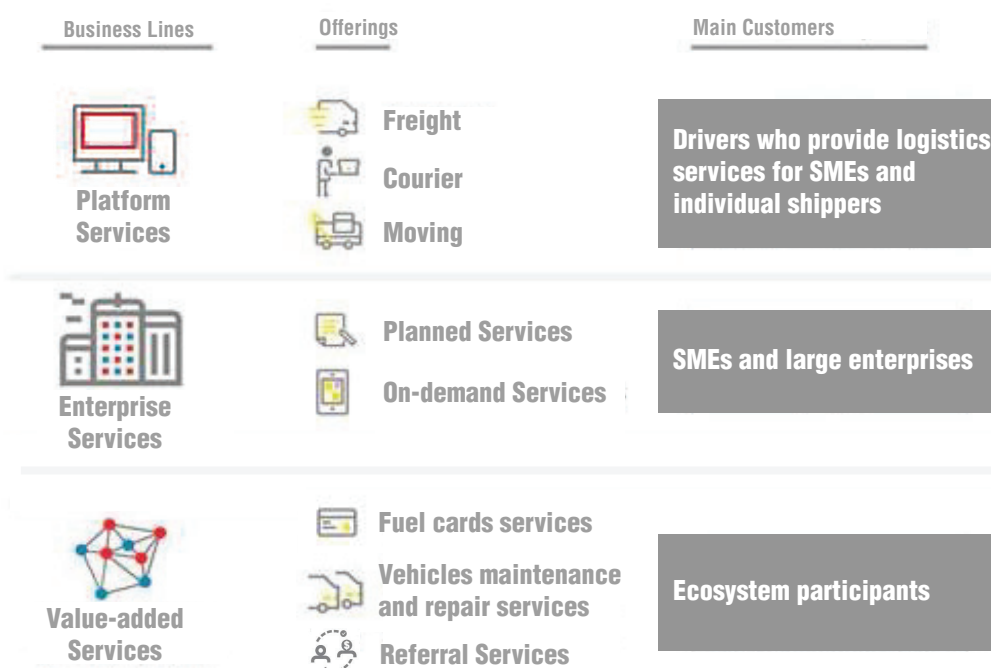
We leverage data and technology to build efficient supply chains, lower costs for shippers, increase earnings for drivers, and minimize environmental impact. Substantially all of the drivers who fulfill shipment orders on our platform by delivering freight and goods are not our employees and we do not own most of the vehicles used by the drivers. We generally do not hire drivers as our employees or own vehicles used by drivers to deliver freight and goods. As of December 31, 2021, in Singapore, we employed two drivers and rented 12 vehicles to provide better logistics services to our enterprise customers.

## SUMMARY

We had revenue of RMB453.1 million, RMB548.5 million, RMB530.4 million and RMB660.9 million in 2018, 2019, 2020 and 2021, respectively. Our gross profit was RMB104.4 million, RMB173.1 million, RMB183.4 million and RMB241.7 million in 2018, 2019, 2020 and 2021, respectively, representing a gross profit margin of 23.0%, 31.6%, 34.6% and 36.6% in the same periods, respectively. We had net loss of RMB1,070.9 million, RMB183.8 million, RMB658.2 million and RMB872.9 million in 2018, 2019, 2020 and 2021, respectively. Our adjusted net loss, which is a non-IFRS measure, was RMB784.0 million, RMB396.9 million, RMB185.4 million and RMB311.1 million in 2018, 2019, 2020 and 2021. Our adjusted EBITDA, which is a non-IFRS measure, was negative RMB762.5 million, negative RMB359.8 million, negative RMB147.3 million and negative RMB282.4 million in 2018, 2019, 2020 and 2021, respectively. See “Financial Information — Description of Major Comprehensive Income Line Items — Non-IFRS Measures” for a reconciliation of our net loss to the adjusted net loss (a non-IFRS measure) and the adjusted EBITDA.

### OUR BUSINESS MODEL

Our service offerings consist of platform services, enterprise services, as well as a growing range of value-added services, capable of catering to evolving demand of shippers, drivers and other participants in our ecosystem. The diagram below illustrates the key components of our service offerings.



## SUMMARY

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

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue
	<i>(RMB in thousands, except for percentages)</i>							
<b>Platform services</b>								
Mainland China	143,371	31.6%	198,068	36.1%	184,093	34.7%	210,803	31.9%
Overseas	24,996	5.5%	39,960	7.3%	41,502	7.8%	47,342	7.2%
Subtotal	168,367	37.1%	238,028	43.4%	225,595	42.5%	258,145	39.1%
<b>Enterprise services</b>								
Mainland China	187,853	41.5%	142,960	26.1%	90,343	17.0%	123,359	18.7%
Overseas	91,158	20.1%	148,827	27.1%	198,918	37.6%	249,447	37.7%
Subtotal	279,011	61.6%	291,787	53.2%	289,261	54.6%	372,806	56.4%
<b>Value-added services</b>								
Mainland China	1,735	0.4%	13,225	2.4%	5,959	1.1%	9,398	1.4%
Overseas	4,032	0.9%	5,417	1.0%	9,594	1.8%	20,508	3.1%
Subtotal	5,767	1.3%	18,642	3.4%	15,553	2.9%	29,906	4.5%
<b>Total revenue</b>	<b>453,145</b>	<b>100.0%</b>	<b>548,457</b>	<b>100.0%</b>	<b>530,409</b>	<b>100.0%</b>	<b>660,857</b>	<b>100.0%</b>

### Platform Services

We facilitate on-demand intra-city logistics by matching drivers with shippers on our platform. Our convenient and efficient platform has attracted millions of shippers, including individuals with logistics need in their daily life and SMEs with frequent logistics need during their business operations. Shippers using our platform register on our mobile apps or websites as individual accounts to place orders for intra-city logistics services. In mainland China, shipping fares that shippers pay for drivers' logistics services are primarily determined taking into account the type of vehicles used, the distance between the pickup and the drop-off location, the number of available drivers, the shipper demand at the time the order is placed, and the prevailing market price in the local logistics market. In overseas markets, we generally provide a fixed fee schedule based on the type of vehicles used and the distance between the pickup and the drop-off location, and shippers can choose to offer drivers extra cash incentives during peak time.

We generate revenue from charging service fees to drivers for their use of our platform to provide logistics services for shippers. We consider drivers as our customers and charge service fees either in the form of commission or membership fee. For the shipment orders on which we charge a commission to the driver, the commission is the difference between the amount paid by the shipper for a shipment order and the amount earned by the driver from fulfilling that order. We have maintained a membership program in mainland China since April 2019. Drivers who use our platform services may choose to subscribe for our memberships which are usually for 30 days or 60 days. During the membership period, we charge no commission on all or part of the shipment orders completed by the drivers, depending on the tier of their memberships.

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## SUMMARY

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### Enterprise Services

We provide planned and on-demand intra-city logistics services for enterprise customers and strive to be their trusted logistics partner. As a freight carrier, we usually enter into logistics services agreements with enterprises and fulfill shipment orders by matching them with drivers registered on our platform. We consider enterprises who enter into logistics services agreements with us our customers. Our revenue represents the shipping fares charged by us to enterprises for shipment orders they place with us. The amount we pay for drivers' delivery services is recorded in our cost of revenue.

We negotiate our service fees with our enterprise customers on a case-by-case basis. We typically have a fee schedule in the framework agreements entered into with enterprise customers according to which the service fee for each order is determined taking into account, among others, the type of vehicles used, the length of time required for the delivery and the weight of the freight to be delivered.

### Value-added Services

We offer a growing range of value-added services to our ecosystem participants.

In mainland China, we provide drivers with information about locations of fuel stations and vehicle maintenance and repair centers through our mobile apps and charge these service providers commission. We cooperate with automobile manufacturers and dealers to offer discounted prices for drivers who intend to purchase or rent vehicles and choose to join our platform and charge the manufacturers and dealers commission for referrals.

In Hong Kong and Singapore, we provide fuel cards at discounted prices through our collaboration with fuel companies. The service fee earned by us from fuel cards services is the difference between the amount we charge drivers for fuel cards and the amount we pay to fuel companies. In Hong Kong, we provide vehicle maintenance and repair services at our proprietary service center and charge service fees.

### KEY OPERATING DATA

The following table sets forth certain key operating data for the periods indicated.

	Year ended December 31,			
	2018	2019	2020	2021
<b>Platform services:</b>				
Average shipper MAU <sup>(1)</sup>				
Mainland China	691,127	667,618	494,676	456,230
Overseas markets <sup>(2)</sup>	177,840	176,956	149,907	163,817
Total	<u>868,966</u>	<u>844,574</u>	<u>644,583</u>	<u>620,047</u>
Number of shipment orders				
Mainland China	26,236,066	26,982,984	21,412,070	21,942,765
Overseas markets <sup>(2)</sup>	5,096,971	5,121,564	4,445,402	4,886,170
Total	<u>31,333,037</u>	<u>32,104,548</u>	<u>25,857,472</u>	<u>26,828,935</u>

## SUMMARY

	Year ended December 31,			
	2018	2019	2020	2021
GTV (RMB in millions) <sup>(3)</sup>				
Mainland China	2,481.2	2,416.9	1,884.9	1,752.7
Overseas markets <sup>(2)</sup>	558.8	590.1	508.4	548.8
Total	<u>3,040.0</u>	<u>3,007.0</u>	<u>2,393.3</u>	<u>2,301.4</u>
Average take rate <sup>(4)</sup> (%)				
Mainland China	5.8%	8.2%	9.8%	12.0%
Overseas markets <sup>(2)</sup>	4.5%	6.8%	8.2%	9.2%
Net take rate <sup>(5)</sup>				
Mainland China	1.9%	6.6%	8.3%	2.6%
Overseas markets <sup>(2)</sup>	4.2%	6.7%	8.1%	9.1%
<b>Enterprise services:</b>				
Average shipper MAU <sup>(1)</sup>				
Mainland China	1,802	1,751	1,961	2,212
Overseas markets <sup>(2)</sup>	506	843	1,526	2,368
Total	<u>2,308</u>	<u>2,594</u>	<u>3,487</u>	<u>4,581</u>
Number of shipment orders				
Mainland China	448,699	384,031	294,138	442,300
Overseas markets <sup>(2)</sup>	607,904	884,442	968,443	1,133,094
Total	<u>1,056,603</u>	<u>1,268,473</u>	<u>1,262,581</u>	<u>1,575,394</u>
GTV (RMB in millions) <sup>(6)</sup>				
Mainland China	224.9	156.1	99.9	128.0
Overseas markets <sup>(2)</sup>	92.0	149.8	201.2	247.2
Total	<u>316.9</u>	<u>305.9</u>	<u>301.1</u>	<u>375.2</u>

*Notes:*

- (1) Average shipper MAU is calculated by dividing (i) the sum of shipper MAUs for each month of such period by (ii) the number of months in such period.
- (2) Refers to the overseas markets in which we currently operate, namely Hong Kong, Singapore, Korea and India.
- (3) The GTV of shipment orders for our platform services in a given period represents the total amount paid by shippers for the shipment orders which were fulfilled by the drivers matched through our platform after giving effect to cancelations or refunds and without deducting any service fee charged by us and the value-added tax.
- (4) Calculated by dividing the revenue generated from our platform services by the total GTV of shipment orders fulfilled in a given period, without giving effect to incentives to transacting users which are recorded in our selling and marketing expenses.
- (5) Calculated by dividing the result of deducting the incentives to transacting users, which are recorded in our selling and marketing expenses, from the revenue generated from platform services by the total GTV of shipment orders of platform services fulfilled in a given period.
- (6) The GTV of shipment orders for our enterprise services in a given period represents the total amount paid by enterprise customers to us for logistics services, without deducting the value-added tax.

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## SUMMARY

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The total GTV of shipment orders slightly decreased from RMB2,694.4 million in 2020 to RMB2,676.6 million in 2021, primarily due to a decrease in the GTV for our platform services in mainland China in 2021 compared to 2020, primarily due to the intensified competition in the online intra-city logistics market in mainland China as DiDi Global Inc., a major mobility technology platform, started its freight services in June 2020 and further entered into more cities in April 2021. The increasing competition in certain cities, such as Beijing, Shanghai and Chengdu, which were our key regional markets and usually contribute orders with a relatively high GTV, resulted in decreases in the average shipper MAU, the number of shipment orders and the GTV of our platform services in mainland China during the period from May to December 2021. The average shipper MAU of our platform services in mainland China for the period from May to December 2021 was 488,973 compared to 559,246 for the same period in 2020. The monthly average of shipment orders of our platform services in mainland China for the period from May to December 2021 was 1,990,130 compared to 2,132,323 for the same period in 2020. The monthly average GTV of our platform services in mainland China for the period from May to December 2021 was RMB155.4 million compared to RMB187.0 million for the same period in 2020. DiDi Global Inc. is a company listed on the New York Stock Exchange and operates online freight services in mainland China through its subsidiary which is referred to as DiDi Freight in this prospectus. For details about DiDi Freight and its market share, see “Industry Overview – Overview of Mainland China’s Intra-city Logistics Market.” The decrease in our total GTV in 2021 compared to 2020 was partially offset by increases in the GTV generated from our enterprise services both in mainland China and overseas markets. These increases mainly reflected (i) the recovery of commercial activities in 2021 as the COVID-19 pandemic was largely under control, and (ii) the increased demand for intra-city logistics service of enterprises in the e-commerce industry.

The total GTV of shipment orders decreased from RMB3,313.0 million in 2019 to RMB2,694.4 million in 2020, primarily due to the decreases in the GTV generated from our platform services both in mainland China and overseas markets and the decrease in the GTV generated from our enterprise services in mainland China. The decreases in the GTV generated from our platform services were primarily as a result of the negative impact of the COVID-19 pandemic in 2020 and the intensified competition in the online intra-city logistics market in mainland China. The decrease in the GTV generated from our enterprise services in mainland China was primarily due to a decrease in the number of shipment orders as a result of the negative impact of the COVID-19 pandemic. The average shipper MAU for enterprise services in mainland China in 2020 increased compared to that in 2019, primarily attributable to an increase in the number of our enterprise customers in the second half of 2020 when the COVID-19 was gradually controlled. The GTV generated from our enterprise services in overseas markets increased from 2019 to 2020, reflecting the increased demand for logistics services of e-commerce enterprises driven by the growth in online purchases during the COVID-19 pandemic.

The total GTV of shipment orders slightly decreased from RMB3,356.9 million in 2018 to RMB3,313.0 million in 2019 due to a decrease in the GTV of shipment orders in mainland China, which was partially offset by an increase in the GTV of shipment orders in overseas markets. The decrease in the GTV in mainland China from 2018 to 2019 was primarily due to overall decreases in the number of shipment orders of our enterprise services in mainland China, primarily reflected that we strategically adjusted the structure of our enterprise

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## SUMMARY

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customers and terminated our business with certain enterprise customers with a weaker credit profile, and the average GTV per order of our enterprise services in mainland China, primarily due to the increased number of on-demand shipment orders placed by enterprise customers which usually have a lower average order value as compared to planned orders. The increase in the GTV of shipment orders in overseas markets was primarily due to the strong demand for logistics services attributable to the increased online penetration rate of intra-city logistics market in Asia.

The decreases in average shipper MAU during the Track Record Period were mainly due to the decreases in average shipper MAU of our platform services, primarily reflecting the negative impact of COVID-19 in mainland China and other regions we operated and intensified competition in the online intra-city logistics market in mainland China. The average shipper MAU for our enterprise services showed an overall increasing trend in both mainland China and overseas markets, reflecting increased demand for intra-city logistics services from our enterprise customers. Despite the decrease in average shipper MAU from 2020 to 2021, the number of shipment orders fulfilled on our platform increased, primarily because platform users on average placed orders at a higher frequency as we increased our incentives to transacting users of platform services in 2021.

Our average take rate for the platform services both in mainland China and overseas markets had been on an upward trend during the Track Record Period, reflecting our strengthened pricing power. The net take rate for the platform services in mainland China increased from 2018 to 2020 in line with the increase in our average take rate. The net take rate for the platform services in mainland China decreased to 2.6% in 2021 as compared to 8.3% in 2020, primarily due to a significant increase in incentives that we offered transacting users of platform services reflecting a more aggressive growth strategy and the intensified competition in the online intra-city logistics market in mainland China.

### OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiate us from our competitors:

- A major online intra-city logistics platform in Asia;
- Highly scalable business model with a focus on quality services and operational efficiency;
- Advanced technological capabilities laying a solid foundation for long-term development;
- Established track record in serving enterprise customers;
- A growing pool of loyal and dedicated drivers; and
- Seasoned and experienced management team with global vision and entrepreneurship DNA.



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## SUMMARY

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### OUR GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business:

- Expand our service network through our asset-light model;
- Continue to broaden our enterprise customer base;
- Strengthen our technological capabilities to reinforce our competitive advantage;
- Grow our driver base and increase driver engagement, while furthering our sustainability efforts;
- Explore diversified monetization opportunities and grow our ecosystem; and
- Pursue strategic partnerships, acquisitions and investments to expand our global footprint.

### COMPETITION

The intra-city logistics markets in the jurisdictions where we operate are intensely competitive and characterized by rapid changes in technology, shifting user preferences and frequent introduction of new services and products. The online intra-city logistics market in mainland China is highly concentrated, with the top five market players contributing to an aggregate market share of approximately 64.9% in terms of GTV in 2021, among which we ranked third with a market share of 3.2% for the same period. The economic conditions vary in each country and region in Asia, and the major market players in each country and region are different. In Hong Kong, we occupy over half of the online intra-city logistics market in terms of GTV in 2021. Our future performance and prospects are highly dependent on our ability to compete effectively against our peers, in particular the leading players in the markets that have a larger market share than us.

### OUR SUPPLIERS

Our suppliers primarily include human resource agencies and fleet operators who send drivers to our platform to fulfill shipment orders. These entities are not directly involved in the dispatch and matching of orders on our platform. To protect drivers' rights and interests, in the service agreements with human resources agencies and fleet operators, we require them to (i) enter into continuing, legal and valid contractual relationships with drivers, (ii) possess requisite licenses and approvals, and (iii) provide trainings and supervision for drivers. In mainland China, for platform drivers who have established employment relationships with human resources agencies or fleet operators, these entities are responsible for making social insurance and housing provident funds contributions for drivers.

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## SUMMARY

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### RISK FACTORS

Investing in the Offer Shares involves certain risks, which could be categorized into (i) risks related to our business and industry, (ii) risks related to our Contractual Arrangements, (iii) risks related to doing business in mainland China, and (iv) risks related to the Global Offering. Some of the major risks we are exposed to are as follows:

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

### COMPLIANCE WITH LAWS AND REGULATIONS

We are subject to various regulatory requirements and guidelines issued by the regulatory authorities in the jurisdictions in which we operate. During the Track Record Period and up to the Latest Practicable Date, we did not commit any non-compliance of laws and regulations which individually or in the aggregate, in the opinion of our Directors, would have a material and adverse effect on our business, financial condition or results of operations. As advised by our legal advisors as to PRC, Hong Kong, Singapore, Korean and Indian laws, during the Track Record Period and up to the Latest Practicable Date, save as otherwise disclosed in this prospectus, we had complied with the relevant laws and regulations in all material respects. For

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## SUMMARY

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a discussion of (i) our non-compliance with respect to social insurance fund and housing provident fund contributions, and (ii) our compliance status with respect to the Road Transportation Regulation and the road transport business license, see “Business – Compliance with Laws and Regulations.”

### OUR CONTROLLING SHAREHOLDERS

Immediately after completion of the Global Offering (assuming no new Shares are issued under the Over-allotment Option and the Share Incentive Plan), 58 Daojia will be directly interested in approximately 47.95% of our enlarged share capital, and Mr. Chen will be interested in approximately 1.29% interest in the Company through his controlled entities. In addition, 58.com, Nihao China Corporation and Trumpway Limited collectively are entitled to control approximately 77.5% voting rights in 58 Daojia. 58.com is wholly-owned by Quantum Bloom. Mr. Yao, through his controlled entities, controls more than 50% voting capital of Quantum Bloom. Trumpway Limited is wholly-owned by Mr. Chen. Therefore, Mr. Yao, Nihao China Corporation, Nihao Haven Corporation, Internet Opportunity Company, Internet Opportunity Fund LP, Internet Opportunity Haven Company, Quantum Bloom, 58.com, China Classified Information Corporation Limited, Trumpway Limited, Genesis Fortune Holdings Limited, Major Group Enterprises Limited, Mr. Chen and 58 Daojia will constitute our Controlling Shareholders upon the Listing. See “Relationship with Our Controlling Shareholders.”

### PRE-IPO INVESTMENTS

We have received several rounds of Pre-IPO Investments since our establishment. Our Pre-IPO Investors include (i) renowned companies in relevant industries, which can help us achieve business synergies, and (ii) professional strategic investors, which can provide us with professional advice on our Group’s development and improve our corporate governance, financial reporting and internal control. See “History, Reorganization and Corporate Structure – Pre-IPO Investments.”

### SHARE INCENTIVE PLAN

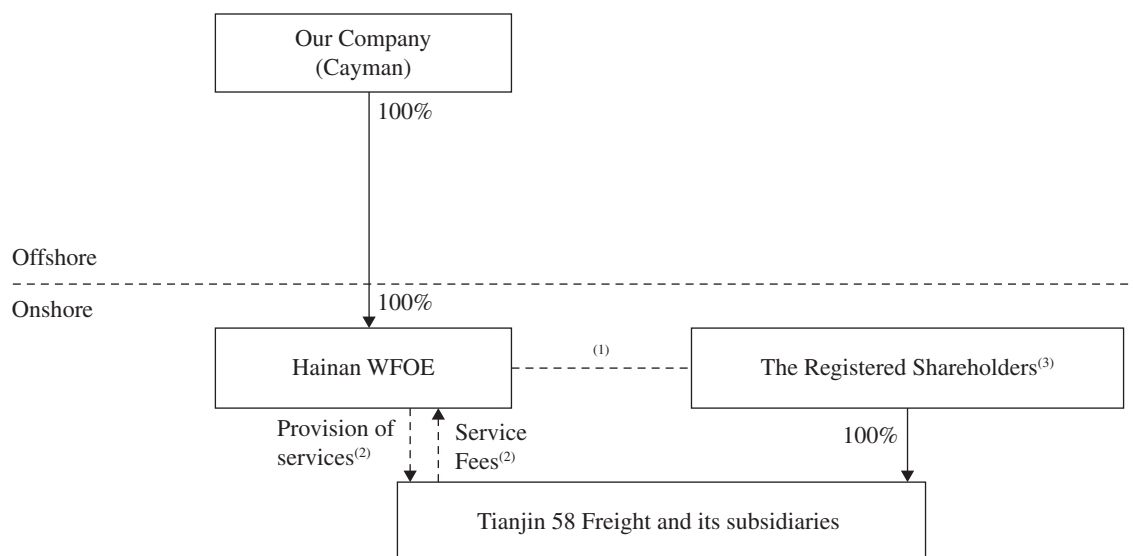
We adopted the 2021 Share Incentive Plan on August 18, 2021 (“Share Incentive Plan”). The principal terms of the Share Incentive Plan are summarized in the section headed “Statutory and General Information – D. Share Incentive Plan” in Appendix IV to this prospectus.

### CONTRACTUAL ARRANGEMENTS

Under the PRC laws and regulations, carrying out our intra-city logistics services through our mobile apps involves provision of value-added telecommunication service in the PRC, which is subject to foreign investment restrictions and license requirements. In particular, such business falls under the scope of Internet information services, a sub-category of value-added telecommunication service in the PRC, which are the restricted businesses under the 2021

## SUMMARY

Negative List, and foreign investors are restricted from holding more than 50% equity interests in companies providing such business and must obtain approval from the MIIT. As a result, we had established the contractual arrangements through a series of agreements among Tianjin WFOE, Tianjin 58 Freight, shareholders of Tianjin 58 Freight and certain other parties thereto in July 2017, which was replaced by a series of agreements among Hainan WFOE, the Consolidated Affiliated Entities, the Registered Shareholders and certain other parties thereto in August 2021 and January 2022. Pursuant to the Contractual Arrangements, all substantial and material business decisions of our Consolidated Affiliated Entities will be instructed and supervised by our Group through Hainan WFOE, and all risks arising from the business of Consolidated Affiliated Entities are also effectively borne by our Group as a result of it being treated as our wholly-owned subsidiaries. The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group stipulated under the Contractual Arrangements.



*Notes:*

————> Beneficial ownership in equity interests

- - - -> Beneficial ownership through Contractual Arrangements

- (1) Control of Hainan WFOE over the equity interest of Consolidated Affiliated Entities through agreements with the Registered Shareholders, including: (i) Exclusive Option Agreement, (ii) Equity Pledge Agreement, and (iii) Powers of Attorney.
- (2) Control of Hainan WFOE over the business of Consolidated Affiliated Entities through Exclusive Management Services and Business Cooperation Agreement.
- (3) As of the Latest Practicable Date, Tianjin 58 Freight was owned as to 50% by Mr. Chen (our Chairman of the Board and an executive Director) and 50% by Mr. Yao, who were the Registered Shareholders.

## SUMMARY

### SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this prospectus. The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this prospectus, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

#### Selected Consolidated Income Statement Items

The following table sets forth selected information from our consolidated statement of comprehensive income, both in absolute amounts and as percentages of our total revenue, for the periods indicated:

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	<i>(RMB in thousands, except for percentages)</i>							
<b>Continuing operations</b>								
<b>Revenue</b>	<b>453,145</b>	<b>100.0%</b>	<b>548,457</b>	<b>100.0%</b>	<b>530,409</b>	<b>100.0%</b>	<b>660,857</b>	<b>100.0%</b>
Cost of revenue <sup>(1)</sup>	(348,781)	(77.0%)	(375,361)	(68.4%)	(347,041)	(65.4%)	(419,133)	(63.4%)
<b>Gross profit</b>	<b>104,364</b>	<b>23.0%</b>	<b>173,096</b>	<b>31.6%</b>	<b>183,368</b>	<b>34.6%</b>	<b>241,724</b>	<b>36.6%</b>
Selling and marketing expenses	(524,093)	(115.7%)	(295,970)	(54.0%)	(194,844)	(36.7%)	(334,966)	(50.7%)
General and administrative expenses	(325,996)	(71.9%)	(218,224)	(39.8%)	(152,121)	(28.7%)	(186,828)	(28.3%)
Research and development expenses	(76,337)	(16.8%)	(64,604)	(11.8%)	(34,608)	(6.5%)	(34,748)	(5.3%)
(Impairment losses)/reversal of impairment losses on financial assets	(83,149)	(18.3%)	5,191	0.9%	1,995	0.4%	50	0.0%
Other income	5,567	1.2%	3,435	0.6%	10,825	2.0%	4,163	0.6%
Other losses, net	(823)	(0.2%)	(3,775)	(0.7%)	(180)	0.0%	(3,425)	(0.5%)
<b>Operating loss</b>	<b>(900,467)</b>	<b>(198.7%)</b>	<b>(400,851)</b>	<b>(73.1%)</b>	<b>(185,565)</b>	<b>(35.0%)</b>	<b>(314,030)</b>	<b>(47.5%)</b>
Finance income/(costs), net	2,704	0.6%	2,504	0.5%	(3,666)	(0.7%)	1,039	0.2%
Changes in fair value of financial liabilities at fair value through profit or loss <sup>(2)</sup>	(168,648)	(37.2%)	227,973	41.6%	(464,080)	(87.5%)	(559,613)	(84.7%)
Share of net profit of a joint venture accounted for using the equity method	-	-	-	-	-	-	28	0.0%
<b>Loss before income tax</b>	<b>(1,066,411)</b>	<b>(235.3%)</b>	<b>(170,374)</b>	<b>(31.1%)</b>	<b>(653,311)</b>	<b>(123.2%)</b>	<b>(872,576)</b>	<b>(132.0%)</b>
Income tax credit/(expenses)	5,039	1.1%	(3,618)	(0.7%)	(460)	(0.1%)	(259)	0.0%
<b>Loss from continuing operations</b>	<b>(1,061,372)</b>	<b>(234.2%)</b>	<b>(173,992)</b>	<b>(31.7%)</b>	<b>(653,771)</b>	<b>(123.3%)</b>	<b>(872,835)</b>	<b>(132.1%)</b>
Loss from discontinued operation	(9,564)	(2.1%)	(9,853)	(1.8%)	(4,455)	(0.8%)	(19)	0.0%
<b>Loss for the year attributable to equity holders of the Company</b>	<b>(1,070,936)</b>	<b>(236.3%)</b>	<b>(183,845)</b>	<b>(33.5%)</b>	<b>(658,226)</b>	<b>(124.1%)</b>	<b>(872,854)</b>	<b>(132.1%)</b>

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## SUMMARY

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*Notes:*

- (1) Consists primarily of (i) subcontracting fees for logistics services providers, representing the service fees that we paid for drivers' services through the human resources agencies and operators of vehicle fleets who retain individual drivers as their independent contractors, (ii) employee benefit expenses for our user services and call center staff, (iii) payment processing costs paid to third-party payment processors, and (iv) depreciation and amortization cost, consisting primarily of amortization of intangible assets acquired through our merger with GoGoVan Cayman.
- (2) Represents gain or loss from changes in fair value of our convertible redeemable preferred shares, warrants to convertible redeemable preferred shares and convertible notes.

### ***Non-IFRS Measures***

We believe that the presentation of non-IFRS measures facilitates comparisons of operating performance from period to period and company to company by eliminating the potential impact of certain items. The use of these non-IFRS measures has limitations as an analytical tools, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial condition as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

We define adjusted net loss (a non-IFRS measure) as loss for the year adjusted for (i) share-based compensation expenses, and (ii) changes in fair value of financial liabilities at fair value through profit and loss. Share-based compensation expenses consist of (i) non-cash expenses arising from granting options, restricted shares and restricted share units to eligible individuals under the Share Incentive Plan, and (ii) expense incurred in connection with issuance of a warrant to an investor in Series B financing. The convertible redeemable preferred shares will be automatically converted into ordinary shares upon completion of the Listing and we do not expect to record further gains or losses in relation to valuation changes in such instruments after the Listing.

We define adjusted EBITDA as adjusted net loss for the year adjusted for (i) income tax (credit)/expenses, (ii) depreciation and amortization, and (iii) net finance (income)/costs.

We believe that these items should be adjusted for when calculating our adjusted net loss (a non-IFRS measure) and adjusted EBITDA in order to provide potential investors with a complete and fair understanding of our operating results, especially in making period-to-period comparisons of, and assessing the profile of, our operating and financial performance, and making comparisons with other comparable companies with similar business operations.

## SUMMARY

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

	Year ended December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
<b>Loss for the year</b>	<b>(1,070,936)</b>	<b>(183,845)</b>	<b>(658,226)</b>	<b>(872,854)</b>
Adjusted for:				
Share-based compensation expenses <sup>(1)</sup>	118,249	14,954	8,713	2,125
Changes in fair value of financial liabilities at fair value through profit or loss <sup>(2)</sup>	168,648	(227,973)	464,080	559,613
<b>Non-IFRS measure:</b>				
<b>Adjusted net loss for the year</b>	<b>(784,039)</b>	<b>(396,864)</b>	<b>(185,433)</b>	<b>(311,116)</b>
<b>Adjusted net loss for the year</b>	<b>(784,039)</b>	<b>(396,864)</b>	<b>(185,433)</b>	<b>(311,116)</b>
Adjusted for:				
Income tax (credit)/expenses	(5,039)	3,618	460	259
Depreciation and amortization	29,292	35,950	33,992	29,457
Finance (income)/costs, net	(2,704)	(2,504)	3,666	(1,039)
<b>Non-IFRS measures:</b>				
<b>Adjusted EBITDA for the year</b>	<b>(762,490)</b>	<b>(359,800)</b>	<b>(147,315)</b>	<b>(282,439)</b>

*Notes:*

- (1) Represents share-based compensation expenses for our employees and consultants, and a share-based compensation of RMB33.0 million incurred in 2018 attributable to the issuance of warrant in Series B financing to an investor.
- (2) Represents gain or loss from changes in fair value of our convertible redeemable preferred shares, warrants to convertible redeemable preferred shares and convertible notes.

Our revenue increased by 24.6% from RMB530.4 million in 2020 to RMB660.9 million in 2021, primarily due to the reduced negative impact of the COVID-19 pandemic on our business in 2021 and the organic growth in our enterprises services and platform services. Our revenue decreased by 3.3% from RMB548.5 million in 2019 to RMB530.4 million in 2020, primarily due to reduced shipper activities on our platform as a result of the negative impact of the COVID-19 pandemic and the intensified competition in the online intra-city logistics market in mainland China. Our revenue increased by 21.1% from RMB453.1 million in 2018 to RMB548.5 million in 2019 primarily reflecting the overall growth in our scale and strengthened pricing capabilities.

## SUMMARY

We recorded net loss of RMB1,070.9 million, RMB183.8 million, RMB658.2 million and RMB872.9 million in 2018, 2019, 2020 and 2021, respectively, primarily because our intra-city logistics business is at its nascent stage and we have made substantial investments to drive the growth of our business, which we believe are indispensable to establish compelling competitive advantages for the growth of our business. Our adjusted net loss (a non-IFRS measure) increased by RMB125.7 million, or 67.8%, from RMB185.4 million in 2020 to RMB311.1 million in 2021, primarily reflecting an increase in net loss of RMB214.6 million, which was mainly due to (i) an increase in our selling and marketing expenses both in absolute amount and as a percentage of our total revenue in line with a more aggressive growth strategy, and (ii) an increase in the loss from changes in fair value of our convertible redeemable preferred shares attributable to the increased valuation of our Company. We expect to continue to be loss-making for the year ending December 31, 2022, as we continue to grow our business, including expand our user base and enhance our user engagement, which requires substantial investments.

### Selected Consolidated Balance Sheet Items

The following table sets forth selected information from our consolidated balance sheet as of the dates indicated:

	As of December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
<b>Assets</b>				
<b>Non-current assets</b>				
Right-of-use assets	8,171	14,557	7,760	8,467
Property, plant and equipment	10,086	13,817	7,628	5,116
Intangible assets	132,798	110,410	87,028	68,346
Goodwill	1,041,799	1,048,669	1,029,128	1,020,338
Prepayments, deposits and other receivables	2,213	8,391	1,455	3,061
Investment in a joint venture	–	–	–	2,028
<b>Total non-current assets</b>	<b>1,195,067</b>	<b>1,195,844</b>	<b>1,132,999</b>	<b>1,107,356</b>
<b>Current assets</b>				
Accounts receivables	52,857	53,081	53,695	65,232
Prepayments, deposits and other receivables	28,649	47,335	24,536	36,940
Restricted cash	921	2,182	1,885	101,477
Cash and cash equivalents	348,269	247,107	217,253	312,997
<b>Total assets</b>	<b>1,625,763</b>	<b>1,545,549</b>	<b>1,430,368</b>	<b>1,624,002</b>



## SUMMARY

	As of December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
<b>Total deficit</b>	(886,110)	(1,098,929)	(1,581,189)	(2,075,809)
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Convertible redeemable preferred shares <sup>(1)</sup>	1,596,491	1,745,775	1,960,399	3,224,447
Other financial liabilities at fair value through profit or loss	165,197	167,973	188,626	–
Lease liabilities	3,176	7,553	2,421	907
Deferred tax liabilities	28,901	24,141	19,175	15,092
<b>Current liabilities</b>				
Accounts payables	38,180	28,574	31,391	43,594
Accruals and other payables	434,579	344,457	316,128	370,183
Contract liabilities	4,358	6,421	9,353	8,147
Other borrowing	–	–	104,652	–
Amounts due to related parties	116,566	291,157	309,697	–
Current tax liabilities	4,929	13,551	18,511	22,694
Other tax liabilities	3,260	4,246	5,748	6,779
Other financial liabilities at fair value through profit or loss	111,141	3,327	39,847	–
Lease liabilities	5,095	7,303	5,609	7,968
<b>Total liabilities</b>	<u>2,511,873</u>	<u>2,644,478</u>	<u>3,011,557</u>	<u>3,699,811</u>
<b>Total deficit and liabilities</b>	<u><u>1,625,763</u></u>	<u><u>1,545,549</u></u>	<u><u>1,430,368</u></u>	<u><u>1,624,002</u></u>
<b>Net current assets/(liabilities)</b>	(287,412)	(349,331)	(543,567)	57,281

*Note:*

- (1) The convertible redeemable preferred shares will be re-designated from financial liabilities to equity as a result of the automatic conversion into ordinary shares upon our Listing. As a result, we expect immediately after such conversion, we will be no longer in a net liability position.

We recorded net current assets of RMB57.3 million as of December 31, 2021, primarily because (i) our other borrowings, consisting of a borrowing provided by Tianjin 58 Daojia Life Services Co., Ltd. (天津五八到家生活服務有限公司), an entity controlled by 58 Daojia, were fully settled in June 2021; (ii) our amounts due to related parties, which represented our liabilities due to 58 Daojia and our borrowings from affiliated entities of 58 Daojia, were waived by 58 Daojia and settled with affiliated entities of 58 Daojia in 2021; and (iii) our cash and cash equivalents amounted to RMB313.0 million, primarily representing proceeds from our Series C financing.

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## SUMMARY

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Our net current liabilities increased by 21.5% from RMB287.4 million as of December 31, 2018 to RMB349.3 million as of December 31, 2019, and further increased by 55.6% to RMB543.6 million as of December 31, 2020, primarily due to (i) our borrowing with an entity controlled by 58 Daojia, and interest-free funds provided by 58 Daojia to us, and (ii) a decrease in cash and cash equivalents as result of use of cash in our operations.

We had net liabilities, representing the equity holder's deficit, of RMB886.1 million as of December 31, 2018, primarily due to (i) our net loss of RMB1,070.9 million in 2018 and (ii) the deemed distribution to shareholder of RMB843.0 million in 2018, which were partially offset by the amount of equity holder's equity of RMB894.6 million as of January 1, 2018. Our net liabilities amounted to RMB1,098.9 million, RMB1,581.2 million and RMB2,075.8 million as of December 31, 2019, 2020 and 2021, respectively, primarily due to our net loss of RMB183.8 million, RMB658.2 million and RMB872.9 million in 2019, 2020 and 2021, respectively.

### Selected Consolidated Cash Flows Items

The following table sets forth a summary of our cash flows for the periods indicated:

	Year ended December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
Operating cash flows before changes in working capital	(676,311)	(362,125)	(144,347)	(282,094)
Changes in working capital	296,190	(94,104)	17,964	(76,530)
Net cash used in operating activities	(380,121)	(456,229)	(126,383)	(358,624)
Net cash (used in)/generated from investing activities	(8,205)	(6,405)	3,382	(1,651)
Net cash generated from financing activities	601,282	360,047	96,223	460,881
Net increase/(decrease) in cash and cash equivalents	212,956	(102,587)	(26,778)	100,606
Cash and cash equivalents at the beginning of the year	133,784	348,269	247,107	217,253
Exchange differences on cash and cash equivalents	1,529	1,425	(3,076)	(4,862)
Cash and cash equivalents at the end of the year	<u>348,269</u>	<u>247,107</u>	<u>217,253</u>	<u>312,997</u>

We had net cash used in operating activities in 2021, primarily due to our net loss before income tax of RMB872.6 million, partially offset by (i) the changes in fair value on convertible redeemable preferred shares of RMB564.3 million, and (ii) changes in working capital, which primarily due to an increase in other operating assets of RMB109.2 million and an increase in

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other operating liabilities of RMB53.1 million. We had net cash used in operating activities in 2020, primarily due to our net loss before income tax of RMB653.3 million, which was partially offset by (i) add-back of non-cash items, and (ii) an increase in our working capital, primarily due to an increase in other operating assets and an increase in amounts due to related parties. We had net cash used in operating activities in 2019, primarily due to (i) our net loss before income tax of RMB170.4 million, (ii) the negative effect of changes in fair value of our convertible redeemable preferred shares and warrants which are non-cash items, and (iii) a decrease in our working capital, primarily due to a decrease in other operating assets and an increase in other operating liabilities. We had net cash used in operating activities in 2018, primarily due to our net loss before income tax of RMB1,066.4 million, which was partially offset by (i) add-back of non-cash items, and (ii) an increase in our working capital.

Although we had negative operating cash flows and net current liabilities during the Track Record Period, we believe we have sufficient working capital required for our operations based on our financial condition and financing capabilities as below:

- In April 2021, 58 Daojia, our controlling shareholder, agreed to waive our obligation to pay it a total amount of RMB298.6 million and such waived amount was treated as shareholder's contribution.
- In June 2021, we completed the Series C financing with certain investors, including 58 Daojia, with gross proceeds of approximately US\$63.2 million (equivalent to RMB410.1 million) to subscribe for 27,000,838 Series C Preferred Shares.
- In June 2021, one of our investors exercised its warrant option to subscribe for 13,068,244 Series B Preferred Shares with gross proceeds of approximately US\$24.8 million (equivalent to approximately RMB161.1 million).
- On August 30, 2021 and September 22, 2021, as part of our pre-listing reorganization, three investors holding the Warrants granted in connection with our Series B financing exercised their right to subscribe 14,364,758 Series B Preferred Shares. We received the subscription proceeds of approximately US\$10.4 million (equivalent to RMB67.0 million) in September 2021 and the remaining part of the subscription proceed of approximately US\$15.6 million (equivalent to RMB100.8 million) in October 2021.
- All of our convertible redeemable preferred shares, warrants and convertible notes are not redeemable at the option of the holders within 12 months from December 31, 2021.

Taking into consideration of financial resources presently available to us, including cash and cash equivalents on hand, internally generated funds and the estimated proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present needs and at least for the next 12 months from the date of this prospectus. After making reasonable inquiries of our management about our working capital, the Joint Sponsors

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concur with the Directors' view. We expect our cash flow position to improve in the future upon receipt of the proceeds from the Global Offering and as we generate more operating cash by executing the following business strategies: (i) continue to improve our revenue growth fueled by (a) expanding our user base and enhancing users engagement in a more cost-efficient way, such as attracting drivers through human resources agencies and fleet operators, (b) further expanding the geographic coverage of our services, and (c) diversifying our monetization opportunities, including deepening our cooperation with various ecosystem partners, including automobile manufacturers and dealers, as well as digital platforms facilitating gas filling services and vehicle maintenance and repair services, which also contributes to improved value-added services for our growing number of users; and (ii) improve our operational efficiency by strengthening our research and development capabilities, enhancing our sales and marketing efficiency, as well as closely monitoring the execution of our operations and marketing strategies in individual business districts, conducting frequent evaluations of business performance, and making prompt adjustments to online and offline plans as necessary.

### Key Financial Ratios

The following table sets forth certain of our key financial ratios as of the dates and for the periods indicated.

	Year ended/As of December 31,			
	2018	2019	2020	2021
Gross margin <sup>(1)</sup>	23.0%	31.6%	34.6%	36.6%
Current ratio <sup>(2)</sup>	60.0%	50.0%	35.4%	112.5%

Notes:

- (1) Calculated by dividing gross profit for the year by total revenue for the year and multiplied by 100%.
- (2) Calculated by dividing total current assets by total current liabilities at the end of the year and multiplied by 100%.

Our gross margin had been on a rising trend during the Track Record Period. Our gross margin increased from 23.0% in 2018 to 31.6% in 2019, primarily due to (i) our increased take rates for the platform services both in mainland China and in overseas markets, and (ii) our cost control measures resulting in a lower increase in cost of revenue than that of revenue. Our gross margin increased from 31.6% in 2019 to 34.6% in 2020, primarily due to (i) an increase in take rates of our platform services and (ii) our efforts on cost control to improve our operational efficiency. Our gross margin increased from 34.6% in 2020 to 36.6% in 2021, primarily because the growth in revenue outpaced the growth in cost of revenue, which reflected (i) recovered commercial activities in 2021 as the COVID-19 pandemic was largely under control, (ii) the increases in the average take rate for our platform services in both mainland China and overseas markets, reflecting our strengthened pricing power, and (iii) our efforts to control costs and expenses related to call center functions.

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Our current ratio decreased from 60.0% as of December 31, 2018 to 50.0% as of December 31, 2019, primarily due to a decrease in our current assets as a result of the use of cash and cash equivalents for our business operations. Our current ratio decreased from 50.0% as of December 31, 2019 to 35.4% as of December 31, 2020, primarily attributable to (i) an increase in our current liabilities, primarily due to a borrowing from an entity controlled by 58 Daojia in 2020, (ii) a decrease in our current assets, primarily due to the use of cash and cash equivalents for our business operations, and (iii) decreases in prepayments, deposits and other receivables. Our current ratio rebounded to 112.5% as of December 31, 2021, primarily due to a significant decrease in our current liabilities attributable to our settlement of amounts due to related parties and other borrowings.

### PATH TO PROFITABILITY

Logistics is a mission critical business, providing services essential for a business's normal operations. The online intra-city logistics market in Asia is still at a nascent stage and has tremendous market potential. We have been focused on building our user network, increasing our business scale and optimizing our business models to lay a solid foundation for profitability and long-term development. **We incurred net loss, net operating loss and adjusted net loss (a non-IFRS measure) during the Track Record Period, primarily because our intra-city logistics business is at its early stage and we have made substantial investments to drive the growth of our business, which we believe are indispensable to establish compelling competitive advantages for the growth of our business. In addition, we adopted the Share Incentive Plan on August 18, 2021, under which we estimate the amount of remuneration in the form of share based compensation payable to the grantees thereunder will be approximately RMB684 million for the year ending December 31, 2022. We expect to remain loss-making at least for the years ending December 31, 2022, 2023 and 2024, given the planned business investments.**

Between 2018 and the first half of 2021, in comparison to other major players in the online intra-city logistics industry in mainland China, we adopted a prudent strategy to focus on operational efficiency and to narrow the negative profit margin. Owing to this prudent strategy, from 2018 to 2020, we consistently generated growing gross profit, our gross profit margin had been on a rising trend, and our adjusted net loss (a non-IFRS measure) decreased significantly. However, we faced challenges arising from the market competition and the COVID-19 pandemic. For example, in line with the prudent business strategy, we followed a conservative financing strategy and were cautious in selecting pre-IPO investors who share our key values and vision. While we had continued to make efforts in raising capital during the Track Record Period, the level of capital raised was insufficient to compete against the high level of incentives offered by some major competitors in mainland China. In addition, in 2020, our operations were affected by the COVID-19 pandemic, as well as the intensified competition in mainland China which reflected that a major mobility technology platform started its freight services in June 2020. According to Frost & Sullivan, this competitor used an aggressive policy of offering incentives to users in order to expand into the market. Our business performance during the first half of 2021 was further impacted by the intensified competition as this competitor continued to expand into new cities in mainland China. As a result, some of our key operating metrics in mainland China did not achieve a significant growth or had even decreased during the Track Record Period.

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During the second half of 2021, we initiated a more aggressive strategy in mainland China to increasingly focus on user retention and acquisition as (i) we received additional funding from our Series B and Series C financing and (ii) the mobile app of a major competitor was removed from app marketplaces due to administrative sanctions. Seizing the opportunity, we significantly increased our incentives to transacting users of platform services to increase our market share. As a result of the aggressive strategy, in the second half of 2021, we witnessed positive trends in our key operating metrics in mainland China as compared to those for the first half of 2021.

Upon the Listing, with proceeds from the Global Offering and other financial resources, we plan to continue to implement a more aggressive growth strategy. We intend to allocate approximately 60%, or HK\$340.4 million (equivalent to RMB289.2 million), of the net proceeds from the Global Offering to support our growth plan, including 40% to enlarge our user base and strengthen our brand awareness, and 20% to pursue strategic alliances, investments and acquisitions in overseas markets. Up to the Latest Practicable Date, we had raised an aggregate amount of RMB1,429.0 million through our pre-IPO financings and used a significant portion of these proceeds to expand our businesses. If our strategies are implemented as planned, we expect our total revenue to increase significantly in the next few years. We believe that the forecasted robust revenue growth and increasing operating leverage will drive our profitability. As our profitability improves, we also expect to record positive cash flow from operations in the future.

We plan to achieve profitability primarily through the following approaches.

### **Grow Our User Base and Enhance User Engagement**

Our ability to attract and retain shippers and drivers is crucial to our business growth. As of December 31, 2021, we had approximately 27.6 million registered shippers and 5.2 million registered drivers on our platform. Our massive driver-shipper network has the potential to generate powerful flywheel effects, driving our long-term sustainable growth. We believe as we attract and retain a larger base of drivers, our platform offers more logistics capacity and can respond to shippers' demand more promptly. As a result, more shippers will choose to deliver their freight and goods via our platform due to shorter response time, higher order completion rate and better user satisfaction. The increased order volume will enhance vehicle utilization rate and improve drivers' earnings, which will in turn raise drivers' engagement with and loyalty to our platform. We believe that the strong flywheel effects contributed to our increasing take rate and gross profit margin during the Track Record Period.

We will grow our user base primarily by (i) increasing our geographical coverage in mainland China, (ii) expanding our overseas business, (iii) continuing to broaden our enterprise customer base, and (iv) improving our marketing and promotional efforts.

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### **Enhance and Diversify Monetization Opportunities**

Our monetization ability with respect to our platform services depends in a large part on our take rate. Our average take rate for platform services had steadily improved in both mainland China and overseas markets during the Track Record Period. As our operations in Hong Kong and Singapore reach a relatively mature stage of development, we expect to see a steady increase in the take rate for our platform business in these markets. In Korea, we have been operating under a freemium model and have not yet charged service fees for our platform services. As our business scales in Korea, we may commence to charge service fees, which will become another revenue stream.

For our enterprise services, we plan to further expand our service offerings to improve our gross profit margin and enhance our profitability. We will continue to operate under an asset-light business model, while covering other logistics components valued by SMEs such as warehousing, inventory management, e-commerce integration, pick and pack, and reverse logistics, through collaboration with third parties. We intend to further capture monetization opportunities along the value chain of the logistics market, such as launching new energy vehicle rental services.

### **Further Improve Our Operational Efficiency**

The largest component of our cost of revenue is subcontracting fee for logistics services providers, which varies in correlation with revenue from enterprise services. We expect such cost as a percentage of revenue from enterprise services to decrease slightly in the future due to (i) expected improvement in our bargaining position with logistics service providers as our business scale grows, and (ii) increasing logistics efficiency due to popularization of NEVs which will reduce the total cost of ownership for vehicles.

We incurred significant selling and marketing expenses during the Track Record Period to grow our user base, enhance user engagement and increase brand recognition, which we believe will increase the attractiveness of our platform in the long run. We expect our selling and marketing expenses will continue to account for a considerable portion of our expenses. Incentives to transacting users of platform services are a key component of our selling and marketing expenses. As we shifted to a more aggressive growth strategy, our average incentive to transacting users per order in mainland China increased significantly in the second half of 2021 as compared to that for the second half of 2020 and the first half of 2021. Once we have completed the Global Offering and raised additional capital, we plan to maintain the average incentive per order in 2022 and 2023 at a level similar to or slightly higher than that in 2021, subject to evolving market conditions and the competitive landscape. We believe this will allow us to seize market opportunities in the rapidly expanding online intra-logistics market in Asia and better adapt to changing competitive landscape of the industry, particularly in mainland China where market competition has intensified. In the medium to long term, we plan to reduce incentives paid to transacting users once users develop an increasing dependence on and familiarity with our products and services, and the competitive landscape of the industry stabilizes, which is consistent with the pattern observed in industries that have reached a

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mature level of online penetration, such as the food delivery industry, according to Frost & Sullivan. When we achieve a larger scale, we are expected to benefit from the network effect of our enlarged user base and our stronger brand name to organically retain and acquire users in the long term.

Based on the foregoing, our Directors believe that our business is sustainable. Taking into consideration of financial resources presently available to us, including cash and cash equivalents on hand, internally generated funds and the estimated proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present needs and at least for the next 12 months from the date of this prospectus during which we plan to maintain a relatively high level of incentives, subject to evolving market conditions and competitive landscape. Having taken into account the factors above and the view of the Directors, the Joint Sponsors concur with the above-mentioned Directors' view.

The foregoing forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. For related risks, see “Risk Factors — Risks Related to Our Business and Industry — If we fail to manage our growth or execute our strategies effectively, our results of operations, financial condition and growth prospects may be materially and adversely affected.”

For a detailed path to profitability analysis, see “Financial Information – Path to Profitability.”

### **IMPACT OF THE COVID-19 PANDEMIC**

The outbreak of COVID-19 severely impacted mainland China in 2020. Moreover, the COVID-19 outbreak has become a global pandemic and affected regions outside of mainland China, including other countries and regions in Asia in which we operate.

In mainland China, we experienced certain disruptions in our operations as a result of the government-imposed restrictions on travel and social gathering, quarantines and shutdowns due to the COVID-19 outbreak in 2020. A substantial number of our offices in mainland China were closed in February 2020. In addition, the COVID-19 outbreak materially and adversely affected the operations of many enterprises, resulting in significant declines in demand for our services. The intra-city logistics industry was particularly impacted. The business activities of some of our major user groups, such as wholesale market merchants, supermarkets and restaurants, were severely affected. We also experienced significant declines in the number of drivers available to provide services due to quarantines and mobility restrictions in urban areas. For example, more than 70,000 drivers completed at least one order via our platform in February 2019, while approximately 20,600 did so in February 2020. Our total GTV in



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mainland China decreased from RMB2,573.0 million in 2019 to RMB1,984.8 million in 2020, reflecting the decreases in the GTV generated from our platform services and enterprise services in mainland China. In contrast, according to Frost & Sullivan, players in the inter-city logistics industry were less impacted as much-needed medical supplies and consumer goods were still being transported between inter-city highways. According to the same source, players in online food delivery and express delivery industries experienced increased business demand as restaurants and retailers were temporarily closed. Further, in 2020, a major mobility technology platform, expanded into the online intra-city logistics market in mainland China. As a result, our total GTV generated in mainland China decreased from RMB1,197.0 million in the first half of 2019 and to RMB794.1 million in the first half of 2020, and the number of shipment orders generated in mainland China decreased from 12.4 million in the first half of 2019 to 8.7 million in the first half of 2020.

The COVID-19 pandemic adversely impacted our business operations in overseas markets as well. The local governments of Hong Kong and other foreign countries and regions began to impose epidemic prevention and control measures as the COVID-19 pandemic escalated in the middle of 2020, such as compulsory “work from home” policies and closure of factories and offices in certain areas. Such measures resulted in reduced commercial activities of enterprises and individuals, which in turn affected demands for our enterprise services and platform services in certain markets. Our total GTV generated in overseas markets decreased from RMB351.2 million in the first half of 2019 and to RMB326.9 million in the first half of 2020, and the number of shipment orders generated in overseas markets decreased from approximately 3.0 million in the first half of 2019 to approximately 2.5 million in the first half of 2020. Our total GTV generated from overseas markets decreased from RMB740.0 million in 2019 to RMB709.6 million in 2020, with the number of shipment orders decreased from 6.0 million in 2019 to 5.4 million in 2020.

We undertook a series of mitigating actions to alleviate the impact of COVID-19 pandemic on our business. To ease our cash flow burdens, we carefully controlled our administrative expenses and temporarily adjusted compensation for management staff. In addition, we received government subsidies and enjoyed favorable policies as part of the governmental efforts to ease the burden of businesses affected by the COVID-19 pandemic. For the period from January 1, 2020 to December 31, 2021, the total amount of government subsidies and payment reductions or exemptions we were benefited in connection with the COVID-19 outbreak were approximately RMB16.0 million in mainland China and RMB11.7 million in overseas markets. For example, the Ministry of Human Resources and Social Security of the PRC, the MOF and the State Taxation Administration temporarily reduced or exempted payments of our contributions to the statutory employee social security plans in February 2020. We also received anti-epidemic funds granted by the Hong Kong government and the Singapore government.

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Since the second quarter of 2020, many of the quarantine measures within mainland China have been relaxed, though from time to time, restrictions were re-imposed in certain cities. Although the negative impact of the COVID-19 pandemic in our major overseas markets have been gradually controlled in 2021, sporadic resurgence of the pandemic happened in these markets. As our business gradually recovered from the impact of COVID-19 pandemic, our revenue increased by RMB80.6 million, or 35.8%, from RMB224.9 million in the first half of 2020 to RMB305.5 million in the second half of 2020, and our gross profit increased by RMB48.4 million, or 71.7%, from RMB67.5 million to RMB115.9 million, representing a gross margin of 30.0% and 37.9% in the same periods, respectively. Our revenue in 2021 amounted to RMB660.9 million, representing an increase by RMB130.5 million, or 24.6%, from RMB530.4 million in 2020. Our gross profit increased by RMB58.4 million, or 31.8% from RMB183.4 million in 2020 to RMB241.7 million in 2021, and our gross profit margin increased from 34.6% in 2020 to 36.6% in 2021. Our business achieved steady growth in 2021. Our revenue increased by RMB57.1 million, or 18.9%, from RMB301.9 million in the first half of 2021 to RMB359.0 million in the second half of 2021, while our gross profit increased by RMB28.0 million, or 26.2%, from RMB106.8 million to RMB134.9 million, representing a gross margin of 35.4% and 37.6% in the two periods, respectively.

As of the Latest Practicable Date, an outbreak of the COVID-19 variant in mainland China and globally since the beginning of 2022 had again caused more stringent measures, including temporary lock-down, implemented in certain cities in mainland China. Consequently, our GTV generated from certain cities in the regional outbreak decreased significantly. In addition, our business in Hong Kong was negatively impacted by the resurgence of COVID-19 variant, resulting in the decrease of number of completed orders and GTV in March 2022, and gradually recovered since April 2022. We have not been aggressively expanding into new markets in 2022 considering the on-going effect of the resurgence of COVID-19. We pay close attention to the development of COVID-19 and its impact on our business operations and financial performance. However, we currently are unable to predict the impact of the COVID-19 pandemic on our business and operations, our results of operations, financial condition, cash flows and liquidity in the future, as these depend on rapidly evolving developments, which are highly uncertain and will be a function of factors beyond our control. Such factors include, among others, the continued spread or recurrence of infection, the implementation of effective preventative and containment measures, the development of effective medical solutions, and the extent to which governmental restrictions on travel, public gatherings, mobility and other activities remain in place or are augmented. See “Risk Factors – Risks Related to Our Business and Industry – Our business operations and financial performance have been adversely affected by the COVID-19 outbreak, may in the future continue to be affected by the COVID-19 outbreak, and may be affected by other epidemics.”

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### RECENT REGULATORY DEVELOPMENTS

#### Cybersecurity

On January 4, 2022, the CAC published the Revised Measures for Internet Security Review (《網絡安全審查辦法》) (the “Revised CAC Measures”), which became effective on February 15, 2022 and superseded the Measures for Internet Security Review promulgated on April 13, 2020. The Revised CAC Measures provides that a critical information infrastructure operator purchasing network products and services, and platform operators carrying out data processing activities which affect or may affect national security, must apply for cybersecurity review. The Revised CAC Measures also provides that a platform operator with more than one million users’ personal information aiming to list abroad must apply for cybersecurity review. Our PRC Legal Advisor advises that Hong Kong does not fall within the definition of “abroad” in the provision. Therefore, although we possess more than one million users’ personal information, our PRC Legal Advisor is of the view that the requirement is not applicable to us given that we are seeking a listing in Hong Kong instead of abroad. As of the date of this prospectus, we had not been notified by any authorities of being classified as a critical information infrastructure operator, neither had we been involved in any investigations on cybersecurity review made by the CAC, and we have not received any inquiry, notice, warning, or sanctions in such respect.

On November 14, 2021, the CAC published for public comment the Regulations on Cyber Data Security Management (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the “Draft Cyber Data Security Regulations”), which applies to activities relating to the use of networks to carry out data processing activities within the territory of the PRC. Our PRC Legal Advisor advises that the Draft Cyber Data Security Regulations are applicable to the data processing activities of certain of our subsidiaries in the PRC, if the draft regulations were to be implemented in their current form. The Draft Cyber Data Security Regulations stipulates that a data processor who processes more than one million persons’ personal information aiming to list abroad or a data processor who seeks to complete a listing in Hong Kong which affects or may affect national security is required to apply for cybersecurity review pursuant to relevant rules and regulations. However, the Draft Cyber Data Security Regulations does not provide the standard to determine the circumstances that would be determined to “affect or may affect national security.” As of the Latest Practicable Date, the Draft Cyber Data Security Regulations was released for public comment only and its final version and effective date may be subject to change and uncertainty. For related risks, see “Risk Factors – Risks Related to Our Business and Industry – Our business collects, generates and processes a large amount of data, and is subject to complex and evolving regulations and oversight related to data security.”

As of the date of this prospectus, we had not been subject to any material administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities in relation to cybersecurity and data protection, nor had there been material cybersecurity and data protection incidents or infringement upon any third parties, or other legal proceedings, administrative or governmental proceedings, pending or, to the best of our knowledge, threatened against or relating to us, and we have obtained confirmation from the CAC that we

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are not required to apply for cybersecurity review for the proposed Listing. If the Draft Cyber Data Security Regulations was to be implemented in its current form, based on the foregoing and the analysis of provisions of the Revised CAC Measures and the Draft Cyber Data Security Regulations by our PRC Legal Advisor, the Directors and our PRC Legal Advisor do not foresee any material impediments for us to comply with the Revised CAC Measures and the Draft Cyber Data Security Regulations in all material aspects, given that as disclosed in “Business – Data Privacy and Security – Data Privacy and Data Protection” of this Prospectus, we have implemented a comprehensive set of internal policies, procedures, and measures to ensure our compliance practice. We will closely monitor the legislative and regulatory development in connection with cybersecurity and data protection, including the Draft Cyber Data Security Regulations and the interpretation or implementation rules of laws and regulations of cybersecurity and data protection, and we will adjust and enhance our data practices in a timely manner to ensure compliance once the regulations come into effect. Specifically, we will (a) take immediate steps to ensure compliance with new regulatory requirements within a reasonable period of time, including thoroughly reviewing our business practices and operational policies, improving our privacy policies and service agreements with our users, establishing relevant mechanism in response to data security incidents, applying for cybersecurity review as applicable, filing important data with competent authorities if applicable and submitting relevant data security assessment report as required; (b) proactively maintain communications with the CAC’s local branches, and continuously improve our operational procedures; and (c) continue to improve our data security protection technologies and measures and engage external professional consultants to advise us on cybersecurity and data protection requirements, if needed. The Joint Sponsors’ PRC legal advisor concurs with the foregoing analysis as to the related PRC Laws by our PRC Legal Advisor.

Based on the foregoing analysis, and the advice of our PRC Legal Advisor, our Directors are of the view that the Revised CAC Measures and the Draft Cyber Data Security Regulations, if implemented in its current form, would not have a material adverse impact on our business operations, financial performance or the proposed Listing. Having taken into account the view and analysis of our Company and the PRC Legal Advisor as described above as well as the due diligence conducted, nothing has come to the attention of the Joint Sponsors which would cause them to disagree with the reasonableness of our Directors’ view that (i) the Directors do not foresee any material impediments for us to comply with the Revised CAC Measures and the Draft Cyber Data Security Regulations in all material aspects; and (ii) the Revised CAC Measures and the Draft Cyber Data Security Regulations, if implemented in its current form, would not have a material adverse impact on our business operations, financial performance or the proposed Listing.

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### Data Privacy and Personal Information Protection

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (中華人民共和國數據安全法), effective from September 1, 2021. The Data Security Law imposes certain data security and privacy obligations on entities and individuals carrying out data activities, like us, and prohibits any PRC individual and entity from providing foreign judicial or law enforcement authorities with data stored within the PRC without approval by competent PRC governmental authorities. As of the date of this prospectus, we had not been subject to any penalties in connection with the Data Security Law.

On January 4, 2022, the CAC published the Administrative Provisions on Internet Information Service Algorithm Recommendation (《互聯網信息服務算法推薦管理規定》) (the “Algorithm Recommendation Provisions”) on its website, which became effective on March 1, 2022 and raised certain new compliance requirements on internet information service providers applying algorithm recommendation technologies. Specifically, the Algorithm Recommendation Provisions requires that such service providers shall provide users with options that are not specific to their personal profiles, or provide users with convenient options to cancel algorithmic recommendation services.

Based on the facts that, as of the Latest Practicable Date, (i) we had not been subject to any penalties in connection with the Data Security Law; and (ii) we already provide users with the option to deactivate algorithm driven recommendation function for advertisements and marketing information and will take necessary measures to meet other compliance requirements under the Algorithm Recommendation Provisions, save for the uncertainties regarding the interpretation and implementation of such laws and regulations as disclosed in this prospectus, our PRC Legal Advisor is of the view that the above changes in laws and regulations in relation to data privacy and personal information protection will not have a material adverse effect on our operations in the PRC in effect as of the Latest Practicable Date. However, there are uncertainties regarding the interpretation and implementation of the above laws and regulations, and our Directors and PRC Legal Advisor cannot preclude the possibility that new rules or regulations promulgated in the future will impose additional compliance requirements on us. See “Risk Factors – Risks Related to Our Business and Industry – Our business collects, generates and processes a large amount of data, and is subject to complex and evolving regulations and oversight related to data security”.

Based on the current circumstances known to the Directors, the Directors believe that we will not incur additional costs that are material to our Group as a whole or be required to materially change our business model as a result of the above changes in laws and regulations in relation to data privacy and personal information protection as of the date of this prospectus. Based on the foregoing, the Directors are of the view that the above changes will not have a material adverse effect on our business and operations. Having taken into account the factors above and the view of the Directors and the PRC Legal Advisor, nothing has come to the Joint Sponsors’ attention that would cause them to disagree with the reasonableness of the above-mentioned view of the Directors.

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## SUMMARY

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### Labor Protection

On July 16, 2021, the Ministry of Human Resources and Social Security of the PRC, the MOT together with certain other PRC government authorities jointly promulgated the Guiding Opinions on Protecting the Rights and Interests of Labors in New Forms of Employment (《關於維護新就業形態勞動者勞動保障權益的指導意見》) (the “Labor Protection Opinions”), to protect workers’ rights with respect to remuneration, rest, and labor safety. The Labor Protection Opinions call for pilot programs for occupational injury protection for flexible employment personnel, with a focus on platform enterprises in industries such as travel, food delivery, instant delivery and intra-city freight. Furthermore, the Labor Protection Opinions require platform enterprises using labor outsourcing and other cooperative labor arrangements undertake responsibilities in accordance with laws and regulations when workers’ rights and interests are harmed. On October 11, 2021, 16 governmental departments in the PRC jointly issued the Opinion on Strengthening the Protection of the Rights and Interests of Freight Drivers (《關於加強貨車司機權益保障工作的意見》) (the “Freight Drivers Opinion”), which provides, among others, that the authorities will strengthen the regulation of online freight platforms and urge online platforms to listen to the opinions of platform drivers, reasonably determine and adjust platform rules, and disclose such rules publicly. The Freight Drivers Opinion further encourages freight drivers to participate in social insurance schemes and supports intra-city freight platforms to join occupational injury insurance pilot schemes.

The Labor Protection Opinions specifically provide that for individuals who independently carry out business activities and engage in freelance work in reliance on platforms, the rights and obligations of such individuals and platforms are governed by civil laws rather than employment related laws and regulations. Therefore, as advised by our PRC Legal Advisor, neither the Labor Protection Opinions, the Freight Drivers Opinion nor any other applicable laws and regulations currently in effect in the PRC prohibit online logistics platforms such as us from engaging platform drivers as independent contractors in providing their services. Nor does any applicable law and regulation currently in effect in the PRC require online logistics platforms, such as us, to establish employment relationships with platform drivers. Based on the foregoing, to our best knowledge, there are currently no potential regulatory changes that would materially and adversely affect our arrangements with drivers from the labor and employment perspective, require us to change our business model and/or subject us to significant penalties/fines.

Further, our PRC Legal Advisor advises that neither the Labor Protection Opinions, the Freight Drivers Opinion nor any other applicable laws and regulations currently in effect in the PRC require online logistics platforms, such as us, to pay social insurance for platform drivers who are independent contractors. Instead, the Labor Protection Opinions provide that for independent contractors, online platforms shall encourage and support such workers to participate in social insurance by themselves. Therefore, to our best knowledge, there are currently no potential regulatory changes that would impose on us an obligation to pay social insurance for platform drivers. Our PRC Legal Advisor advises that the social insurance and housing provident fund scheme in the PRC is not mandatory for all working individuals. For drivers who have established an employment relationship, their employers are obligated under

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## SUMMARY

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PRC laws to pay social insurance and housing provident funds for them. The drivers who do not enter into an employment relationship may choose to, but are not obligated to, pay social insurance and housing provident funds for themselves. For platform drivers who have established employment relationships with human resources agencies or fleet operators, these entities are responsible for making social insurance and housing provident funds contributions for drivers.

To safeguard the rights and interests of platform drivers, we have adopted a number of measures and plan to implement the following initiatives on various scale: (i) encouraging platform drivers to equip their vehicles with auxiliary safety devices and systems to monitor and avoid driving fatigue; (ii) adopting policies to restrict maximum driving hours; (iii) including safety driving as one of the assessment factors for drivers; and (iv) continuing to prohibit drivers who cause material accidents and complaints from taking orders on our platform. For details, see “Business – Our Commitment to Trust and Safety” and “Business – Environmental, Social and Governance – Driver Welfare.” The Labor Protection Opinions and Freight Drivers Opinion may result in increases in our labor costs and additional compliance requirement. See “Risk Factors – Risks Related to Doing Business in Mainland China – Increases in labor costs and enforcement of stricter worker protection laws and regulations in China may adversely affect our business and our profitability.”

Based on the above and the facts that, as of the Latest Practicable Date, the Labor Protection Opinions and the Freight Drivers Opinion primarily consist of high-level guidance, while detailed implementation measures have yet to be promulgated, and as disclosed in “Business – Environmental, Social and Governance – Driver Welfare”, we have adopted and intend to adopt several measures to protect freight drivers’ rights as required under these opinions, save for the uncertainties regarding the interpretation and implementation of such laws and regulations as disclosed in this prospectus, our PRC Legal Advisor is of the view that the above changes in laws and regulations in relation to labor protection will not have a material adverse effect on our operations in the PRC in effect as of the Latest Practicable Date.

Based on the current circumstances known to the Directors, the Directors believe that we will not incur additional costs that are material to our Group as a whole or be required to materially change our business model as a result of the above changes in laws and regulations in relation to labor protection as of the date of this prospectus. Based on the foregoing, the Directors are of the view that the above changes will not have a material adverse effect on our business and operations. Having taken into account the factors above and the view of the Directors and the PRC Legal Advisor, nothing has come to the Joint Sponsors’ attention that would cause them to disagree with the reasonableness of the above-mentioned view of the Directors. However, our Directors and PRC Legal Advisor cannot preclude the possibility that new rules or regulations promulgated in the future will impose additional compliance requirements on us.

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## SUMMARY

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

The State Council recently revised the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (外商投資電信企業管理規定) which took effect from May 1, 2022 (the “2022 FITE Regulations”). The 2022 FITE Regulations, among others, no longer requires the main foreign investor who invests in a value-added telecommunications business in the PRC to possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations. The 2022 FITE Regulations prescribes that foreign investors are not allowed to hold more than 50% of the equity interests of a company engaged in value-added telecommunications business, except as otherwise stipulated by the state, and that a foreign-invested enterprise must be approved by the MIIT to engage in value-added telecommunications business. However, as of the Latest Practicable Date, no applicable PRC laws, regulations or rules had provided a clear guidance or interpretation regarding the foregoing amendment in the 2022 FITE Regulations and the interpretation and enforcement of the foregoing amendment in the 2022 FITE Regulations remains uncertain in practice. We will closely monitor relevant regulatory development in connection with the 2022 FITE Regulations.

The foregoing amendment in the 2022 FITE Regulations applies to all foreign-invested enterprises who apply for a value-added telecommunication business operating license after May 1, 2022. Our PRC Legal Advisor advises that the foregoing amendment is only applicable to us if we intend to apply for additional value-added telecommunication business operating licenses in the future, because we had already obtained the value-added telecommunication business operating license as of the Latest Practicable Date. Based on the facts that, (i) as of the Latest Practicable Date, we had already obtained the value-added telecommunication business operating license, and (ii) the 2022 FITE Regulations does not raise any additional requirements or restrictions on enterprises who have already obtained the value-added telecommunication business operating license before such amendment, and save for the uncertainties regarding interpretation and implementation for the 2022 FITE Regulations as disclosed in this prospectus, our PRC Legal Advisor is of the view that the above changes in laws and regulations in relation to value-added telecommunication services will not have a material adverse effect on our operations in the PRC in effect as of the Latest Practicable Date.

Based on the foregoing, our Directors are of the view that the 2022 FITE Regulations will not have a material adverse effect on our business and operations.



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## SUMMARY

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### Meetings with Regulatory Authorities

Relevant PRC authorities may from time to time provide administrative guidance for participants in the industries under their supervision. They may hold meetings where administrative guidance is provided and invite leading market players to join as representatives of the relevant industry. We have recently been invited to the following meetings with PRC authorities as one of the representatives of the online intra-city logistics industry:

- On April 1, 2021, the Law Enforcement Division of the Shanghai Municipal Transportation Commission, the Shanghai Traffic Police General Team, the Law Enforcement Division of the Shanghai City Urban Management Bureau, the Shanghai Emergency Management Bureau, and the Shanghai Market Supervision Bureau jointly met with several online logistics platforms, including us. During the meeting, the obligations of online logistics platforms to safeguard public safety were emphasized.
- On May 14, 2021, the Inter-ministerial Joint Committee for the Coordination and Supervision of New Forms of Transportation met with ten companies engaged in transportation platform business, including us. During the meeting, the authorities provided guidance on the protection of the legitimate rights and interests of drivers and other persons engaged in providing services in ride-hailing platforms.
- On September 10, 2021, the Ministry of Human Resources and Social Security, the MOT, the State Administration for Market Regulation and the All-China Federation of Trade Unions jointly met with ten online platforms, including us, to provide administrative guidance on the protection of workers' rights. Leading online platforms were asked to take an exemplary role in complying with labor and other relevant laws.
- On January 20, 2022, the Inter-ministerial Joint Committee for the Coordination and Supervision of New Forms of Transportation met with four online freight platforms and four ride-hailing platforms, including us. During the meeting, the authorities asked online freight platforms to facilitate transportation services and contribute to social stability during significant events, including the Chinese New Year holiday and the Winter Olympic Games. The authorities also re-emphasized the previous guidance on the protection of drivers' rights and interests.
- On January 24, 2022, we, together with other two online freight platforms, attended a meeting with the Law Enforcement Division of the Shanghai Municipal Transportation Commission and the Traffic Police Division of the Shanghai Public Security Commission. During the meeting, the authorities required online freight platforms to tighten the examination of drivers' and vehicles' qualifications, and ban the transportation of illegal goods on their platforms. The authorities stated that they will continue to carry out inspections on unqualified vehicles which are used to provide illegal freight services and take strict actions against non-compliant vehicles that take freight orders through online platforms. They also require online freight platforms to prohibit non-compliant vehicles from receiving freight orders through their platforms.

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## SUMMARY

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- On March 8, 2022, the Sichuan department of transportation, together with other relevant authorities in Sichuan Province, met with several online logistics platforms, including us. During the meeting, the authorities provided guidance for online platforms to reasonably determine take rates and information service fees, engage in fair competition, improve drivers' work environment, and safeguard public safety.

For details of the key matters discussed in such meetings and our actions in response, see “Business – Compliance with Laws and Regulations – Meetings with Regulatory Authorities.”

### **Rules relating to Overseas Listing**

On December 24, 2021, the CSRC issued the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) (the “Draft Overseas Listing Administration Provisions”) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》) (the “Draft Overseas Listing Filing Measures”, together with the Draft Overseas Listing Administration Provisions, the “Draft Overseas Listing Regulations”), which are open for public comments until January 23, 2022.

The Draft Overseas Listing Administration Provisions, if adopted in its current form, will comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic companies' securities, and will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime. According to the draft regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. Overseas offerings and listings that are prohibited by specific laws and regulations, constitute threat to or endanger national security, involve material ownership disputes, the PRC domestic companies, their controlling shareholder or actual controller involving in certain criminal offence, or directors, supervisors and senior management of the issuer involving in certain criminal offence or administrative penalties, among other circumstances, are explicitly forbidden. As implementation rules, the Draft Overseas Listing Filing Measures specify the filing requirement and procedures. The Draft Overseas Listing Filing Measures provide that if the issuer meets the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as indirect overseas offering by PRC domestic companies: (i) any of the revenue, net profit, total assets or net assets of the domestic companies accounted for more than 50% of the respective audited revenue, net profit, total assets or net assets of the issuer within the latest fiscal year; (ii) a majority of the officers responsible for management of the issuer are PRC citizens or have their usual place of residence located in mainland China, the issuer's main place of operation is within mainland China. It is unclear based on the Draft Overseas Listing Filing Measures whether either or both of the above criteria need to be satisfied. Where an issuer makes an application for initial public offering to competent overseas regulators, the issuer must submit to the CSRC filing documents within three working days after such application is submitted. The Draft Overseas Listing Filing Measures also require subsequent report to the CSRC on material events, such as material change in principal business and change of control.

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At the press conference held for these draft regulations, officials from the CSRC clarified that implementation of the Draft Overseas Listing Regulations will follow the non-retroactive principle, which means only the initial public offerings by PRC domestic companies and financing by existing overseas listed PRC domestic companies to be conducted after the foregoing regulations become effective will be required to complete the filing process. In addition, the new regulations and rules will grant a proper transition period for existing overseas-listed companies that do not have subsequent financing activities to comply with the filing requirement. Further, the officials from the CSRC during the press conference confirmed that companies with VIE structure which comply with applicable PRC laws and regulations may conduct overseas offering and listing. Our PRC Legal Advisor advises that the Draft Overseas Listing Regulations apply to overseas offerings and listings of PRC domestic companies, while do not raise new compliance requirements for business operations of PRC domestic companies. Therefore, we and our PRC Legal Advisor do not foresee the Draft Overseas Listing Regulations, if become effective in their current form, would have a material adverse impact on our business operations.

Our PRC Legal Advisors and the PRC legal advisors to the Joint Sponsors conducted phone consultation with the CSRC who confirmed that we are not required for the time being to complete any examination/filing procedures and/or obtain approval from the CSRC required under the Draft Overseas Listing Regulations for the proposed Listing. Since the final version of the Draft Overseas Listing Regulations has not been issued, the CSRC is currently not able to respond to inquiries regarding how they will be implemented after taking effect, including, assuming the Draft Overseas Listing Regulations come into effect in their current form before the Listing, whether we would be required to complete the examination/filing procedures and/or obtain approval from the CSRC given that we completed listing hearing before the Draft Overseas Listing Regulations become effective. We will closely monitor relevant regulatory developments and may further seek guidance from the CSRC when feasible. Therefore, as advised by the PRC Legal Advisor, the Listing is currently not subject to any filing procedures with, or approval from, the CSRC. As of the date of this prospectus, we had not received any inquiry, notice, warning, or sanctions regarding this Listing or our corporate structure from the CSRC or any other PRC government authorities with respect to the filing requirement under the new regulatory regime. To our best knowledge, none of the circumstances that would prohibit PRC domestic companies from conducting overseas offering and listing under the Draft Overseas Listing Regulations exists for us. Our PRC Legal Advisor has also conducted public searches against our PRC-incorporated subsidiaries, our controlling shareholders and actual controllers, as well as our directors and senior management, and did not find any of them having been involved in relevant criminal offences or administrative penalties that would prohibit us from conducting overseas offering or listing under the Draft Overseas Listing Regulations. Based on the foregoing and our PRC Legal Advisor's due inquiry, our PRC Legal Advisor does not find that we fall within any of the circumstances which would prohibit PRC domestic companies from conducting overseas offering and listing as provided under the Draft Overseas Listing Regulations. Therefore, if the Draft Overseas Listing Regulations become effective in their current form before the Listing is completed, other than uncertainties of the filing procedures which may be further clarified in the final version of the Draft Overseas Listing Regulations and/or their implementation rules, we do not foresee any impediment for us to comply with the Draft Overseas Listing Regulations in any material respect.

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## SUMMARY

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Further, our PRC Legal Advisor advises that the Draft Overseas Listing Regulations allow PRC domestic companies with a VIE structure which comply with applicable PRC laws and regulations to conduct overseas offerings and listings, and do not raise additional compliance requirements for business operations of such companies. Based on the foregoing, with the advice of our PRC Legal Advisor, we do not foresee the Draft Overseas Listing Regulations, if become effective in their current form, would have a material adverse impact on our VIE structure or our ability to operate our business through the VIE structure. See “Risk Factors – Risks Related to Doing Business in Mainland China – The approval of or filing with the CSRC or other governmental authorities may be required in connection with the Global Offering, and, if required, we cannot predict whether we will be able to obtain such approval or complete such filing.”

### RECENT DEVELOPMENT AND MATERIAL ADVERSE CHANGE

An outbreak of the Omicron, a COVID-19 variant, in mainland China and globally since the beginning of 2022 had again caused more stringent measures implemented in the certain outbreak cities, including temporary lock-down measures in mainland China. Consequently, our GTV generated from certain cities in the regional outbreak decreased significantly, resulting in a decrease of GTV generating from our services in mainland China from RMB555.1 million for the four months ended April 30, 2021 to RMB439.7 million for the four months ended April 30, 2022, with the number of shipment orders decreased from approximately 6,137.2 thousand to 5,407.0 thousand in the same periods. In addition, the GTV generating from our services in the overseas markets decreased from RMB71.7 million in January 2022 to RMB48.7 million in February 2022, and gradually rebounded to RMB68.4 million in March 2022, with the number of shipment orders decreased from approximately 538.3 thousand to 343.9 thousand, and rebounded to 480.4 thousand in the same periods, reflecting the negative impact of the resurgence of COVID-19 variant in Hong Kong and the seasonal fluctuations after the Chinese New Year holidays. We have not been aggressively expanding into new markets in 2022 since the resurgence of COVID-19 in mainland China has created a fluid situation and we intend to closely monitor the current market conditions. By 2025, we plan to make our services available in over 90 additional lower-tier cities in mainland China. According to Frost & Sullivan, taking into account the impact of COVID-19, the size of the intra-city logistics market in mainland China in terms of GTV is expected to grow from RMB1,498.0 billion in 2022 to RMB2,300.8 billion in 2026, representing a CAGR of 11.3%. Considering the forecasted growth of the market over the long term, we believe the delay to be temporary and not material to our overall expansion plan. In selecting the cities to expand into, we will carefully assess their market potential and existing presence of competitors, among other factors. We will pay close attention to the development of COVID-19 and its impact on our business operations and financial performance.

The number of shipment orders and total GTV decreased from the four months ended April 30, 2021 to the four months ended April 30, 2022, primarily due to decreases in the number of shipment orders and GTV for our platform services, reflecting the negative impact of the resurgence of COVID-19 since the beginning of 2022, which was partially offset by increases in the number of shipment orders and GTV for our enterprise services, reflecting increased demand from our enterprises customers for intra-city logistics services due to COVID-related social distancing and quarantine measures. From the four months ended April 30, 2021 to the four months ended April 30, 2022, our active drivers decreased in mainland

## SUMMARY

China primarily due to COVID-related restrictions, while increased in overseas markets as more people sought work to supplement their income. The following table sets forth certain key operating data for the indicated periods.

	<b>For the four months ended April 30,</b>	
	<b>2021</b>	<b>2022</b>
<b>Platform services:</b>		
Number of shipment orders		
Mainland China	6,021,726	5,245,903
Overseas markets	1,513,576	1,374,348
<b>Total</b>	<b>7,535,302</b>	<b>6,620,251</b>
<b>GTV<sup>2</sup> (RMB in millions)</b>		
Mainland China	517.4	396.1
Overseas markets <sup>1</sup>	166.7	155.6
<b>Total</b>	<b>684.2</b>	<b>551.7</b>
<b>Active drivers<sup>3</sup></b>		
Mainland China	92,681	87,019
Overseas markets <sup>1</sup>	9,668	12,503
<b>Total</b>	<b>102,349</b>	<b>99,522</b>
<b>Enterprise services:</b>		
Number of shipment orders		
Mainland China	115,516	161,106
Overseas markets <sup>1</sup>	329,243	466,517
<b>Total</b>	<b>444,759</b>	<b>627,623</b>
<b>GTV<sup>4</sup> (RMB in millions)</b>		
Mainland China	37.7	43.6
Overseas markets <sup>1</sup>	76.8	98.5
<b>Total</b>	<b>114.5</b>	<b>142.1</b>
<b>Active drivers<sup>3</sup></b>		
Mainland China	28,656	26,514
Overseas markets <sup>1</sup>	11,273	13,295
<b>Total</b>	<b>39,929</b>	<b>39,809</b>

*Notes:*

- Refers to the overseas markets in which we currently operate, namely Hong Kong, Singapore, Korea and India.
- The GTV of shipment orders for our platform services in a given period represents the total amount paid by shippers for the shipment orders which were fulfilled by the drivers matched through our platform after giving effect to cancellations or refunds and without deducting any service fee charged by us and the value-added tax.

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## SUMMARY

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3. Active drivers refers to the drivers who completed at least one order in the indicated period.
4. The GTV of shipment orders for our enterprise services in a given period represents the total amount paid by enterprise customers to us for logistics services, without deducting the value-added tax.

Our Directors confirm that, save as disclosed above and in this prospectus, up to the date of this prospectus, there has been no material adverse change in financial and trading positions or prospects of our Group since December 31, 2021, being the date on which our latest audited consolidated financial statements were prepared, and there has been no event since December 31, 2021 which would materially affect the information in the Accountant's Report set out in Appendix I to this prospectus.

Based on our unaudited management accounts, our revenue and gross profit for the four months ended April 30, 2022 increased compared to the same period in 2021; our gross profit margin decreased primarily because the growth in our cost of revenue outpaced the growth in our revenue as a result of the increase in subcontracting fees for logistics service providers as our enterprise services experienced a faster growth compared to our platform services. However, we expect to continue to be loss-making for the year ending December 31, 2022 and our net loss to increase in 2022 compared to 2021, as we continue to grow our business, including expand our user base and enhance our user engagement, which requires substantial investments, such as providing incentives to users, and an increase of share-based compensation expenses due to the Share Incentive Plan we adopted in 2021.

### OFFERING STATISTICS

All statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 31,200,000 Offer Shares are issued pursuant to the Global Offering; (ii) the Over-allotment Option is not exercised; and (iii) 615,527,987 Shares are issued and outstanding following the completion of the Global Offering.

	<b>Based on an Offer Price of HK\$21.50 per Offer Share</b>
Market capitalization of the Share following the completion of the Global Offering <sup>(1)</sup>	HK\$13,233.9 million
Unaudited pro forma adjusted consolidated net tangible assets per Share <sup>(2)</sup>	HK\$1.10

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*Notes:*

- (1) The calculation of market capitalization is based on 615,527,987 Shares expected to be in issue immediately upon completion of the Global Offering.
- (2) The unaudited pro forma adjusted consolidated net tangible assets per Share as of December 31, 2021 is calculated after making the adjustments referred to in "Financial Information – Unaudited Pro Forma Financial Information" and on the basis that 615,527,987 Shares were in issue (included the dilutive impacts of the Share Split in 2017 and dividend distributed, if any), assuming that the Global Offering and the re-designation of the Preferred Shares, Class A ordinary shares and Class B ordinary shares into Shares had been completed on December 31, 2021 but does not take into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, any Shares which may be issued under the Pre-IPO Share Incentive Plan or any Shares which may be issued or repurchased by the Company under the general mandate to issue Shares and general mandate to repurchase Shares as described in the section headed "Share Capital" in this prospectus.

See "Unaudited Pro Forma Financial Information – A. Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets" in Appendix II to this prospectus for more details.

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## SUMMARY

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### LISTING EXPENSES

Our listing expenses mainly include underwriting commissions, incentive fees, professional fees paid to legal advisors and the Reporting Accountant for their services rendered in relation to the Listing and the Global Offering. The estimated total listing expenses (assuming an Offer Price of HK\$21.50 per Offer Share and assuming that the Over-allotment Option is not exercised) for the Global Offering are approximately RMB88.0 million (equivalent to approximately HK\$103.5 million), representing 15.4% of the gross proceeds from the Global Offering. The estimated total listing expenses consist of professional fees of RMB84.8 million (approximately HK\$99.8 million) and non-professional fees of RMB3.1 million (approximately HK\$3.7 million). The estimated total listing expenses consist of underwriting fees of RMB22.8 million (approximately HK\$26.8 million), and non-underwriting fees of RMB65.2 million (approximately HK\$76.7 million). During the Track Record Period, we incurred listing expenses of RMB33.8 million, which have been charged to our consolidated statement of comprehensive income. We expect to incur additional listing expenses of approximately RMB41.4 million which are expected to be charged to our consolidated statements of comprehensive income subsequent to Track Record Period and RMB12.8 million will be accounted for as a deduction from equity upon the completion of the Global Offering.

### APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue of RMB660.9 million (equivalent to approximately HK\$796.3 million) for the year ended December 31, 2021 exceeds HK\$500 million, and (ii) our expected market capitalization at the time of Listing, which, based on the indicative Offer Price, exceeds HK\$4 billion.

### DIVIDEND

During the Track Record Period, we did not declare or distribute any dividend. According to our Articles of Association and applicable laws and regulations, the decision on whether to pay dividends will be made at the discretion of our Directors and will depend upon, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that our Directors may consider relevant. We do not have a pre-determined dividend payout ratio. As advised by our legal advisor on Cayman Islands law, Maples and Calder (Hong Kong) LLP, under the Companies Act (As Revised) of the Cayman Islands, a position of accumulated losses does not necessarily restrict us to declare and pay dividends to our Shareholders as dividends may be declared and paid out of our share premium account notwithstanding our profitability.

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## SUMMARY

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

### USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$567.3 million, after deducting estimated underwriting commissions, fees and expenses payable by us in connection with the Global Offering, assuming an Offer Price of HK\$21.50 per Share, and assuming the Over-allotment Option is not exercised. We currently intend to apply the net proceeds from the Global Offering for the following purposes:

- approximately 40% of the net proceeds, or HK\$226.9 million, is expected to be used to enlarge our user base and strengthen our brand awareness;
- approximately 20% of the net proceeds, or HK\$113.5 million, is expected to be used to develop new services and products to enhance our monetization capabilities;
- approximately 20% of the net proceeds, or HK\$113.5 million, is expected to be used to pursue strategic alliances, investments and acquisitions in overseas markets that are complementary to our business and in line with our strategies;
- approximately 10% of the net proceeds, or HK\$56.7 million, is expected to be used to advance our technological capabilities and enhance our research and development capabilities, including upgrading our information and technology systems and procuring advanced technologies from third-party service providers; and
- approximately 10% of the net proceeds, or HK\$56.7 million, is expected to be used for working capital and general corporate purposes.



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## DEFINITIONS

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*In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.*

“Accountant’s Report”	the accountant’s report of our Company, the text of which is set out in Appendix I to this prospectus
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Alibaba”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands and listed on the Hong Kong Stock Exchange (stock code: 9988), whose American depositary shares are listed on the New York Stock Exchange (NYSE: BABA)
“Articles” or “Articles of Association”	the articles of association of our Company conditionally adopted by a special resolution passed on June 9, 2022 with effect from the Listing Date, a summary of which is set forth in “Summary of the Constitution of the Company and Cayman Islands Company Law” in Appendix III to this prospectus
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands
“CAC”	Cyberspace Administration of China (國家互聯網信息辦公室)
“CAGR”	compound annual growth rate

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## DEFINITIONS

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“Cainiao”	Cainiao Smart Logistics Network (Hong Kong) Limited (菜鳥智能物流網絡(香港)有限公司), a company incorporated under the laws of Hong Kong on June 17, 2015 and an indirect non-wholly owned subsidiary of Alibaba
“Cayman Companies Act” or “Companies Act”	The Companies Act (As Revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS EIPO”	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by (i) instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf, or (ii) if you are an existing CCASS Investor Participant, giving electronic application instructions through the CCASS Internet System ( <a href="https://ip.ccass.com">https://ip.ccass.com</a> ) or through the CCASS Phone System (using the procedures in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time). HKSCC can also input electronic application instructions for CCASS Investor Participants through HKSCC’s Customer Service Center by completing an input request
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation

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## DEFINITIONS

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“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS as from time to time in force
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“China”, “mainland China” or “the PRC”	the People’s Republic of China, and for the purposes of this document only, except where the context requires otherwise, references to “China”, “mainland China” or the “PRC” exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Class A Ordinary Share(s)”	class A ordinary shares of the share capital of the Company with a par value of US\$0.0000025 each, conferring a holder of a Class A Ordinary Share one vote per Share on any resolution tabled at the Company’s general meeting; each Class A Ordinary Share shall be re-classified and redesignated into one Share immediately prior to the Listing Date
“Class B Ordinary Share(s)”	class B ordinary shares of the share capital of the Company with a par value of US\$0.0000025 each, conferring a holder of a Class B Ordinary Share one vote per Share (provided that 58 Daojia’s interest in the Company is above 51%) on any resolution tabled at the Company’s general meeting; each Class B Ordinary Share shall be re-classified and redesignated into one Share immediately prior to the Listing Date
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

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## DEFINITIONS

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“Company,” “our Company,” or “the Company”	GOGOX HOLDINGS LIMITED (formerly named as 58 Freight Inc.), an exempted company with limited liability incorporated under the laws of Cayman Islands on June 8, 2017
“Compliance Advisor”	Red Solar Capital Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entity(ies)”	the entities we control through the Contractual Arrangements, being Tianjin 58 Freight and its subsidiaries, namely Hainan 58 Supply Chain, Zhenjiang 58 Supply Chain, Hainan 58 Freight and Tianjin Kuaigou Freight, details of which are set out in the section headed “History, Reorganization and Corporate Structure”
“Contractual Arrangements”	the series of contractual arrangements entered into by, among others, Hainan WFOE, Tianjin 58 Freight and its Registered Shareholders, and other Consolidated Affiliated Entities, as applicable, details of which are set out in the section headed “Contractual Arrangements”
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Yao, Nihao China Corporation, Nihao Haven Corporation, Internet Opportunity Company, Internet Opportunity Fund LP, Internet Opportunity Haven Company, Quantum Bloom, 58.com, China Classified Information Corporation Limited, Trumpway Limited, Genesis Fortune Holdings Limited, Major Group Enterprises Limited, Mr. Chen and 58 Daojia
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“COVID-19”	a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Daojia Limited”	a company incorporated under the laws of the Cayman Island on May 16, 2018
“Director(s)”	the director(s) of our Company

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## DEFINITIONS

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“Exchange Participant”	has the meaning ascribed to it under the Listing Rules
“Extreme Conditions”	any extreme conditions or events, the occurrence of which will cause interruption to the ordinary course of business operations in Hong Kong and/or that may affect the Listing Date
“FRC”	Financial Reporting Council
“Frost & Sullivan”	Frost & Sullivan International Limited
“Global Offering”	the Hong Kong Public Offering and the International Offering
“GoGo Tech HK”	GoGo Tech Limited, a limited company established in Hong Kong on June 14, 2013, which is an indirectly wholly-owned subsidiary of the Company
“GoGo Tech Taiwan”	GoGo Technology Limited (高高科技有限公司), a limited company established in Taiwan on July 9, 2014, which was an indirectly wholly-owned subsidiary of the Company and was deregistered on April 17, 2021 and completed the liquidation process on October 19, 2021.
“GoGoVan Cayman”	GoGo Tech Holdings Limited, a company incorporated in the Cayman Islands on July 9, 2014, which is one of our substantial shareholders
“GoGoVan Korea”	GoGoVan Korea Co., Ltd., a stock corporation established in the Republic of Korea on November 24, 2014, which is an indirectly wholly-owned subsidiary of the Company
“GoGoVan Singapore”	GoGoVan Singapore Pte. Ltd., a private limited company established in the Republic of Singapore on April 2, 2014, which is an indirectly wholly-owned subsidiary of the Company
“GOGOX PRC”	GOGOX PRC Group Limited (中國快狗打車集團有限公司), a company incorporated under the laws of Hong Kong on June 26, 2017 and a wholly-owned subsidiary of the Company

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## DEFINITIONS

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“Governmental Authority”	any governmental, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organization, or other non-governmental regulatory authority, or any court, judicial body, tribunal, or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign, or supranational
“ <b>GREEN</b> Application Form(s)”	the application form(s) to be completed by the <b>White Form eIPO</b> Service Provider, Computershare Hong Kong Investor Services Limited
“Group,” “our Group,” “the Group,” “we,” “us,” or “our”	our Company and our subsidiaries and Consolidated Affiliated Entities at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries or the Consolidated Affiliated Entities, the business operated by such subsidiaries or the Consolidated Affiliated Entities or their predecessors (as the case may be)
“Hainan 58 Freight”	Hainan 58 Daojia Freight Services Co., Ltd. (海南五八到家貨運服務有限公司), a limited liability company established under the laws of the PRC on April 9, 2021 and a Consolidated Affiliated Entity
“Hainan 58 Supply Chain”	Hainan 58 Daojia Supply Chain Management Services Co., Ltd. (海南五八到家供應鏈管理服務有限公司), a limited liability company established under the laws of the PRC on April 21, 2020 and a Consolidated Affiliated Entity
“Hainan 58 Technology” or “Hainan WFOE”	Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), a limited liability company established under the laws of the PRC on May 21, 2021, which was an indirectly wholly-owned subsidiary of the Company as of the Latest Practicable Date
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$” or “HKD” or “Hong Kong Dollars”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

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## DEFINITIONS

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“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong Offer Shares”	the 3,120,000 Shares being initially offered for subscription in the Hong Kong Public Offering (subject to reallocation as described in the section headed “Structure of the Global Offering”)
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, FRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.005%) on the terms and subject to the conditions described in this document, as further described in the section headed “Structure of the Global Offering – The Hong Kong Public Offering”
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Takeovers Code” or “Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering as listed in the section headed “Underwriting – Hong Kong Underwriters”
“Hong Kong Underwriting Agreement”	the underwriting agreement, dated as of June 13, 2022, relating to the Hong Kong Public Offering, entered into among our Company, UBS Securities Hong Kong Limited, UBS AG Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, BOCOM International (Asia) Limited, BOCOM International Securities Limited, ABCI Capital Limited, ABCI Securities Company Limited, Trumpway Limited, Genesis Fortune Holdings Limited, Major Group Enterprises Limited, Chen Xiaohua (陳小華), 58 Daojia Inc. and other Hong Kong Underwriters, as further described in the section headed “Underwriting – Underwriting arrangements and expenses – Hong Kong Public Offering – Hong Kong Underwriting Agreement”

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## DEFINITIONS

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“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Independent Third Party(ies)”	any entity or person who is not a connected person of our Company or an associate of such person within the meaning ascribed to it under the Listing Rules
“International Offer Shares”	the 28,080,000 Shares being initially offered for subscription under the International Offering together, where relevant, with any additional Shares that may be sold pursuant to any exercise of the Over-allotment Option (subject to reallocation as described in the section headed “Structure of the Global Offering”)
“International Offering”	the conditional placing of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S and in the United States to QIBs only in reliance on Rule 144A or any other available exemption from the registration requirements under the U.S. Securities Act, as further described in the section headed “Structure of the Global Offering”
“International Underwriters”	the underwriters of the International Offering
“International Underwriting Agreement”	the international underwriting agreement, expected to be entered into on or about June 17, 2022, relating to the International Offering, expected to be entered into among, inter alia, our Company, the Joint Global Coordinators and the International Underwriters, as further described in “Underwriting – International Offering”
“Joint Bookrunners”	UBS AG Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, BOCOM International Securities Limited, ABCI Capital Limited, Futu Securities International (Hong Kong) Limited, Zhongtai International Securities Limited and Fosun Hani Securities Limited
“Joint Global Coordinators”	UBS AG Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, BOCOM International Securities Limited and ABCI Capital Limited



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## DEFINITIONS

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“Joint Lead Managers”	UBS AG Hong Kong Branch, China International Capital Corporation Hong Kong Securities Limited, BOCOM International Securities Limited, ABCI Securities Company Limited, Futu Securities International (Hong Kong) Limited, Zhongtai International Securities Limited, Fosun Hani Securities Limited, Tiger Brokers (HK) Global Limited, CEB International Capital Corporation Limited, Eddid Securities and Futures Limited and Livermore Holdings Limited
“Joint Sponsors”	UBS Securities Hong Kong Limited, China International Capital Corporation Hong Kong Securities Limited, BOCOM International (Asia) Limited and ABCI Capital Limited
“Korea”	Republic of Korea
“Latest Practicable Date”	June 7, 2022, being the latest practicable date for ascertaining certain information in this document before its publication
“Laws”	all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, directives, requests, orders, judgments, decrees, or rulings of any Governmental Authority (including the Stock Exchange and the SFC) of all relevant jurisdictions
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	the date, expected to be on or about Friday, June 24, 2022, on which the Shares are to be listed and on which dealings in the Shares are to be first permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange

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## DEFINITIONS

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“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“MOT”	the Ministry of Transport of the PRC (中華人民共和國交通運輸部)
“Mr. Chen”	Mr. CHEN Xiaohua (陳小華), our Chairman of the Board, an executive Director and one of our Controlling Shareholders
“Mr. Yao”	Mr. YAO Jinbo (姚勁波), one of our Controlling Shareholders
“Nomination Committee”	the nomination committee of the Board
“NPC”	National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
“Offer Price”	the offer price per Offer Share (exclusive of brokerage, SFC transaction levy, FRC transaction levy and Stock Exchange trading fee), expressed in Hong Kong dollars, at which Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offering and International Offer Shares are to be offered pursuant to the International Offering, to be determined as described in the section headed “Structure of the Global Offering – Pricing and allocation”
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares together, where relevant, with any additional Shares to be sold by our Company pursuant to the exercise of the Over-allotment Option

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## DEFINITIONS

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“Over-allotment Option”	the option expected to be granted by our Company to the International Underwriters, exercisable by the Joint Global Coordinators (for themselves and on behalf of the International Underwriters) for up to 30 days from the day following the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue up to 4,680,000 additional Shares (representing in aggregate 15% of the initial Offer Shares) to the International Underwriters to cover over-allocations in the International Offering, if any, details of which are described in the section headed “Structure of the Global Offering – The International Offering – Over-allotment Option”
“overseas markets”	unless the context requires otherwise, referring to the markets we currently operate in outside mainland China, namely Hong Kong, Singapore, Korea and India
“PRC Legal Advisor”	Tian Yuan Law Firm, our legal advisor on PRC law
“Pre-IPO Investment(s)”	the investment(s) in our Company undertaken by the Pre-IPO Investors prior to this initial public offering, the details of which are set forth in “History, Reorganization and Corporate Structure – Pre-IPO Investments”
“Pre-IPO Investor(s)”	Shareholders who subscribed for the Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares prior to the Global Offering as described in the section headed “History, Reorganization and Corporate Structure – Pre-IPO Investments”
“Preferred Shares”	Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares
“Principal Share Registrar”	Maples Fund Services (Cayman) Limited
“QIB”	a qualified institutional buyer within the meaning of Rule 144A
“Registered Shareholders”	the registered shareholders of Tianjin 58 Freight, namely Mr. Chen and Mr. Yao
“Regulation S”	Regulation S under the U.S. Securities Act

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## DEFINITIONS

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“Remuneration Committee”	remuneration committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of China
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SCNPC”	Standing Committee of the National People’s Congress of the PRC (中華人民共和國全國人民代表大會常務委員會)
“SEC”	the United States Securities and Exchange Commission
“Series A Preferred Share(s)”	the series A preferred shares of our Company with a par value of US\$0.0000025 each
“Series B Preferred Share(s)”	the series B preferred shares of our Company with a par value of US\$0.0000025 each
“Series C Preferred Share(s)”	the series C preferred shares of our Company with a par value of US\$0.0000025 each
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Youban” or “Shanghai WFOE”	Shanghai Youban Network Technology Co., Ltd. (上海優搬網絡科技有限公司), a limited liability company established under the laws of the PRC on April 14, 2018, which was an indirectly wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) in the share capital our Company with a par value of US\$0.0000025 each

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of our Share(s)
“Stabilizing Manager”	UBS AG Hong Kong Branch
“State Council”	State Council of the PRC (中華人民共和國國務院)
“Stock Borrowing Agreement”	the stock borrowing agreement expected to be entered into on or around June 17, 2022 between the Stabilizing Manager or its affiliates and 58 Daojia
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Taobao China”	Taobao China Holding Limited (淘寶中國控股有限公司), a company incorporated under the laws of Hong Kong on March 26, 2003 and an indirect wholly-owned subsidiary of Alibaba Group Holding Limited
“Tianjin Kuaigou Freight”	Tianjin Kuaigou Freight Services Co., Ltd. (天津快狗貨運服務有限公司), a limited liability company established under the laws of the PRC on December 13, 2021 and a Consolidated Affiliated Entity
“Tianjin 58 Freight”	Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司), a limited liability company established under the laws of the PRC on July 10, 2017 and a Consolidated Affiliated Entity
“Tianjin 58 Technology” or “Tianjin WFOE”	Tianjin 58 Daojia Technology Co., Ltd. (天津五八到家科技有限公司), a limited liability company established under the laws of the PRC on July 26, 2017, which was an indirectly wholly-owned subsidiary of the Company
“Track Record Period”	the four financial years ended December 31, 2018, 2019, 2020 and 2021
“Underwriters”	the Hong Kong Underwriters and the International Underwriters

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## DEFINITIONS

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“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. Exchange Act”	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“US dollars”, “U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“VAT”	value-added tax
“VIE” or “VIEs”	variable interest entity or variable interest entities
“Warrants”	the warrants issued to Zhuhai Hengqin Fortune Huaxin Equity Investment Fund (Limited Partnership) (珠海橫琴財富華新股權投資基金(有限合夥)), Qianhai Equity Investment Fund (Limited Partnership) (前海股權投資基金(有限合夥)) and Zhuhai Hengqin Borui Huaxin Investment Partnership (Limited Partnership) (珠海橫琴博睿華新投資合夥企業(有限合夥)), entitling each of them to subscribe for Series B Preferred Shares at a price of Renminbi equivalent of US\$1.8107 per share. For details, please refer to “History, Reorganization and Corporate Structure – Convertible Notes and Warrants”
“ <b>White Form eIPO</b> ”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name, submitted online through the designated website of the <b>White Form eIPO</b> Service Provider, at <a href="http://www.eipo.com.hk">www.eipo.com.hk</a>
“ <b>White Form eIPO</b> Service Provider”	Computershare Hong Kong Investor Services Limited

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## DEFINITIONS

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“Withdrawal Mechanism”	a mechanism which requires our Company, among other things, to (a) issue a supplemental prospectus as a result of material changes in the information (e.g. the Offer Price) in this Prospectus; (b) extend the offer period and to allow potential investors, if they so desire, to confirm their applications using an opt-in approach i.e. requiring investors to positively confirm their applications for Shares despite the change
“Zhenjiang 58 Supply Chain”	Zhenjiang 58 Daojia Supply Chain Management Services Co., Ltd. (鎮江五八到家供應鏈管理服務有限公司), a limited liability company established under the laws of the PRC on March 20, 2017 and a Consolidated Affiliated Entity
“2021 Negative List”	Special Management Measures (Negative List) for Access of Foreign Investment (2021 Version) (《外商投資准入特別管理措施(負面清單)》(2021年版))
“58 Daojia”	58 Daojia Inc., a limited liability company incorporated in the BVI on January 26, 2015, which was one of our Controlling Shareholders
“58.com”	58.com Inc., and limited liability company incorporated in the Cayman Islands and one of our Controlling Shareholders
“%”	per cent

*If there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC, PRC laws or regulations and PRC governmental authorities mentioned in this prospectus and their English translations, the Chinese names shall prevail. The English translations of the Chinese names of such PRC entities, PRC laws or regulations and PRC governmental authorities included in this prospectus and for which no official English translation exists are provided for identification purposes only.*

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## GLOSSARY OF TECHNICAL TERMS

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*This glossary contains definitions of certain technical terms used in this document in connection with our Company. Such terms and their meanings may not correspond to standard industry definitions or usage.*

“active drivers”	registered drivers that have fulfilled at least one shipment order on our platform during a given period
“active shippers”	registered shippers that have completed at least one shipment order on our platform during a given period
“artificial intelligence” or “AI”	intelligence demonstrated by machines, in contrast to the natural intelligence displayed by humans and other animals
“average take rate”	the ratio calculated by dividing the revenue generated from our platform services by the total GTV of shipment orders fulfilled in a given period, without giving effect to incentives to transacting users which are recorded in our selling and marketing expenses
“big data analytics”	the use of advanced analytic techniques against very large and diverse data sets, which greatly exceed the capabilities of traditional database software tools in terms of data collection and analysis, to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful information that can help organizations make more informed business decisions
“cloud” or “cloud technologies”	a model enabling ubiquitous, convenient, and on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, data storage, computing power, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction
“GDP”	gross domestic product
“GPS”	global positioning system, a navigation system using satellite signals to determine the ground position of an object



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## GLOSSARY OF TECHNICAL TERMS

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“GTV”	gross transaction volume, representing (i) with respect to our platform services, the total amount paid by shippers for the shipment orders which were fulfilled by the drivers, after giving effect to cancelations or refunds and without deducting any service fee charged by us and the value-added tax, and (ii) with respect to our enterprise services, the total amount paid by enterprise customers to us for logistics services, without deducting the value-added tax
“hardware”	physical elements that constitute a computer system, such as central processing unit, monitor, mouse, keyboard and hard disk
“H5”	a markup language used for structuring and presenting content on the World Wide Web, which is the fifth and current major version of the HTML standard
“ICEVs”	internal combustion engine vehicles, which are vehicles powered by a regular internal combustion engine
“inter-city logistics”	transportation where large tonnage goods weighing more than 30 kilograms are transported across cities
“intra-city logistics”	transportation where large tonnage goods weighing more than 30 kilograms are transported within the same city
“large enterprises”	entities (i) with an annual revenue of more than RMB400 million or more than 200 employees for those in the wholesale industry, or (ii) with an annual revenue of more than RMB200 million or more than 300 employees for those in the retail industry
“mobile app” or “app”	application software designed to run on smart phones and other mobile devices
“monthly driver retention rate”	is calculated as the percentage of active drivers on our platform in a given month who remain to be our active drivers in the subsequent month
“monthly shipper retention rate”	is calculated as the percentage of active shippers on our platform in a given month who remain to be our active shippers in the subsequent month

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## GLOSSARY OF TECHNICAL TERMS

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“NEVs”	new energy vehicles, which are vehicles powered by alternative fuel, including battery electric, plug-in hybrid, and fuel cell vehicles
“server”	a computer system that provides services to other computing systems over a computer network
“shipper MAUs”	active unique shippers in a given calendar month
“SMEs”	entities (i) with an annual revenue of less than RMB400 million or less than 200 employees for those in the wholesale industry, or (ii) with an annual revenue of less than RMB200 million or less than 300 employees for those in the retail industry
“software”	any set of machine-readable instructions that directs a computer’s processor to perform specific operations
“tonne(s)” or “ton(s)”	metric ton(s), where one metric ton equals 1,000 kilograms
“users”	include shippers and drivers that utilize the services provided through our platform

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## FORWARD-LOOKING STATEMENTS

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Certain statements in this prospectus are forward looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events or performance (often, but not always, through the use of words or phrases such as “will”, “expect”, “anticipate”, “estimate”, “believe”, “going forward”, “ought to”, “may”, “seek”, “should”, “intend”, “plan”, “projection”, “could”, “vision”, “goals”, “aim”, “aspire”, “objective”, “target”, “schedules”, and “outlook”) are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks (including but not limited to the risk factors detailed in this prospectus), uncertainties and other factors some of which are beyond our Company’s control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our future business development, financial condition and results of operations;
- our business strategies and plans to carry out these strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our ability to identify and satisfy user demands and preferences;
- our ability to maintain good relationships with our customers and other business partners;
- general economic, political and business conditions in the industries and markets in which we operate;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- the actions and developments of our competitors; and
- all other risks and uncertainties described in the section in this headed “Risk Factors” in this prospectus.

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## FORWARD-LOOKING STATEMENTS

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Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this prospectus. Any such intentions may change in light of future developments.

All forward-looking statements in this prospectus are expressly qualified by reference to this cautionary statement.

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## RISK FACTORS

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*An investment in our Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could materially and adversely affect our business, financial condition, and results of operations. The market price of our Shares could significantly decrease due to any of these risks, and you may lose all or part of your investment.*

*These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements” in this prospectus.*

### **RISKS RELATED TO OUR BUSINESS AND INDUSTRY**

**The markets in which we participate are highly competitive, and if we do not compete effectively, our business, results of operations and financial condition could be harmed.**

The intra-city logistics market in Asia is intensely competitive and characterized by shifting user preferences, continually evolving regulations, rapid technological changes, and frequent introduction of new services and offerings. According to Frost & Sullivan, we are the third largest online intra-city logistics platform in mainland China with a market share of 3.2%, ranking after players with market share of 52.8% and 5.5%, and the market leader in Hong Kong with a market share of 50.9%, each in terms of GTV in 2021. We expect competition to continue, both from current competitors and new entrants that may be well-established in related fields and enjoy greater resources or other strategic advantages. For example, in June 2020, a major mobility technology platform tapped into the online intra-city logistics market in mainland China, which intensified the market competition. Our competitors, including the lead player and other top market players in mainland China, may have greater financial, technical, marketing, research and development and other resources, stronger brand recognition, longer operating history or a larger user base than we do in one or more of the markets in which we operate. They may be able to devote greater resources to the development, promotion and sales of services and offerings and offer lower prices than we do, which could adversely affect our results of operations. Further, they may have greater resources to deploy towards the research, development and commercialization of new technologies. These factors may allow our competitors to derive greater revenue and profits from their existing user base, enlarge their user base at lower costs, or respond more quickly to new and emerging technologies and trends. Our current and potential competitors may also establish cooperative or strategic relationships amongst themselves or with third parties that may further enhance their resources and offerings.

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## RISK FACTORS

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We believe that our ability to compete effectively depends upon many factors both within and beyond our control, including:

- our ability to attract and retain shippers and drivers;
- our ability to provide superior user experience;
- the popularity, price, utility, ease of use, performance and reliability of our offerings compared to those of our competitors;
- our ability to expand our services offering;
- our ability, and the ability of our competitors, to develop new offerings;
- our reputation and brand strength relative to our competitors;
- our ability to maintain and expand cooperative relationships or strategic partnerships with our key partners;
- our ability to expand our network and launch services in new cities and regions;
- our ability to maintain business integrity;
- changes mandated by, or that we elect to make to address, evolving legislations and requirements by regulatory authorities;
- our ability to fully comply with relevant laws, regulations, rules, policies and guidelines, as well as address disputes, proceedings, settlements, judgments, injunctions and consent decrees;
- our ability to further improve our technologies;
- our ability to attract, retain and motivate talented employees;
- our ability to maintain and improve our safety mechanism;
- our ability to raise additional capital; and
- acquisitions or consolidation within our industry.

If we are unable to compete successfully, our business, results of operations and financial condition could be materially and adversely affected.

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## RISK FACTORS

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**If we fail to manage our growth or execute our strategies effectively, our results of operations, financial condition and growth prospects may be materially and adversely affected.**

Our business has grown substantially in recent years. GOGOX, formerly known as GOGO VAN, was incepted in Hong Kong in 2013, and its business has since expanded to Singapore, Korea and India. Kuaigou Dache, formerly known as 58 Suyun, was launched in mainland China in 2014. In 2017, 58 Suyun and GOGO VAN merged to create our Company. We expect continued growth in our business, revenues and number of users. We plan to expand our geographical footprint in our existing markets and in other markets in the Asia-Pacific region. We also intend to grow our shipper and driver base and expand our service offerings.

Our business and prospects depend to a large extent on our ability to manage our growth and implement our business strategies effectively. By 2025, we plan to make our services available in over 90 additional lower-tier cities in mainland China and expand into new overseas markets in the Asia-Pacific region. We also intend to develop new services and products to enhance our monetization capabilities. As we continue growing our business, we will need to work with existing and an increasingly large number of shippers and drivers in our network efficiently and establish and maintain mutually beneficial relationships with them. We will also need to continue to expand, train, manage and motivate our growing workforce. To support our expansion, we also expect to implement a variety of new and upgraded managerial, operating, financial and human resource systems, procedures and controls. All these efforts will require significant managerial, financial and human resources. If we fail to allocate such resources effectively to support our growth or implement our business strategies, our business, financial condition, results of operations and prospects may be materially and adversely affected. We need to manage our extensive and growing operations in five countries and regions across Asia and in new markets along with our expansion, which exposes us to complexities in staffing and personnel management, currency exchange movements and controls, and the burden of complying with a wide variety of tax regimes, legal systems and regulatory requirements, which may be in conflict with each other. We may face, and have to manage, risks in relation to volatile macroeconomic trends.

We cannot assure you that we will be able to execute our growth strategy successfully and manage all of the risks associated with operating and scaling up an extensive multi-country business with operations in many developing and rapidly growing countries and markets, and any failure to do so may have a material adverse effect on our business, financial condition, results of operations and prospects.

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## RISK FACTORS

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**We are subject to evolving regulatory requirements across multiple jurisdictions, and we may be unable to comply fully with various applicable regulations.**

Our services are available in over 340 cities across five countries and regions in Asia. We are subject to laws, regulations and guidelines established by various regulatory authorities in the countries and regions in which we operate. For details on the laws and regulations we are subject to in the countries and regions where we have business operations, see “Regulations.” Our need to comply with regulations across multiple countries and regions may restrict our flexibility and ability to grow our business, while requiring us to incur additional costs. We may be subject to differing, and sometimes conflicting, laws and regulations in different jurisdictions. In many cases, the interpretation of the regulations we are subject to is unclear or the regulations themselves are rapidly evolving, increasing the risk of non-compliance. We rely on a combination of our internal legal function, external legal advice, consideration of regulatory guidance and announcements and industry practice to determine whether specific regulations are applicable and/or how they apply to our business. However, we cannot assure you that regulators will not take a different view from us as to the applicability or application of certain regulations or the sufficiency of our compliance measures. Any finding of non-compliance with applicable requirements, guidelines and regulations could subject us to sanctions, fines or other penalties resulting from non-compliance, and materially and adversely affect our financial condition and results of operations and damage our reputation and ability to develop our business. As the regulatory environment develops in the countries and regions in which we operate, we may have to change our business model and incur additional compliance costs in a way that materially affects our business, financial condition, results of operations and prospects. Certain jurisdictions may pass laws and regulations that limit or block our ability to offer our services.

**Our business collects, generates and processes a large amount of data, and is subject to complex and evolving regulations and oversight related to data security.**

Our business collects, generates and processes a large quantity of personal, transaction and behavioral data. We face risks inherent in handling large volumes of data and in protecting the security of such data. In particular, we face a number of challenges relating to data from transactions and other activities on our platform, including:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior by our employees;
- addressing concerns related to privacy and sharing, safety, security and other factors; and
- complying with applicable laws, rules and regulations relating to the collection, storage, use, processing, transmission, disclosure or security of personal information and other data, including any requests from regulatory and government authorities relating to such data.



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## RISK FACTORS

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Any systems failure or security breach or lapse that results in the release of user data could harm our reputation and brands and, consequently, our business, in addition to exposing us to potential legal liability. We have formulated user privacy policies and require users to consent to such policies when they open an account with, or log onto, our platform. We have adopted a series of measures to comply with the laws and regulations on data protection and privacy. For details, see “Business – Data Privacy and Security.” However, we cannot guarantee the effectiveness of these measures in all circumstances. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any regulatory requirements or laws, rules and regulations on data protection and privacy could result in proceedings or actions against us by governmental entities or others. These proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business practices, increase our costs and severely disrupt our business.

We are subject to laws and regulations relating to the collection, storage, use, processing, transmission, retention, security and transfer of personal information and other data. The interpretation and application of laws, regulations and standards on data protection and privacy are still uncertain and evolving. We cannot assure you that the governmental authorities will not interpret or implement the laws or regulations in ways that negatively affect us. We may be subject to investigations and inspections by government authorities regarding our compliance with laws and regulations on data privacy, and we cannot assure you that our practices will always fully comply with all applicable rules and regulatory requirements. In addition, laws, regulations and standards on data protection and privacy continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing international requirements may cause us to incur substantial costs or require us to change our business practices.

For example, recent legal developments in mainland China have created compliance uncertainty regarding certain transfers of personal information and other data. On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》), which came into effect on September 1, 2021. The Data Security Law imposes certain data security and privacy obligations on entities and individuals carrying out data activities, like us, and prohibit any PRC individual and entity from providing data stored within the PRC for foreign judicial or law enforcement authorities without approval by competent authorities in the PRC. Further, the Personal Information Protection Law (《個人信息保護法》) was passed by SCNPC on August 20, 2021 and came into effect on November 1, 2021. The law applies to all activities conducted by our establishments within the PRC or related to services that we offer to natural persons within the territory of the PRC. It creates a range of new compliance obligations, which could cause us to change our business practices, and may impose substantial penalties for non-compliance.

Further, on January 4, 2022, the CAC published the Revised CAC Measures on its website, which became effective on February 15, 2022. The Revised CAC Measures provides that a critical information infrastructure operator purchasing network products and services, and platform operators carrying out data processing activities which affect or may affect national security, must apply for cybersecurity review. The Revised CAC Measures also

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## RISK FACTORS

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provides that a platform operator with more than one million users' personal information aiming to list abroad must apply for cybersecurity review. Our PRC Legal Advisor advises that Hong Kong does not fall within the definition of "abroad" in the provision. Therefore, although we possess more than one million users' personal information, our PRC Legal Advisor is of the view that the requirement is not applicable to us given that we are seeking a listing in Hong Kong instead of abroad. As of the date of the prospectus, we had not received any notification from relevant government authorities that we will or may be recognized as a critical information infrastructure operator. Further, our PRC Legal Advisor advises that certain of our subsidiaries in the PRC are platform operators as defined in the Revised CAC Measures and thus shall apply for cybersecurity review if they carry out data processing activities which affect or may affect national security. However, the determination of "affect or may affect national security" as stipulated in Revised CAC Measures are subject to further clarification by the CAC. On November 14, 2021, the CAC published the Draft Cyber Data Security Regulations, which applies to activities relating to the use of networks to carry out data processing activities within the territory of the PRC. Our PRC Legal Advisor advises that the Draft Cyber Data Security Regulations are applicable to the data processing activities of certain of our subsidiaries in the PRC, if the draft regulations were to be implemented in their current form. It stipulates that a data processor who processes more than one million persons' personal information aiming to list abroad or a data processor who seeks to complete a listing in Hong Kong which affects or may affect national security is required to apply for cybersecurity review pursuant to relevant rules and regulations. However, the Draft Cyber Data Security Regulations does not provide the standard to determine the circumstances that would be determined to "affect or may affect national security."

As of the date of this prospectus, we had not been subject to any material administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities in relation to cybersecurity and data protection, nor had there been material cybersecurity and data protection incidents or infringement upon any third parties, or other legal proceedings, administrative or governmental proceedings, pending or, to the best of our knowledge, threatened against or relating to us. If the Draft Cyber Data Security Regulations was to be implemented in their current form, based on the foregoing and a detailed analysis of their provisions by our PRC Legal Advisor, we and our PRC Legal Advisor do not foresee any impediment for us to comply with the Revised CAC Measures and the Draft Cyber Data Security Regulations in any material aspect, given that as disclosed in "Business – Data Privacy and Security – Data Privacy and Data Protection" of this Prospectus, we have implemented a comprehensive set of internal policies, procedures, and measures to ensure our compliance practice. We will closely monitor the legislative and regulatory development in connection with cybersecurity and data protection, including the Draft Cyber Data Security Regulations and the interpretation or implementation rules of laws and regulations of cybersecurity and data protection, if any, and we will adjust and enhance our data practices in a timely manner to ensure compliance once the regulations come into effect, including that we will (a) take immediate steps to ensure compliance with new regulatory requirements within a reasonable period of time, including thoroughly reviewing our business practices and operational policies, improving our privacy policies and service agreements with our users, establishing relevant mechanism in response to data security incidents, applying for

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## RISK FACTORS

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cybersecurity review as applicable, filing important data with competent authorities if applicable and submitting relevant data security assessment report as required; (b) proactively maintain communications with the CAC's local counterpart, and continuously improve our operational procedures; and (c) continue to improve our data security protection technologies and measures to stay compliant with regulatory requirements and engage external professional consultants to advise us on cybersecurity and data protection requirements, if needed. The Joint Sponsors' PRC legal advisor concurs with the foregoing analysis as to the related PRC Laws by our PRC Legal Advisor. Based on the foregoing analysis, and the advice of our PRC Legal Advisor, we believe that the Revised CAC Measures and the Draft Cyber Data Security Regulations would not have a material adverse impact on our business operations, financial performance or the proposed Listing.

In addition, the Algorithm Recommendation Provisions published by the CAC on January 4, 2022 and effective on March 1, 2022 raises certain new compliance requirements on internet information service providers applying algorithm recommendation technologies. As of the Latest Practicable Date, the Draft Cyber Data Security Regulations and the Draft Security Assessment Measures were released for public comment only and their respective final version and effective date may be subject to change and uncertainty. Given that provisions of such draft regulations are subject to change, it is difficult for us to predict the precise impact of the draft measures at this stage, and we will closely monitor and assess any development in the rule-making process. However, we cannot rule out the possibility that the enacted version of these measures mandate cybersecurity review, security assessment or other specific actions to be completed by companies like us, which we may not complete timely or at all, and any failure by us to do so may subject us to fines, penalties or other sanctions. Further, with the promulgation of the Securities Activities Opinions, overseas-listed China-based companies (中概股公司) may be subject to a heightened scrutiny over their compliance with laws and regulations relating to data security, cross-border data transfer and management of confidential information from PRC regulatory authorities. Such laws and regulations are expected to undergo further changes, which may result in increased information security responsibilities and require stronger cross-border information management mechanism and process. See "Regulations – Laws and Regulations in Relation to Our Business in the PRC – Regulations on Cybersecurity and Privacy Protection" for details on regulations over data protection and privacy in the PRC.

In Singapore, the Personal Data Protection (Amendment) Act 2020 was passed in the Parliament of Singapore on November 2, 2020. The amendments to the Personal Data Protection Act 2012 seek to strengthen organizational accountability and consumer protection, and is set to take effect in phases. As such, we will need to keep abreast of the amendments as and when they come into force and ensure that our internal data protection policy, training materials and the guidelines relating to our data protection officers' roles and responsibilities are updated to be compliant with the amended Personal Data Protection Act 2012.

Further, in India, we are currently subject to the Information Technology Act, 2000, and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, in relation to the protection of customer data collected. The Personal Data Protection Bill has been introduced before the Parliament of India

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## RISK FACTORS

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in 2019, which aims at regulating the use of users' personal data by organizations within India. If the Personal Data Protection Bill is approved by the Parliament of India and enters into effect, we may be subject to revised and/or additional data protection requirements as provided under the Act so passed.

We expect the regulations over data protection and privacy in the markets in which we operate to become increasingly more stringent, which may require us to incur additional compliance costs or adjust our business plan. Due to the complexity and uncertainty of the regulatory environment, we cannot assure you that subsequent laws and regulations on data protection and privacy would not render our operations non-compliant in the future or that our practices will always fully comply with all applicable rules and regulatory requirements. We may become subject to fines or other penalties or be required to adjust or terminate certain of our business operation or even be removed from application marketplaces in the worst-case scenario. Any failure to comply with relevant laws and regulations could subject us to significant reputational, financial, legal and operational consequences, and deter current and prospective users from using our services. In each case, our business, financial condition and results of operations may be materially and adversely affected.

**The online intra-city logistics market in Asia is still at a nascent stage. If the market does not continue to grow, grows slower than we expect or fails to grow as large as we expect, our business, results of operations, financial condition and prospects could be materially and adversely affected.**

The online intra-city logistics market in Asia is still relatively new. Its growth depends on a number of factors that may be difficult to predict, including overall economic development, urbanization rate, e-commerce penetration rate, mobile payment penetration rate, and transport and internet infrastructure. As a result, it is uncertain to what extent market acceptance and demand of online intra-city logistics will continue to grow, if at all. Further, our success will largely depend on the public acceptance of intra-city logistics services facilitated or provided by online platforms such as us. If the general public do not perceive online intra-city logistics services as beneficial, or if there are safety incidents or other negative publicity associated with our services or with our competitors' or otherwise, the market for online intra-city logistics services may not further develop, may develop more slowly than we expect or may not achieve the growth potential we expect, any of which could materially and adversely affect our business, results of operations and financial condition.

In addition, the online intra-city logistics market in Asia may face challenges brought by, among others, alternative logistics options, relevant regulatory requirements and restrictions, and safety and privacy concerns, many of which are beyond our control. For example, relevant laws and regulations may rapidly evolve, which may significantly increase the compliance costs associated with our business operations. As a result, we cannot assure you that the online intra-city logistics market in Asia will not experience decline and retrogression. Any of the foregoing risks and challenges could materially and adversely affect our business, results of operations, financial condition and prospects.

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**Our business operations and financial performance have been adversely affected by the COVID-19 outbreak, may in the future continue to be affected by the COVID-19 outbreak, and may be affected by other epidemics.**

Since December 2019, a novel strain of coronavirus, later named COVID-19, has severely impacted the global economy. On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. Many businesses and social activities in the countries and regions in which we operate have been severely disrupted. Government efforts to contain the spread of COVID-19, including city lockdowns or “stay-at-home” orders, widespread business closures, restrictions on travel and emergency quarantines, have caused significant and unprecedented disruptions to the global economy and normal business operations across sectors and countries. Drivers were restrained from entering into certain areas and vehicles in transportation were held for inspection for virus contamination, causing delays and interruptions in delivery. The foregoing conditions have materially and adversely affected our business, results of operations and financial condition.

We experienced certain disruptions in our operations as a result of the government-imposed measures related to the COVID-19 outbreak in 2020. A substantial number of our offices in mainland China were closed in February 2020. In addition, the COVID-19 outbreak materially and adversely affected the operations of many enterprises, resulting in significant declines in demand for our services. We also experienced significant declines in the number of drivers available to provide services due to quarantines and mobility restrictions, as well as certain temporary highway closures in mainland China. The COVID-19 adversely impacted our business operations in overseas markets as well. The local governments of Hong Kong and other foreign countries and regions began to impose epidemic prevention and control measures as the COVID-19 escalated in the middle of 2020, such as compulsory “work from home” policies and close-up of factories and offices in certain areas. Such measures resulted in reduced commercial activities of enterprises and individuals, which in turn affected the customers’ demands for our enterprise services and platform services.

We have conducted, and will continue to conduct, measures to control the risk of virus spread in our business operations, including providing users with knowledge of COVID-19 prevention and control and requiring users to take personal hygiene measures. However, if any of our employees has contracted or is suspected of having contracted any contagious disease or condition, local governments may require our employees to be quarantined, or our offices to be closed and disinfected. As a result, our business operations would be materially and adversely affected.

We have experienced a recovery in the total number of orders facilitated through our platform since May 2020, as governments gradually lifted the travel restrictions and other quarantine measures in the markets in which we operate. However, we cannot assure you that our business volume and growth rate will fully recover in the near future due to the uncertainties associated with the development of COVID-19, such as the recurrence of COVID-19 variants. We are continuously evaluating its impact on our business, results of

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## RISK FACTORS

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operations and financial condition, which we believe will depend on the duration of the pandemic and the government's responsive measures. If the outbreak persists or escalates, we may be subject to further negative impact on our business operations, results of operations and financial condition.

Moreover, the global outbreak has also caused market panics, which materially and negatively affected the global financial markets, such as the plunge of global stocks on major stock exchanges in the middle of March 2020. The global economic slowdown in 2020 and beyond have caused and could continue to cause market disruption and volatility, which would materially and adversely affect our business, results of operations and financial condition, as well as our access to additional capital and the market price of our Shares.

**If we fail to cost-effectively attract and retain shippers and drivers, or to increase utilization of our platform by existing shippers and drivers, our business, results of operations and financial condition could be materially and adversely affected.**

The success of our business substantially hinges on our ability to cost-effectively enlarge our shipper pool, retain existing shippers and increase their utilization of our platform. The attractiveness of our platform to shippers depends on a variety of factors, including the punctuality and reliability of the services provided by drivers on our platform, the competitiveness of the prices for shipment offered, and the efficiency and transparency of the service process. If shippers are not satisfied with the functionalities of our platform or are involved in disputes with us, we may not be able to continue to grow our shipper base or further enhance the engagement of existing shippers. In addition, we actively acquire shippers through online channels such as user referrals, targeted promotions, online advertisements and social media engagements. We also deploy offline sales personnel with industry expertise and experience to acquire shippers, particularly our enterprise customers, across various industries. These efforts on shipper acquisition may not yield the expected results or justify the acquisition costs we incur.

Our continued growth also depends on our ability to cost-effectively attract and retain drivers who satisfy our screening criteria and procedures, and to increase their utilization of our platform. The attractiveness of our platform to drivers is affected by various factors, including the amount of orders on our platform, the service fees charged by us, the level of prices offered to the drivers, the speed and convenience of payment settlement, and the support we provide to facilitate logistics deliveries. Any adverse change in the value propositions our platform offers to drivers could result in a decrease in our ability to attract and retain drivers. In addition to the organic growth through word-of-mouth referral, we conduct online and offline driver acquisition activities, such as providing incentives to existing drivers for successful referrals and hiring ground representatives to acquire drivers, which may not be as successful as expected. Other factors beyond our control, such as inflation, increased fuel prices, increased vehicle purchase, rental, or maintenance costs, increased insurance costs, and vehicle restrictions imposed by governments, may also reduce the number of drivers on our platform or their utilization of our platform.

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**Our business would be adversely affected if our approach to driver status is successfully challenged or if we are required to classify drivers as employees instead of independent contractors.**

We treat drivers on our platform as independent contractors, and our terms of use with drivers reflect such understanding. The status of drivers as independent contractors has not been challenged by legislators or government agencies in the markets in which we operate. However, there is no assurance that such status will not be challenged by legislators, government agencies or private parties in the future. We may become involved in legal proceedings, including lawsuits, demands for arbitration, charges and claims before administrative agencies, and investigations or audits by labor, social security, tax or other authorities that seek to claim that drivers should be treated as our employees (or as dispatched workers, quasi-employees, or other statuses which exist (or may come into existence) in the relevant jurisdictions), rather than as independent contractors. We may not be successful in defending the classification of drivers in some or all jurisdictions where it is challenged. Further, the costs associated with defending, settling, or resolving pending and future lawsuits (including demands for arbitration) or governmental agency investigations relating to the classification of drivers could be material to our business and, regardless of outcome, could negatively affect our reputation. In addition, even if we prevail under current law, the law may be changed in the future in ways that are unfavorable to us.

If we were required under laws, regulations, or judicial or governmental decisions to classify drivers as employees (or as dispatched workers, quasi-employees, or other statuses which exist (or may come into existence) in the relevant jurisdictions) in one or more of the jurisdictions in which we operate, we would be required to fundamentally change our business model in the relevant jurisdictions, with repercussions that are difficult to anticipate. Currently we do not require platform drivers to use our platform exclusively and many platform drivers simultaneously use our competing platforms. The number of hours spent by each driver on our platform also varies by individuals. If we were required to treat platform drivers as our employees, we may choose to reduce the number of drivers on our platform and retain the drivers who earn income primarily from our platform. Among other things, we and/or shippers would become subject to additional regulatory requirements, including but not limited to tax, wages, and wage and hour laws and requirements (such as those pertaining to minimum wage and overtime); employee benefits, social security, workers' compensation and unemployment; anti-discrimination, harassment, and retaliation laws; claims under laws pertaining to unionizing, collective bargaining, and other concerted activity; and other laws and regulations applicable to employers and employees (or as dispatched workers, quasi-employees, or other statuses which exist (or may come into existence) in the relevant jurisdictions). Compliance with such laws and regulations would require us to incur significant additional expenses, potentially including without limitation, expenses associated with the application of wage and hour laws (including minimum wage, overtime, and meal and rest period requirements), employee benefits, social security contributions, taxes, and penalties. The reclassification of drivers could also increase the rate of employment-related claims being brought against us in the future, subject us to vicarious liability for any misconduct of drivers, or reduce our attractiveness to drivers given the loss of flexibility under an employee model. Judicial

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decisions to retroactively reclassify drivers would result in potential liability over our failure to comply with relevant employment and taxation requirements and associated obligations, which in turn could adversely affect our financial condition as well as our reputation. The foregoing could have a material and adverse effect on our business and financial condition, significantly increase our operational costs, potentially result in us exiting the relevant markets, or even make our current business model become no longer sustainable.

**Any significant disruption in service on our platform, malfunctions of our technology systems, errors and quality issues with our software and hardware systems, or human errors in operating these systems, could materially and adversely affect our business, results of operation and financial condition.**

Our business is dependent on the ability of our information technology systems to process massive amounts of information and transactions in a consistently stable and timely manner. The satisfactory performance, reliability and availability of our technology and underlying network infrastructure are critical to our operations, service quality, reputation and ability to retain and attract users. We cannot guarantee that access to our platform will be uninterrupted, error-free or secure at all time. In the event of a partial or complete failure of any of our computer systems, our business activities would be materially disrupted. In addition, a prolonged failure of our information technology system could damage our reputation and materially and adversely affect our prospects and profitability.

We may experience system failures and other events or conditions from time to time that interrupt the availability or reduce or affect the speed or functionality of our offerings. These events may result in losses of revenue. A prolonged interruption in the availability or reduction in the availability, speed or other functionality of our services could adversely affect our business and reputation and could result in the loss of users. Also, our software and hardware systems may contain undetected errors that could have a material adverse impact on our business, particularly where such errors are not timely detected and remedied. In addition, our platform and services use complex software, and may have coding defects or errors that may impair our users' ability to use our platform and services. The models and algorithms that we use for our platform and services may also contain design or performance defects that are not detectable even after extensive internal testing. We cannot assure you that we would be able to detect and resolve all such defects and issues through our quality control measures.

Any errors, defects and disruptions in services, or other performance problems with our platform and services could hurt our reputation, affect user experience or cause economic loss or other types of damage to our users. Software and system errors or human errors could delay or inhibit order dispatching, matching of users, route calculation, settlement of payments, and reporting of errors, or prevent us from collecting service fees or providing services. Such issues could result in liabilities and losses, which could have a material and adverse effect on our business, results of operations and financial condition. In addition, if we fail to adopt new technologies or adapt our mobile apps, websites and systems to changing user preferences or emerging industry standards, our business and prospects may be materially and adversely affected.



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**Our failure to offer satisfactory user experience may harm our relationship with users and materially and adversely affect our business, results of operations and financial condition.**

We efficiently match shippers and drivers on our platform. Our ability to attract shippers and drivers to use, and build trust in, our platform is significantly dependent on the ease and reliability of our offerings, including our ability to match suitable shipment orders to reliable drivers. In each instance, our algorithms review and consider several variables, including the distance between the pickup and the drop-off location, the type of vehicles used, transaction records of both sides, rating of the driver, and the anticipated completion rate. If the quantity or quality of data available to us for analysis is unsatisfactory, or if our matching algorithms have deficiencies, our matching may not be effective, resulting in low fulfillment rate on our platform, which in turn would materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, users on our platform rely on our support team to resolve any issues relating to our offerings, such as being overcharged for a delivery, missing or damaged goods, or reporting a safety incident. We have dedicated in-house and outsourced user service staff responsible for dealing with such issues. However, we cannot assure you that such help performed by our user service staff will be effective and our users may experience economic loss or physical injury during incidents.

As we continue to grow our business and expand our offerings, we may face challenges in providing satisfying user experience at scale. Our failure to do so could harm our relationships with users and make our platform become less attractive compared with our competitors, which may materially and adversely affect our ability to attract and retain users. As a result, our business, results of operations and financial condition could be materially and adversely affected.

**We rely on drivers who are independent contractors to provide quality services for shippers. Their illegal actions or misconduct, or any failure by them to provide satisfactory services or maintain their service levels, could materially and adversely affect our business, reputation, financial condition and results of operations.**

Logistics orders placed through our platform are fulfilled by drivers who are not employed by us. We do not employ any driver to fulfill orders and do not own any vehicle used by drivers to deliver freight and goods, except in Singapore where we employed four drivers for our enterprise services, and in Hong Kong where we own several vehicles largely for general marketing purposes. Drivers provide the vehicles and can choose whether, when, and where to provide services on our platform and are free to provide services on competitors' platforms. Therefore, we do not have the same level of control as we do over our employees. We depend on drivers to provide services on our platform, and our commitment to high-quality and secure delivery substantially depends on drivers whose actions are not fully controlled by us. Any shortcoming in services of drivers, such as extended delays in delivery due to human error, loss of goods because of negligence or theft, inappropriate attitude toward shippers or

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receivers, or any other failure to meet user expectations or requirements, may be attributed to us, resulting in disputes and harming our business and reputation. In addition, misconduct, illegal actions or crimes committed by drivers could damage our reputation, disrupt our ability to attract new shippers or retain our current shippers, or cause us to incur economic losses.

We verify a driver's documentation including, among others, personal identification, driver's license and vehicle registration license before the driver could register with our platform. We also implement driver assessment policies and monitor driver behaviors. However, we cannot assure you that our process is able to verify all the information provided by drivers, and any failure by us to verify the qualification of drivers may subject us to administrative penalties or joint liabilities with respect to misconduct by drivers. For example, according to Article 38 of the E-commerce Law of the PRC (《中華人民共和國電子商務法》), an 'e-commerce platform operator' like us shall bear joint liabilities with the drivers using our platform if we fail to adopt requisite measures when we are or should be aware that the services provided by drivers using our platform do not comply with the requirements for the protection of personal and property safety, or have infringed upon the legitimate rights and interests of consumers. If we fail to perform our duty to verify the qualification of drivers and our logistics services are deemed to be related to the life and health of consumers, we may be ordered to rectify any non-compliance, be subject to a fine ranging from RMB50,000 to RMB500,000 and, under serious circumstances, be ordered to suspend our operations and be subject to a fine ranging from RMB500,000 to RMB2,000,000. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or penalties in connection with Article 38 of the E-commerce Law. For details, see "Business – Environmental, Social and Governance – Personal and Property Safety." Further, we may be subject to similar liabilities in overseas markets. In Hong Kong and Singapore, we may be liable for platform drivers' conduct under agency law should the drivers be deemed our agents, or under the law on vicarious liability if the conditions of vicarious liability are fulfilled. In Korea, pursuant to the Korean Civil Code and Commercial Act, we may bear joint liabilities with drivers who fulfill orders for our enterprise services in relation to damages caused by such drivers' breach of relevant laws and regulations. According to such laws, a person or legal entity who uses another person or legal entity to perform a specific affair is liable for compensating for any loss inflicted on a third party by such person in the course of performing the specific affair, if the appointing party fails to exercise due care in designating the appointee or in supervising the performance of the specific affair, or where the loss would have been inflicted even if the appointing party has exercised due care. During the Track Record Period and up to the Latest Practicable Date, we had not in any incident been held by court or regulatory authorities to bear joint liabilities with platform drivers for their illegal actions or misconduct in overseas markets. If drivers who use our platform to provide logistics services for shippers engage in criminal activities, fraud or misconduct, such as speeding, drowsy driving and other traffic violations, operating beyond licensed scope, using our platform as a conduit for criminal or fraudulent activities, or otherwise violating our platform's terms and conditions in ways which we are unable to detect, we could face negative press coverage or regulatory inquiries, fail to collect accurate transaction information or even incur economic losses, which would adversely impact our brands, reputation, and business.

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In addition, as part of our marketing strategy in mainland China, we encourage drivers on our platform to display our trademark “Kuaigou Dache” on their vehicles provided that applicable laws and regulations are complied with. However, drivers may not fully comply with applicable laws and regulations by displaying such car-wrap advertisements. Current PRC laws and regulations are uncertain as to whether we, either as an advertiser or online intra-city logistics platform, shall be liable for car-wrap advertisements displayed on the vehicles of our platform drivers. We cannot guarantee that relevant government authorities will not deem our business operation in violation of those laws and regulations in relation to car-wrap advertisements, which may subject us to fines or other penalties.

**Certain drivers on our platform use passenger transport motor vehicles instead of freight vehicles to deliver freight.**

According to Article 34 of the Road Transportation Regulation of the PRC 《中華人民共和國道路運輸條例》, passenger transport motor vehicles shall not carry freight in violation of applicable regulations. Passenger transport motor vehicle in violation is subject to a fine of no less than RMB500 and no more than RMB2,000. In mainland China, in our terms of use with drivers, we require drivers to use vehicles that satisfy the national requirements for transportation services and possess the relevant licenses. However, certain platform drivers, at their own discretion, use passenger transport motor vehicles instead of freight vehicles to deliver freight, and therefore may violate Article 34 of the Road Transportation Regulation. For details, see “Business – Compliance with Laws and Regulations – Compliance Matters – Compliance with Road Transportation Regulation.” While based on applicable laws and regulations and the interview with relevant authority, our PRC Legal Advisor is of the view that we shall not be penalized for platform drivers’ use of passenger transport motor vehicles to deliver freight in violation of Article 34 of the Road Transportation Regulation, there can be no assurance that relevant authorities will not take a contrary view in the future. Local authorities may vary in their enforcement approach and impose additional obligations on us. For example, on January 24, 2022, we attended a meeting with certain transportation authorities in Shanghai, during which the authorities required online freight platforms to tighten the examination of drivers’ and vehicles’ qualifications, and ban the transportation of illegal goods on their platforms. The authorities stated that they will continue to carry out inspections on unqualified vehicles which are used to provide illegal freight services and take strict actions against non-compliant vehicles that take freight orders through online platforms. They also require online freight platforms to prohibit non-compliant vehicles from receiving freight orders through their platforms. On February 23, 2022, we received a notice from the Shanghai Municipal Transportation Commission, which mandate us to (i) re-examine vehicles using our platform in Shanghai to ensure the authenticity of driver information, and (ii) prohibit unqualified vehicles and personnel from using our platform. We have formulated rectification plans in accordance with the notice, including to stop dispatching orders to passenger transport motor vehicles in Shanghai in due course. As of the Latest Practicable Date, other than the foregoing notice, we had not been subject to any penalty, sanction or reprimand by any government authorities as a result of platform drivers’ use of passenger transport motor vehicles in freight services or for assigning shipment orders to passenger transport motor vehicles. However, if we were to be held liable for platform drivers’ use of

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passenger transport motor vehicles to deliver freight in violation of Article 34 of the Road Transportation Regulation or for assigning shipment orders to, or facilitating logistics services provided by, passenger transport motor vehicles, we may be subject to significant fines or required to de-register all passenger transport motor vehicles from our platform. This may in turn materially and adversely affect our business, financial condition and results of operations.

**We have in the past, and may in the future, be blocked from or limited in providing our offerings in certain jurisdictions.**

In certain jurisdictions, we may be subject to regulatory fines and proceedings and, in certain cases, may be required to cease operations altogether if we continue to operate our business as currently conducted, unless and until such laws and regulations are reformed to clarify that our business operations are fully compliant. For example, GOGO (formerly known as GOGO VAN) commenced operations in Taiwan in 2014. On May 26, 2014, GoGo Tech HK was approved by the Investment Commission of the Ministry of Economic Affairs (the “MOEAIC”) of Taiwan to set up a subsidiary in Taiwan. On March 29, 2018, the MOEAIC issued a decision to order GoGo Tech HK to withdraw its investment in Taiwan within 6 months on the grounds that GoGo Tech HK had become, after the merger between our Company and GoGoVan Cayman, a PRC investor under the Regulations Governing Permission for People from the Mainland Area to Invest in the Taiwan Area (《大陸地區人民來台投資許可辦法》) and failed to obtain a prior approval from the MOEAIC pursuant to the Act Governing Relations between the People of the Taiwan Area and the Mainland Area (《台灣地區與大陸地區人民關係條例》). In April 2020, we ceased the operations of our Taiwan subsidiary pursuant to the decision. We had loss from the discontinued operation in Taiwan of RMB9.6 million in 2018, RMB9.9 million in 2019 and RMB4.5 million in 2020. The Taiwan subsidiary has been dissolved and completed its liquidation process in October 2021. We cannot predict whether future regulatory decisions or legislation in other jurisdictions may embolden or encourage other authorities to take similar actions.

Further, the Indian government has banned certain Chinese mobile applications in India through a series of orders beginning in June 2020. The Indian government had temporarily banned 59 Chinese mobile applications in June 2020, followed by further orders in September and November 2020 to temporarily ban 118 and 43 Chinese mobile applications, respectively. In January 2021, the bans on 59 of these applications were made permanent by the Ministry of Electronics and Information Technology of India. We presently use a mobile application for the onboarding of drivers as part of our operations in India. The mobile application is owned by GoGo Tech HK and licensed to our Indian subsidiary for its use. As of the Latest Practicable Date, we had not received any notice, objection, inquiry or investigation from the governmental authorities in India with respect to our use of the mobile application in India. However, we cannot guarantee that our Indian subsidiary or the mobile application used by our Indian subsidiary will not be subject to any adverse action by the Indian government, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

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**Any lack of, or failure to keep, requisite approvals, licenses or permits or to make registration and filings applicable to our business operations, including the internet-based road transportation business license, may harm our business.**

Our business is subject to rigorous and evolving regulation, and we are required to obtain and maintain applicable licenses, permits and approvals to conduct our business. For details of our material licenses, see “Business – Licenses, Permits and Approvals.” For example, for our online intra-city logistics business in mainland China, we need to obtain the value-added telecommunication service license and road transportation business license. As of the Latest Practicable Date, we had obtained and maintained all licenses and permits material to our business as required by the PRC regulatory authorities, including a value-added telecommunication service license held by Tianjin 58 Freight, Zhenjiang 58 Supply Chain and Hainan 58 Supply Chain and road transportation business license held by Hainan 58 Supply Chain. The business scope of the road transportation business license held by Hainan 58 Supply Chain covers internet-based freight transport. We cannot assure you, however, that we will be able to maintain existing licenses and permits or renew any of them when their current term expires. We may also be required to obtain additional licenses and permits, or make registration or filings with competent governmental authorities for our operations as uncertainties exist with respect to the interpretation and implementation of current laws and regulations, and new laws and regulations may also be promulgated. In addition, we are currently or will in the future expand into new markets. The business model of online intra-city logistics platforms may be new in some markets and the relevant laws and regulations might be nonexistent or rapidly evolving. Existing laws and regulations may be unclear or their interpretation and implementation may be subject to substantial uncertainties. As a result, we might lack of clear guidance as to which licenses to obtain and what the application procedures and requirements should be. If we fail to obtain, maintain and renew approvals, licenses or permits required for our business in a timely manner or at all, governmental authorities may, among other things, levy fines, confiscate our income, revoke our business licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these actions may have a material and adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we provided our enterprise services through Zhenjiang 58 Supply Chain and Hainan 58 Supply Chain. On September 6, 2019, the MOT and the State Taxation Administration of the PRC jointly issued the Interim Measures for the Operation and Administration of Road Freight Transport based on Internet Platforms (《網絡平台道路貨物運輸經營管理暫行辦法》) (the “Interim Measures”), which went into effect on January 1, 2020, with a validity period of four years. The Interim Measures provide that enterprises which engage in the operation of internet-based freight transport may apply for road transport business licenses with an approved business scope of “internet-based freight transport.” Zhenjiang 58 Supply Chain obtained a road transport business license with an approved business scope of “general road freight transport” in April 2017 but did not obtain an approved business scope of “internet-based freight transport” as required under the Interim Measures. As of the Latest Practicable Date, Zhenjiang 58 Supply Chain had transferred business relationships with all of its customers to Hainan 58 Supply Chain and ceased to engage in the internet-based freight transport business. The road transport

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business license obtained by Hainan 58 Supply Chain included an approved business scope of “internet-based freight transport.” If Zhenjiang 58 Supply Chain is deemed to have in the past engaged in road freight transport business beyond the approved scope, it may be subject to confiscation of relevant gains and a fine from two to ten times the amount of the relevant gains. For details, see “Business – Compliance with Laws and Regulations – Compliance in relation to road transport business license.” Based on applicable laws and regulations and the interview with relevant authority, our PRC Legal Advisor is of the view that the likelihood that Zhenjiang 58 Supply Chain would be subject to penalties for engaging in enterprise services without including “internet-based freight transport” in the business scope of its road transport business license in the past is remote. However, there can be no assurance that relevant authorities will not take adverse actions against us in the future, which may subject us to substantial liabilities and cause reputational harm. As a result, our business, financial condition and results of operations may be materially and adversely affected.

Further, in India, the Department for Promotion of Industry and Internal Trade of India issued a notification in the form of Press Note 3 of 2020 on April 22, 2020, which subject investments into India by entities located in countries sharing a land border with India to prior approval by the Indian government. As advised by our legal advisors as to Indian laws, since Hong Kong is a special administrative region of China, which shares a land border with India, entities based out of Hong Kong would also fall within the ambit of Press Note 3. Therefore, any further investment we make in India may be subject to prior approval requirements, which may pose additional risks related to our business in India.

**We face risks associated with the freight and goods we deliver and risks inherent in the logistics industry, including personal injury and transportation-related incidents.**

For our platform services, we match shippers with drivers and provide facilitation services only. For our enterprise services, we deliver freight and goods for our enterprise customers, and face challenges with respect to the protection of such freight and goods. Shippers’ freight and goods may be delayed, stolen, damaged or lost during delivery for various reasons, and we may be perceived or found liable for such incidents. The delivery of freight and goods also involves inherent risks. Drivers on our platform are subject to risks associated with transportation safety, and the insurance maintained by us may not fully cover the liabilities caused by transportation related injuries or loss. Specifically, our platform drivers and other individuals have been in the past, and may in the future be, involved in fatal traffic accidents during the course of fulfilling logistics services facilitated or provided by us. Any of the foregoing could cause us to incur substantial expenses and harm our reputation. We may face claims and incur significant liabilities if found liable or partially liable for any of injuries, damages or losses. Claims against us may exceed the amount of our insurance coverage, or may not be covered by insurance at all. Any uninsured or underinsured loss could harm our business and financial condition. Furthermore, if our services are perceived to be insecure or unsafe by our users, our business volume may be significantly reduced, and our business, financial condition and results of operations may be materially and adversely affected.

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**We rely on mobile operating systems, application marketplaces and third-party platforms to make our mobile apps and mini-programs available to shippers and drivers on our platform.**

We depend in part on mobile operating systems, such as Android and iOS, and their respective mobile app marketplaces, as well as certain third-party platforms, such as WeChat, to make our mobile apps and mini-programs available to shippers and drivers. Any changes in these third parties that degrade the functionality of our apps and mini-programs or give preferential treatment to our competitors' apps and mini-programs could adversely affect the utility of our platform on mobile devices. If such mobile operating systems or mobile app marketplaces limit or prohibit us from making our apps and mini-programs available to shippers and drivers, make changes that degrade the functionality of our apps and mini-programs, increase the cost of using our apps and mini-programs, impose terms of use unsatisfactory to us or modify their search or ratings algorithms in ways that are detrimental to us, or if our competitors' placement in such mobile operating systems' mobile app marketplace is more prominent than ours, the overall growth in our user base could slow or even stall. Our apps have experienced fluctuations in the number of downloads in the past, and we anticipate similar fluctuations in the future. Any of the foregoing risks could adversely affect our business, results of operations and financial condition.

As new mobile devices and mobile platforms are released, there is no guarantee that certain mobile devices will continue to support our platform or effectively roll out updates to our apps and mini-programs. Additionally, in order to deliver high-quality apps, we need to ensure that our apps are designed to work effectively with a range of mobile technologies, systems, networks and standards. We may not be successful in developing or maintaining relationships with key participants in the mobile industry. If users on our platform encounter any difficulty accessing or using our apps on their mobile devices or if we are unable to adapt to changes in popular mobile operating systems, our business, results of operations and financial condition could be adversely affected.

**We rely on third-party payment processors, mapping services and other vendors that we do not control.**

Upon the completion of shipment orders, shippers make payments to drivers, who fulfill the orders, through our platform. After deducting our service fees charged to drivers, we settle payments with drivers on our platform. We rely on third-party payment processors to process payments made by shippers and payments made to drivers on our platform. If any of our third-party payment processors terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, our platform may become less attractive to shippers and drivers, we would need to find an alternative payment processor, and may not be able to secure similar terms or replace such payment processor in an acceptable timeframe. Further, the software and services provided by our third-party payment processors may fail to meet our expectations, contain errors or vulnerabilities, encounter disruption or compromise, or experience outages. Our third-party payment processors may also be penalized or suspended if they fail to protect personal information in compliance with relevant laws and regulations.

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Any of these risks could cause us to lose our ability to facilitate online payments or other payment transactions or make timely payments to drivers on our platform, any of which could make our platform less convenient and attractive to users and adversely affect our ability to attract and retain users. We may in the future offer new payment options to users that may be subject to additional regulations and risks. We are also subject to a number of other laws and regulations relating to the payments we accept from our users, including with respect to money laundering, money transfers, privacy and information security. If we fail to comply with applicable laws and regulations, we may be subject to civil or criminal penalties, fines or higher transaction fees and may lose our ability to facilitate online payments or other payment transactions, which could make our services less convenient and attractive to our users and adversely affect our ability to attract and retain users.

We rely on leading third-parties mapping services for the mapping function that is critical to the functionality of our platform. We do not control all mapping functions employed by our platform or by drivers using our platform, and it is possible that such mapping functions may not be reliable. If such third parties cease to provide access to the third-party software that we use, do not provide access to such software on terms that we believe to be attractive or reasonable, or do not provide us with the most current version of such software, we may be required to seek comparable software from other sources, which may be more expensive or inferior, or may not be available at all, any of which would adversely affect our business.

In addition, our platform depends on the availability and proper functioning of certain other third-party services, including cloud services and data centers. As our services expand and evolve, we may have an increasing number of integrations with other third-party applications, products and services. Third-party applications, products and services are constantly evolving, and we may not be able to maintain or modify our platform to ensure its compatibility with third-party offerings following development changes. In addition, some of our competitors or technology partners may take actions which disrupt the interoperability of our platform with their own products or services, or exert strong business influence on our ability to, and the terms on which we, operate and distribute our platform. As our services continue to evolve, we expect the types and levels of competition to increase. Should any of our competitors or technology partners modify their products, standards or terms of use in a manner that degrades the functionality or performance of our platform or is otherwise unsatisfactory to us or gives preferential treatment to competitive products or services, our business, results of operations and financial condition could be materially and adversely affected.

**The successful operation of our business depends upon the performance and reliability of internet, mobile, and other infrastructures that are not under our control.**

Our business depends on the performance and reliability of internet, mobile, and other infrastructures that are not under our control. Disruptions in internet infrastructure or GPS signals or the failure of telecommunications network operators to provide us with the bandwidth we need to provide our services and offerings could interfere with the speed and availability of our platform. If our platform is unavailable when platform users attempt to



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access it, or if our platform does not load as quickly as platform users expect, platform users may not return to our platform as often in the future, or at all, and may use our competitors' services or offerings more often. Our business depends on the efficient and uninterrupted operation of mobile communications systems. The occurrence of an unanticipated problem, such as a power outage, telecommunications delay or failure, security breach, or computer virus could result in delays or interruptions to our offerings and platform, as well as business interruptions for us and platform users. Any of these events could damage our reputation, significantly disrupt our operations and subject us to liability, which could adversely affect our business, financial condition, and operating results.

**If we fail to effectively manage the behaviors of order skipping, disintermediation and other misconduct and fraud by our users, our business, results of operations and financial condition could be materially and adversely affected.**

Drivers on our platform may skip orders, fail to pick up freight promptly, or circumvent our platform through third-party software or by completing the transaction offline and in private. We have implemented various measures to prevent order skipping by either drivers or shippers. For example, we have real-time monitoring systems to identify the movement and abnormal stay of drivers and vehicles. If we detect a persistent skipping pattern, we will permanently close their user accounts on our platform. In addition, we may incur losses from various types of fraud by our users, such as use of stolen or fraudulent credit card data. Certain users may use increasingly sophisticated methods to engage in illegal activities involving personal information, such as unauthorized use of another person's identity, account information or payment information and unauthorized acquisition or use of credit or debit card details, bank account information and mobile phone numbers and accounts. Under current credit card practices, we may be liable for transactions incurred by shippers on our platform with fraudulent credit card data, even if the associated financial institution approved the credit card transaction. We have taken measures to detect and prevent fraudulent transactions by our users, such as requiring users to create user accounts with their mobile phone numbers in order to place orders and requiring SMS verification of mobile phone numbers tied to such user accounts. Despite our efforts, our measures may not eliminate order skipping, disintermediation, and other user misconducts and fraud. Further, according to Article 34 of the Road Transportation Regulation of the PRC (《中華人民共和國道路運輸條例》), freight vehicles shall not be used to carry passengers. Freight vehicle in violation is subject to a fine of no less than RMB500 and no more than RMB2,000. However, in mainland China, shippers may request to be taken as passengers during freight deliveries and drivers may accept such requests despite our instructions not to do so. Our failure to adequately detect and prevent such user misbehaviors could materially and adversely affect our business, reputation, results of operations and financial condition.

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**We have a significant amount of goodwill and other intangible assets. We may face impairment risks in connection with our goodwill and other intangible assets, which could have a material adverse impact on our financial performance.**

In order to expand our operations and global presence, we have undertaken acquisition in the past. In practice, many companies acquire other companies and pay a consideration that exceeds the fair value of identifiable fair value of consideration assets and liabilities that the acquired company possesses, the excess of the purchase price over fair value of acquired identifiable assets and liabilities is recorded as a goodwill. The carrying amount of goodwill of our Group were of RMB1,041.8 million, RMB1,048.7 million, RMB1,029.1 million and RMB1,020.3 million as at December 31, 2018, 2019, 2020 and 2021, respectively.

According to IAS 36, our goodwill is not amortized, but tested for impairment at least annually or more frequently if events or changes in circumstances indicate a potential impairment. We conduct impairment review according to the IAS 36 that the recoverable amount of each cash-generating unit are the higher of value in use or the fair value less cost of disposal, which is determined by using discounted cash flow method. In determining the cash flow forecast, we make assumptions regarding future operating performance, business trends, financial performance and market and economic conditions. This analysis further requires us to make assumptions about projections period, compounded annual revenue growth rates, compound cost and operating expense, long-term growth rates and post-tax discount rates. There are inherent uncertainties relating to these factors and our management's judgment in applying these factors to the assessment of goodwill recoverability.

If we cannot successfully grow our business and continue developing our monetization channels in order to realize satisfactory returns on our investment and generate sufficient revenue, our financial position, results of operations and equity value be materially and adversely affected and our then goodwill may be impaired.

However, we cannot assure you that our assumptions will prove to be correct. We could be required to evaluate the recoverability of goodwill prior to the annual assessment if there are any impairment indicators, which could substantially affect our reported earnings in the periods when recognized. In addition, impairment charges could negatively affect our financial ratios, limit our ability to obtain financing and adversely affect our financial position and results of operations.

In addition, as of December 31, 2018, 2019, 2020 and 2021, we had intangible assets of RMB132.8 million, RMB110.4 million, RMB87.0 million and RMB68.3 million, respectively, the value of which are also based on a number of assumptions made by our management. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to have a significant write-off of our intangible assets and record a significant impairment loss, which could in turn adversely affect our financial position and results of operations.

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**Fair value changes in our financial instruments issued to certain investors and related valuation uncertainty may materially affect our financial condition and results of operations.**

Changes in fair value of financial liabilities at fair value through profit or loss represent gain or loss from changes in fair value of our convertible redeemable preferred shares, warrants to convertible redeemable preferred shares and convertible notes issued to certain investors. In 2018, we had a loss in fair value of financial liabilities at fair value through profit or loss of RMB168.6 million. In 2019, we had a gain in fair value of financial liabilities at fair value through profit or loss of RMB228.0 million. In 2020 and 2021, we had a loss in fair value of financial liabilities at fair value through profit or loss of RMB464.1 million and RMB559.6 million, respectively.

The financial liabilities at fair value through profit or loss were recorded on a fair value basis. The fair values of the financial instruments are established by using valuation techniques, which include discounted cash flow method involving various parameters and inputs. However, some inputs, such as discount rate, risk-free interest rate, discount for lack of marketability and volatility, require management estimates. Management estimates and assumptions are reviewed periodically and are adjusted if necessary. Any changes in the estimates and assumptions may lead to different valuation results and, in turn, changes in the fair values of the financial instruments issued to such investors. See Note 30 to the Appendix I to this prospectus. These valuation uncertainties may materially affect our financial condition and results of operations. We expect continued fluctuation of the fair value of our convertible redeemable preferred shares after December 31, 2021 till the Listing Date, upon which all convertible redeemable preferred shares will be automatically converted into our Shares. After the automatic conversion of the convertible redeemable preferred shares into Shares upon the Listing, which may result in a net asset position, we do not expect to recognize any further loss or gain on fair value changes from the convertible redeemable preferred shares in the future.

**Security breaches and attacks against our platform, and any potentially resulting breach or failure to otherwise protect confidential and proprietary information, could damage our reputation and negatively impact our business, as well as materially and adversely affect our financial condition and results of operations.**

Although we have employed significant resources to develop our cybersecurity measures against breaches, our cybersecurity measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of user information, or a denial of service or other interruption to our business

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operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, we may be unable to anticipate, or implement adequate measures to protect against, these attacks.

We have in the past and are likely again in the future to be subject to these types of attacks, although to date no such attack has resulted in any material damages or remediation costs. If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liability, our reputation would be harmed and we could sustain substantial revenue loss from lost user activities and user dissatisfaction. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Cyber-attacks may target us, our users or our other ecosystem participants, or the communication infrastructure on which we depend. Actual or anticipated attacks and risks may cause us to incur significantly higher costs, including but not limited to costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants.

**We may be considered as conducting payment services as a non-financial institution without a Payment Business Permit in the PRC.**

In mainland China, shippers who use our platform to find drivers make payments for the fulfilled shipment orders to our business accounts with online payment processors. Such payments are usually transferred to our designated account with a licensed commercial bank on the second day. According to the Measures for the Administration of Payment Services of Non-Financial Institutions (《非金融機構支付服務管理辦法》) which were promulgated by the PBOC on June 14, 2010, effective on September 1, 2010 and amended on April 29, 2020, non-financial institutions are required to obtain a payment business permit (the “Payment Business Permit”) to provide payment services. Neither non-financial institutions nor individuals are permitted to engage in any form of payment business without the approval of the PBOC, including payment through the internet, otherwise the non-financial institution or the individual may be ordered to terminate payment business. The PBOC and certain regulatory authorities issued the Implementation Plan for the Special Rectification of Risks of Non-bank Payment Institutions (《非銀行支付機構風險專項整治工作實施方案》) on April 13, 2016, which provides that new applications for Payment Business Permit would no longer be accepted in general.

In addition, we require drivers to pay a refundable security deposit when they register with our platform, our enterprises customers may make prepayments to us, and shippers and drivers may have balances in their user accounts on our platform. According to the Measures for the Administration of User Funds in New Forms of Transport Business (Trial) (《交通運輸新業態用戶資金管理辦法(試行)》) (the “User Funds Measures”) which were promulgated on May 9, 2019 and effective on June 1, 2019, enterprises engaged in new forms of transport business must keep user deposits and prepayments from its users in a special deposit bank account with the bank as the depository, otherwise it may be subject to order of rectification, and if rectification is not made within the prescribed period, the relevant governmental

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authorities may publicize credit information of such enterprise through public channels to remind users of relevant risks. The measures explicitly provide that online ride-hailing services, time-share car rental services and online bicycle rental services fall within new forms of transport business but lack clear guidance as to whether our business also constitutes new forms of transport business.

The relevant rules and regulations lack clear guidance as to what practice or process constitutes payment or settlement services without a Payment Business Permit. We cannot assure you, however, that our past settlement practice during the Track Record Period will not give rise to the risk that we may be deemed as engaging in payment and settlement services without a Payment Business Permit. During the Track Record Period and up to the Latest Practicable Date, insofar as we are aware, we had not been required by the relevant regulatory authorities to obtain the Payment Business Permit for our past settlement practice, nor had we received any penalty in connection with any purported operations of payment and settlement services without a Payment Business Permit or otherwise in violation of the above-described rules and regulations. In order to manage the risk, we entered into an agreement with a licensed commercial bank to cooperate on the billing, payment and settlement functions on our platform in November 2020. However, we cannot assure you that our cooperation with such commercial bank would completely eliminate relevant risk or such cooperation would suffice for all of our present or future businesses. In addition, the settlement services provided by licensed commercial banks are subject to various rules and regulations, which may be amended or reinterpreted to encompass additional requirements. In response to such changes, we may have to adjust our cooperation with such licensed commercial bank and may thus incur higher transaction and compliance costs. Any of the circumstances would have a material and adverse effect on our business, results of operations and financial condition.

During the Track Record Period and up to the Latest Practicable Date, we provided our online intra-city logistics services in mainland China through Zhenjiang 58 Supply Chain, Hainan 58 Supply Chain and Tianjin 58 Freight. Our PRC Legal Advisor conducted anonymous phone consultations with the General Transportation Office of Zhenjiang Transportation Bureau (鎮江市交通運輸局綜合運輸處), the Road Transportation Administration Office of Haikou Transportation, Port and Shipping Administration Bureau (海口市交通運輸和港航管理局道路運輸管理處) and the Construction and Transportation Bureau of Tianjin Hi-tech Industry Development District (天津市濱海高新技術產業開發區建設與交通局). After the PRC Legal Advisor provided details of our business model and operations, the authorities confirmed that the User Funds Measures do not apply to our business. Our PRC Legal Advisor confirms that these authorities are competent and have the appropriate authority to address the inquiries and the officers interviewed are competent and have the appropriate authority to represent such authorities in giving the confirmations since they were consulted via the hotline published on the official website of the respective authority, which is designated by the relevant authority to respond to the general public's inquiries. Nevertheless, the interpretation and application of the User Funds Measures are subject to uncertainties. We cannot assure you that relevant government authorities will not consider us as an enterprise engaged in new forms of transport business in the future and thus require us to keep user deposit and prepayments from users in a special deposit bank account, failure of which may subject us to penalties.

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**If we fail to maintain and enhance our brand image and generate positive publicity, our business, results of operations and financial condition could be materially and adversely affected.**

The recognition and reputation of our brands and the successful maintenance and enhancement of our brands and reputation have contributed, and will continue to contribute, significantly to our success and growth. Any negative perception and publicity about us, our Controlling Shareholders, Directors, senior management, our affiliates, our brand, management, employees, platform drivers, business partners and the services we provide, whether or not justified, could tarnish our reputation and reduce the value of our brand. For example, one of our Directors, Mr. HU Gang, was named as a defendant in a federal securities class action in the United States, which was settled in 2014. See “Directors and Senior Management.” Further, our competitors may fabricate complaints or negative publicity about us for the purpose of vicious competition. With the increased use of social media, adverse publicity can be disseminated quickly and broadly, making it increasingly difficult for us to respond and mitigate effectively. We are also subject to negative publicity about shippers and drivers using our platform, whose activities are out of our control. Negative public perception that shippers on our platform do not place authentic orders or that drivers on our platform do not provide satisfactory services, even if factually incorrect or based on isolated incidents, could undermine the trust and credibility we have established and have a negative impact on our ability to attract and retain shippers and drivers.

**We engage human resource agencies and fleet operators to provide drivers to fulfill orders on our platform and contract with independent labor service provider for outsourced personnel.**

In some of the markets in which we operate, we use human resource agencies and fleet operators who provide drivers to fulfill orders on our platform. We enter into agreements with the human resource agencies and fleet operators only. Since drivers supplied by human resource agencies and fleet operators are not directly employed by us, we believe that we are not liable to these drivers if the human resource agencies and fleet operators fail to fulfill their duties to these drivers. However, if the human resource agencies and fleet operators violate any relevant requirements under the applicable labor laws, regulations or their employment or independent contractor agreements with the drivers, such drivers may claim compensation from us as they provide services for us. As a result, we may incur legal or financial liability, and our market reputation, brand image as well as our business, financial condition and results of operations could be materially and adversely affected.

In addition, we entered into service outsourcing agreement with an independent labor service provider who designates staffs to provide sales and user support services for us in mainland China. We do not have any direct contractual relationship with these outsourced personnel. Since these outsourced personnel are not directly employed by us, our control over them is more limited as compared to our own employees. If any outsourced personnel fail to operate or perform their duties in accordance with our protocols, policies and business guidelines, our market reputation, brand image and results of operations could be materially and adversely affected. In addition, though we do not have any direct contractual relationship with these outsourced personnel, if the labor service provider violates any relevant requirements under the applicable PRC labor laws, regulations or their agreements with the personnel, such personnel may claim compensation from us as they provide services for us.

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## RISK FACTORS

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**We work with regional partners to market and promote our platform and to execute our growth strategy in mainland China.**

In 2020, as part of our strategy to expand our footprint in mainland China, we started to form partnerships with individuals and entities in lower-tier cities, who help us market and promote our platform and recruit shippers and drivers. We provide technical support and training to our regional partners while taking advantage of their local resources of shippers and drivers. As of December 31, 2021, we had 117 partners in 74 cities in mainland China. Working with our regional partners enables us to scale up our presence in lower-tier cities in mainland China at lower user acquisition costs. Therefore, we believe that maintaining stable relationships with our regional partners is important to our revenue growth in mainland China.

While we intend to continue dedicating resources to developing and maintaining stable relationships with our regional partners, we do not enter into exclusive agency agreements with all of our regional partners, meaning some of them are not prohibited from marketing and promoting our competing platforms by contractual terms. In addition, we cannot assure you that our existing or prospective regional partners will comply with the exclusivity provision, if applicable, or other terms of the agreements. For example, while our regional partners are prohibited from using our trade name in any unauthorized manner, there can be no assurance that they will comply with such restrictions. Any unauthorized use of our trade name by our regional partners may result in legal disputes and liabilities and cause damages to our brand name and market reputation. In addition, our agreements with our regional partners typically have a term of one year. Our regional partners may cease cooperating with us if such agreements were not renewed after their expiration. If we fail to identify alternative regional partners or fail to do so in a timely and cost-effective manner, or if we are unable to work well with new regional partners, our business, results of operations, and financial condition could be adversely affected.

Moreover, our expansion of user base and user retention rates attributable to end users acquired through our regional partners may differ significantly from those users that we acquire through our direct sales force. If our regional partners do not effectively market and promote our platform, our reputation among existing and prospective users and ability to grow our business may also be adversely affected. Further, unpredictable variations in the mix between our revenue attributable to our direct sales team and our regional partners may result in fluctuations in our operating results.

**We may fail to optimize the prices for our services, and any adverse trend in pricing will impact our revenues and results of operations.**

Our pricing strategies could be affected by a number of factors, including operating costs, legal and regulatory requirements or constraints, and our current and future competitors' pricing and marketing strategies. Some competitors offer, or may in the future offer, lower-priced services or implement loss-leader pricing strategies in the form of excessive and significant subsidies in order to attract and retain shippers and drivers. Similarly, some competitors may use marketing strategies to attract or retain shippers and drivers at lower costs than us. Further, regulatory authorities may impose qualitative or quantitative restrictions on the level of service fees that online platform operators may charge to users for their transaction

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facilitation. As such, we may be forced by competition, regulation or other reasons to reduce our service fees or to increase our selling and marketing expenses to retain and expand our user base. Furthermore, our users' price sensitivity may vary by geographic locations, and as we expand, our pricing methodologies may not enable us to compete effectively in these locations. We may launch new pricing strategies and initiatives, or modify existing pricing methodologies, any of which may not ultimately be successful in attracting and retaining shippers and drivers.

**We have incurred significant losses since inception and may not achieve profitability in the near future.**

We have incurred significant losses in the past. We had net loss of RMB1,070.9 million, RMB183.8 million, RMB658.2 million and RMB872.9 million in 2018, 2019, 2020 and 2021, respectively. We will need to sustain and increase revenue and effectively manage expenses in future to achieve profitability, and even if we do, we may not be able to maintain or increase profitability. We have in the past and will continue to make efforts to enlarge our platform's user base, enhance their experience, and expand the capabilities and scope of our platform. We believe these efforts are important to our long-term success and future growth, but they may have the effect of increasing our costs, reducing our revenue and increasing our net losses, and this effect may be significant in the short term and potentially in the long term. These efforts may also prove more expensive than we anticipate, and we may not succeed in increasing our revenue sufficiently to offset these expenses. For example, we aim to expand our market share in lower-tier cities in mainland China and in certain other countries in Asia, and we may incur substantial costs in connection with such efforts. Furthermore, many of our efforts to generate revenue are new and unproven, and any failure to adequately increase revenue or contain the related costs could prevent us from attaining or increasing profitability. Our strategic investments and acquisitions may also adversely affect our results of operations. As such, we may not be able to achieve, maintain or increase profitability in the near future.

**We had net current liabilities, total deficit and negative operating cash flows during the Track Record Period, which may expose us to liquidity risk.**

We had net current liabilities of RMB287.4 million, RMB349.3 million and RMB543.6 million as of December 31, 2018, 2019 and 2020, respectively, and net current assets of RMB57.3 million as of December 31, 2021. We had total deficit of RMB886.1 million, RMB1,098.9 million, RMB1,581.2 million and RMB2,075.8 million as of December 31, 2018, 2019, 2020 and 2021, respectively. We may continue to have net current liabilities and deficit in the future. Further, we had net cash used in operating activities of RMB380.1 million, RMB456.2 million, RMB126.4 million and RMB358.6 million in 2018, 2019, 2020 and 2021 and may experience negative operating cash flows in the future. Any of the foregoing may expose us to the risk of shortfalls in liquidity. This in turn would require us to seek additional financing from offering and issuing our Shares, and/or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. Any difficulty or failure to meet our liquidity needs as and when needed may have a material adverse effect on our business, financial condition, results of operations and prospects.



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**We have incurred significant costs on a variety of sales and marketing efforts, including significant selling and marketing expenses in order to attract shippers and drivers, and some marketing campaigns and methods may turn out to be ineffective.**

We have invested significantly in sales and marketing activities to promote our brands and to deepen our relationships with users, including incurring RMB524.1 million, RMB296.0 million, RMB194.8 million and RMB335.0 million in selling and marketing expenses in 2018, 2019, 2020 and 2021, respectively. Such selling and marketing expenses represented 115.7%, 54.0%, 36.7% and 50.7% of our total revenues in the corresponding periods. We plan to adopt a relatively aggressive growth strategy in the next one to two years to increasingly focus on user retention and acquisition and to grow our market share. This entails increasing spending on selling and marketing expenses, in particular incentives to drivers and shippers. However, our sales and marketing activities may not be well received by users, and may not attract additional users as anticipated. The evolving marketing approaches and tools may require us to experiment with new marketing methods to keep pace with industry trends and user preferences. Failure to refine our existing marketing approaches or to introduce new effective marketing approaches in a cost-effective manner could reduce our market share and negatively impact our results of operations. In addition, we may be required to increase our selling and marketing expenses, including providing significant subsidies or discounts to users, in promoting our brand awareness as well as our service offerings. There is no assurance that we will be able to recover costs of our sales and marketing activities or that these activities will be effective in generating new users for us.

**Fluctuation in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.**

We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars, Singapore dollars and South Korean Won. The value of Renminbi against the Hong Kong dollar, the Singapore dollar, South Korean Won and other currencies fluctuates, is subject to changes resulting from the PRC government's policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. During the Track Record Period, a significant portion of our revenues were denominated in Hong Kong dollars, Singapore dollars and South Korean Won. However, our financial information is presented in Renminbi. At the moment, we do not use any derivative contracts to hedge against our exposure to currency risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited, and we may not be able to successfully hedge our exposure at all.

In 2018, 2019, 2020 and 2021, we incurred net foreign exchange (losses)/gains in the amount of RMB(0.4) million, RMB(3.0) million, RMB3.4 million and RMB(1.7) million, respectively. See "Financial Information – Disclosure about Financial Risks – Market Risk – Foreign Exchange Risk" for more details on our foreign currency translation losses/gains.

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In addition, the proceeds from the Global Offering will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our Shares in foreign currency. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

**We are exposed to credit risks of our enterprise customers.**

Our business operations for enterprise services are subject to the risk of payment deferrals and/or defaults by our enterprise customers. Revenue generated from our enterprise services accounted for 61.6%, 53.2%, 54.6% and 56.4% of our total revenue in 2018, 2019, 2020 and 2021, respectively. During the Track Record Period, we typically granted to our enterprise customers a credit period of 30 to 60 days, depending on the relevant contract terms and our evaluation of their creditworthiness. In determining the actual length of credit terms granted to a specific enterprise customer, we consider various factors such as reputation, the length of business relationship and past payment records. Our accounts receivables turnover days in 2018, 2019, 2020 and 2021 were 51 days, 52 days, 51 days and 43 days, respectively. As of December 31, 2018, 2019, 2020 and 2021, our gross accounts receivables amounted to RMB81.6 million, RMB74.9 million, RMB72.1 million and RMB83.4 million, respectively. As of December 31, 2018, 2019, 2020 and 2021, our gross accounts receivables aged more than 90 days amounted to RMB20.6 million, RMB23.2 million, RMB16.7 million and RMB19.8 million, respectively, representing 25.2%, 31.0%, 23.2% and 23.7% of our accounts receivables as of the same dates, respectively. See “Financial Information – Discussion of Selected Items from the Consolidated Statements of Financial Position – Assets – Accounts Receivables” for details.

We are thus exposed to the risk that our enterprise customers may delay or withhold their payment for any reason, which may put our cash flow and working capital under pressure. We cannot assure you that we will be able to fully recover the outstanding amounts due from our enterprise customers in a timely manner pursuant to the agreed-upon payment schedules, or at all. If we fail to collect such outstanding amounts from enterprise customers in full amounts or in a timely manner, or at all, our liquidity position could be worsened, and our business, results of operations and financial condition could be materially and adversely affected.

**We may not be able to secure additional financing on favorable terms, or at all, to meet our future capital needs.**

Our ability to obtain additional capital in the future is subject to a number of uncertainties, including those relating to our future business development, financial condition and results of operations, general market conditions for financing activities by companies in our industry, and macro-economic and other conditions regionally and globally. If we cannot obtain sufficient capital to meet our capital needs, we may not be able to execute our growth strategies, and our business, financial condition and prospects may be materially and adversely affected.

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**We may grant share incentives in the future, which may result in increased share-based compensation expenses and negatively impact our results of operations.**

We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel. We adopted the Share Incentive Plan on August 18, 2021. The maximum aggregate number of Shares which may be issued under the Share Incentive Plan is 104,134,465 Shares. As of the date of this prospectus, there are an aggregate of 96,211,100 outstanding and unexercised options granted to 570 grantees, representing the rights to subscribe for 96,211,100 Shares. After the Listing, no further awards (options or other types of awards) will be granted pursuant to the Share Incentive Plan. The principal terms of the Share Incentive Plan are set out in the section headed “Statutory and General Information – D. Share Incentive Plan” in Appendix IV. As a result, our expenses associated with share-based compensation may increase substantially, which may have an adverse effect on our results of operations.

**We depend on our senior management team and the loss of one or more key employees or an inability to attract and retain highly skilled employees could harm our business.**

Our success depends in large part on our ability to attract and retain high-quality management, operations, engineering, and other personnel who are in high demand, are often subject to competing employment offers, and are attractive recruiting targets for our competitors. Leadership transitions and management changes may cause uncertainty in, or a disruption to, our business, and may increase the likelihood of turnover for senior management or other employees. The loss of qualified executives and employees, or an inability to attract, retain, and motivate high-quality executives and employees required for the planned expansion of our business, may harm our operating results and impair our ability to grow.

In addition, our failure to put in place adequate succession plans for senior and key management roles or the failure of key employees to successfully transition into new roles could have an adverse effect on our business and operating results. The unexpected or abrupt departure of one or more of our key personnel and the failure to effectively transfer knowledge and effect smooth key personnel transitions may have an adverse effect on our business resulting from the loss of such person’s skills, knowledge of our business, and years of industry experience. If we cannot effectively manage leadership transitions and management changes in the future, our reputation and future business prospects could be adversely affected.

We may use equity incentives, among other measures, to attract and retain key personnel in the future. These measures may not be sufficient to attract and retain the personnel we require to operate our business effectively. The equity incentives we use to attract, retain, and motivate employees may not be effective, particularly if the value of the underlying stock does not increase commensurate with expectations or consistent with its historical growth. If we are unable to attract and retain high-quality management and operating personnel, our business, financial condition, and operating results could be adversely affected.

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**We may not be able to identify suitable acquisition targets or consummate acquisitions on acceptable terms, or we may be unable to successfully integrate acquisitions or achieve the anticipated benefits.**

We intend to selectively pursue strategic acquisitions and investments that are complementary to our growth strategies. Acquisitions involve certain known and unknown risks that could cause our actual growth or operating results to differ from our expectations. For example:

- we may not be able to identify suitable acquisition candidates or to consummate acquisitions on acceptable terms;
- we compete with others to acquire complementary businesses and technologies, which may result in decreased availability of, or increased price for, suitable acquisition candidates;
- we may not be able to obtain the necessary financing, on favorable terms or at all, to finance any or all of our potential acquisitions;
- we may ultimately fail to consummate an acquisition even if we announce that we plan to acquire a business;
- acquired products or businesses may not perform as we expect and we may fail to realize anticipated revenue and profits; and
- our acquisition activities may be subject to various regulations, including antitrust regulations.

In addition, our acquisition strategy may divert management's attention away from our existing business, resulting in the loss of key clients or employees, and expose us to unanticipated problems or legal liabilities, including responsibility as a successor for undisclosed or contingent liabilities of acquired businesses or assets.

In any future acquisitions, we may not be able to successfully integrate acquired personnel, operations and technologies, or effectively manage the combined business following the acquisition. We also may not achieve the anticipated benefits from our future acquired businesses due to a number of factors, including:

- inability to integrate or benefit from acquisitions in a profitable manner;
- unanticipated costs or liabilities associated with the acquisition;
- incurrence of acquisition-related costs;

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- difficulty converting the customers of the acquired business to our solutions and contract terms, including disparities in the revenues, licensing, support or professional services model of the acquired company;
- difficulty integrating the accounting systems, operations and personnel of the acquired business;
- diversion of management's attention from other business concerns;
- the loss of our or the acquired business's key employees;
- diversion of resources that could have been more effectively deployed in other parts of our business; and
- use of substantial portions of our available cash to consummate the acquisition.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could harm our results of operations. Acquisitions could also result in dilutive issuances of equity securities, the use of our available cash, or the incurrence of debt, which could harm our operating results. In addition, if an acquired business fails to meet our expectations, our operating results, business and financial condition may suffer.

**Any failure to comply with anti-corruption, anti-bribery, sanctions and similar laws of the jurisdictions in which we operate could subject us to penalties and other adverse effects.**

We are subject to anti-corruption, anti-bribery, sanctions and similar laws and regulations in various jurisdictions in which we conduct activities. We have operations in, and have business relationships with, entities in countries known to experience high levels of corruption, such as India. We are subject to the U.S. Foreign Corrupt Practices Act (the "FCPA") and other similar laws outside the United States that prohibit improper payments or offers of payments to foreign governments, their officials, and political parties for the purpose of obtaining or retaining business. U.S. and non-U.S. regulators alike continue to focus on the enforcement of these laws, and we may be subject to additional compliance requirements to identify criminal activity and payments to sanctioned parties. Our activities in certain countries with high levels of corruption, such as India, enhance the risk of unauthorized payments or offers of payments by drivers, shippers, employees, consultants, or business partners in violation of various anti-corruption and other related laws, including the FCPA, even though the actions of these parties are often outside our control. Any allegations of such behaviors against us, our employees, subsidiaries or affiliates, and to a lesser extent, our agents or consultants, could cause us to become the target of negative publicity, and have a material and adverse impact on our business, results of operations and financial condition.

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We cannot fully control the conducts of our employees, agents or consultants. Our employees, agents or consultants may, in their interactions with employees of our suppliers and customers as well as government officials, attempt to maintain or expand our business operations through means that could potentially constitute violations of applicable anti-corruption and other related laws. While we have implemented specific measures against corruption and bribery, there can be no assurance that our existing and future safeguards, including training and compliance programs to discourage these practices, may prove effective, or prevent such parties from engaging in conduct for which we could be held responsible. Additional compliance requirements may compel us to revise or expand our compliance program, including the procedures we use to verify the identity of platform users and monitor transactions.

If we or any of our associates fail to comply with economic sanctions or trade restrictions imposed by national or international authorities that are applicable to us or them, we may be exposed to potential legal liability and the costs associated with investigating potential misconduct, as well as potential reputational damage. Any export controls or any economic or trade restrictions in the U.S. or elsewhere applicable to our businesses could be complex and may change frequently. The interpretation and enforcement of such laws and regulations involve uncertainties, which may be driven by political or other factors out of our control or heightened by national security concerns. Any potential restrictions imposed on us or any of our associates, as well as any associated inquiries or investigations or any other government actions, may be difficult or costly to comply with and may cause disruptions to our services and business operations, result in negative publicity, require significant management time and attention and subject us to fines, penalties or orders. Any of the foregoing events may have a material and adverse effect on our business, financial condition and results of operations.

**We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from any unauthorized use of our technologies, and are exposed to risks related to the license of intellectual property rights to third parties.**

We regard our proprietary technologies, trademarks, copyrights, patents, domain names, know-how and similar intellectual property critical to our success. We rely on a combination of intellectual property laws and contractual arrangements, including confidentiality and non-compete agreements with our employees, to protect our proprietary rights. However, the functionality of our platforms might be reproduced and our source code might be copied. We have been and may continue to be an attractive target to attacks in the future because of our brand recognition. We have policies and measures in place to prevent unauthorized use of our intellectual property. However, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated. Confidentiality, non-compete agreements and other contractual arrangements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in the countries and regions in which we operate. Policing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the

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infringement or misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our management and financial resources, and could put our intellectual property at risk of being invalidated or narrowed in scope. We can provide no assurance that we will prevail in such litigation, and even if we do prevail, we may not obtain a meaningful recovery. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in maintaining, protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

Further, we have licensed to a third party the right to use certain of our trademarks, domain names, websites and mobile applications in Taiwan, where we currently have no direct operations nor have any equity investment. Pursuant to the licensing agreement, we take no responsibility for the licensee's business. However, any illegal actions or misconduct of the licensee, or any failure by them to provide satisfactory services or maintain their service levels, may nevertheless be attributable to us and could harm our reputation and brand. Claims may be brought against the licensee and/or against us directly for the licensee's conduct, which, whether meritorious or not, could be time consuming, costly, and harmful to our reputation, and could require significant amounts of management time and corporate resources. If any of these legal proceedings were to be determined adversely to us, or we were to enter into a settlement arrangement, we could be exposed to monetary damages or be forced to change the way in which we operate our business, which could have an adverse effect on our business, financial condition, and results of operations.

### **We may be subject to claims by third parties for intellectual property infringement.**

We depend on our ability to develop and maintain the intellectual property rights relating to our business. We cannot assure you that third parties will not claim that our business infringes upon or otherwise violates patents, copyrights or other intellectual property rights that they hold. We have been involved, and may continue to be involved, in disputes or legal proceedings in relation to allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and other violations of other parties' intellectual property rights. The validity, enforceability and scope of protection of intellectual property rights in the countries and regions in which we operate are still evolving. We may face allegations that we have infringed the trademarks, copyrights, patents and other intellectual property rights of third parties, including our competitors, or allegations that we are involved in unfair trade practices. As we face increasing competition and as litigation becomes a more common method for resolving commercial disputes in the countries and regions in which we operate, we face a higher risk of being the subject of intellectual property infringement claims. Defending against intellectual property claims is costly and can impose a significant burden on our management and resources, and favorable final outcomes may not be obtained in all cases. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to our services to reduce the risk of future liability, may have a material adverse effect on our business, results of operations and financial condition.

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**Failure to obtain or maintain any of the preferential tax treatments and government subsidies or imposition of any additional taxes and surcharges could adversely affect our financial condition and results of operations.**

We may enjoy preferential tax treatments and government subsidies in the markets in which we operate. For example, in mainland China, under the Enterprise Income Tax Law and its implementation rules, the statutory enterprise income tax rate for our PRC subsidiaries is 25%. However, the income tax of an enterprise that has been determined to be a High and New Technology Enterprise can be reduced to a preferential rate of 15%. Tianjin 58 Freight is accredited as a High and New Technology Enterprise, with which it may apply to enjoy a preferential tax rate of 15%. Any discontinuation, retroactive or future reduction or refund of any preferential tax treatments or government subsidies we currently enjoy could adversely affect our business, financial condition and results of operations.

Further, in the ordinary course of our business, we are subject to complex income tax and other tax regulations across multiple jurisdictions, and significant judgment is required in the determination of a provision for income taxes. Although we believe our tax provisions are reasonable, if the relevant tax authorities successfully challenge our position and we are required to pay tax, interest and penalties in excess of our tax provisions, our financial condition and results of operations would be materially and adversely affected.

**We have in the past and may in the future be subject to disputes, legal proceedings or arbitration claims in the ordinary course of our business, and the court ruling or arbitration award may not be favorable to us.**

We have in the past been, and may in the future become, involved in private actions, collective actions, investigations, and various other legal proceedings initiated by drivers, individual shippers, enterprise shippers, employees, commercial partners, competitors or government agencies, among others. We may also be subject to claims, lawsuits, investigations and other legal proceedings relating to traffic accidents, deaths, injuries, or other incidents that happen during the use of our platform. In addition, we may be subject to claims alleging that we are directly or vicariously liable for the acts of drivers on our platform. We require drivers to agree to our standard terms and conditions before joining our platform, which stipulate that we have no liability for any claims arising from freight deliveries facilitated through our platform or disputes between shippers and drivers. However, we cannot assure you that we will not be named as a co-defendant in lawsuits filed against our users in the future, or that we will not be subject to joint and several or other liabilities resulting from relevant legal proceedings. While we maintain insurance coverage for freight and goods delivered through our platform and maintain personal injury insurance while drivers provide logistics services via our platform in mainland China, claims against us may exceed the amount of our insurance coverage, or may not be covered by insurance at all.



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The results of any such litigation, investigations, and legal proceedings are inherently unpredictable and expensive. Any claims against us, whether meritorious or not, could be time consuming, costly, and harmful to our reputation, and could require significant amounts of management time and corporate resources. If any of these legal proceedings were to be determined adversely to us, or we were to enter into a settlement arrangement, we could be exposed to monetary damages or be forced to change the way in which we operate our business, which could have a material and adverse effect on our business, financial condition, and operating results.

In addition, we regularly include arbitration provisions in our terms of service with shippers for our enterprise services in overseas markets. These provisions are intended to streamline the litigation process for all parties involved, as arbitration can in some cases be faster and less costly than litigating disputes. However, arbitration may become more costly for us, or the volume of arbitrations may increase and become burdensome. Further, the use of arbitration provisions may subject us to certain risks to our reputation and brand, as these provisions have been the subject of increasing public scrutiny.

### **We may not have adequate insurance coverage to protect us from potential losses.**

Our insurance policy varies in the different markets in which we operate, depending on local laws and regulations, prevailing industry practices and our scale of operations. For details of our insurance policy, see “Business – Insurance.” We may be required to pay higher premiums for the coverage we obtain. For the insured risks, there can be no assurance that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we face claims in excess of our applicable aggregate coverage limits for insured risks, we would bear any excess and the compensated amount could be significantly less than our actual loss.

Risks associated with our business and operations primarily include business liability, business interruption, and damages to our technology infrastructure. As the insurance industry in the countries and regions in which we operate is still at a stage of development, and insurance companies in the markets in which we operate currently offer limited operation-related insurance products. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. There exist uncertainties as to whether we, as an online platform, are responsible for illegal actions or misconduct on the part of platform drivers. For details, see “— We rely on drivers who are independent contractors to provide quality services for shippers. Their illegal actions or misconduct, or any failure by them to provide satisfactory services or maintain their service levels, could materially and adversely affect our business, reputation, financial condition and results of operations.” Our insurance policy may not fully cover such risks.

For these uninsured risks, any of them may result in substantial costs and a diversion of resources, and our business, financial condition and results of operations could be materially and adversely affected.

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**Our results of operations are subject to seasonal fluctuations.**

We have experienced, and expect to continue to experience, seasonality in our business. We typically have lower revenue during the first quarter of each year in mainland China and Hong Kong, primarily due to fewer shipment orders attributable to our users' travelling and vacation plans and business closures during the Chinese New Year holidays. We have seen a significant increase in business volume during the third quarter of each year around major Chinese holidays. In the fourth quarter of each year, our performance is typically affected by the combination of the reduced business volume in mainland China during the National Day holidays and the increased business volume around Christmas and internet shopping festivals. Our revenue may vary considerably from time to time as a result of change in seasonal demand for intra-city logistics services due to the impact of holidays on demand for and seasonal cycles of consumer goods and other factors. Accordingly, comparison of sales and operating results from different periods in any given financial year may not be relied upon as indicators of our performance.

Other seasonal trends that affect us or the intra-city logistics industry in general may develop, and current seasonal trends may become more extreme, all of which would contribute to fluctuations in our results of operations. As a result, historical patterns of our results of operations may not be indicative of our future performance, and period-to-period comparisons of our results of operations may not be meaningful, especially given our limited operating history. Our results of operations in future quarters or years may fluctuate and deviate from the expectations of securities analysts and investors, and any occurrence that disrupts our business during any particular quarters could have a disproportionately material adverse effect on our liquidity and results of operations.

**We currently do not own the properties on which we carry out our business, and we are exposed to the risks associated with the commercial and industrial real estate rental market.**

As at the Latest Practicable Date, the offices and facilities occupied by us for our business purposes were leased from third parties, details of which are disclosed in the section headed "Business – Properties" in this prospectus. Accordingly, we are susceptible to the rental fluctuation from time to time. We have to negotiate the terms of renewal with the respective landlords prior to the expiry of the lease agreements. In the event that there is any increase in the rental expenses for our existing leased properties in the long run, our operating expenses and pressure on our operating cash flows will increase, thereby materially and adversely affecting our business, results of operations and prospects. In addition, there is no assurance that we will successfully renew the leased agreements for the relevant rented premises on commercially acceptable terms, or at all. There is also no assurance that such leased agreements will not be terminated before their expiration. Termination of our leases may occur beyond our control, such as breaches of agreements by the lessor or the tenant of the premises or invalidation of lease agreements due to the lessors' lack of title to lease the properties. If it happens, we will need to relocate to other premises and incur additional costs due to relocation.

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## RISK FACTORS

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**Our risk management and internal control systems may not be adequate or effective in all respects, which may materially and adversely affect our business and results of operations.**

We seek to establish risk management and internal control systems consisting of policies and procedures that we consider appropriate for our business operations. See “Business – Risk Management and Internal Control.” However, due to the inherent limitations in the design and implementation of risk management and internal control systems, we cannot assure you that our risk management and internal control systems will be able to identify, prevent and manage all risks. Our internal control procedures are designed to monitor our operations and ensure their overall compliance. However, our internal control procedures may be unable to identify all noncompliance incidents in a timely manner, or at all. It is not always possible to timely detect and prevent fraud and other misconduct, and the precautions we take to prevent and detect such activities may not be effective.

Our risk management and internal controls also depend on the effective implementation by our employees. However, we cannot assure you that such implementation will not be subject to any human errors or mistakes, which may materially and adversely affect our business and results of operations. As we are likely to offer a broader and more diverse range of services in the future, the diversification of our services will require us to continue to enhance our risk management and internal control capabilities. If we fail to timely adapt our risk management and internal control policies and procedures to our changing business, our business, results of operations and financial condition could be materially and adversely affected.

**Failure to make adequate contributions to various government-sponsored employee benefits plans as required by PRC regulations may subject us to penalties.**

PRC laws and regulations require us to pay statutory social welfare benefits for our employees in mainland China, including social insurance premium and housing provident fund.

During the Track Record Period, we had not made adequate contributions to the social insurance plan and housing provident fund for our employees in mainland China as required under the applicable PRC laws and regulations. As of the Latest Practicable Date, we had not received any order of correction or any fines or penalties from the competent authority and had also not received any material complaint or labor arbitration application from any of our employees as a result. We have made full provisions in respect of the outstanding amount of the social insurance fund and housing provident fund contributions. As of December 31, 2021, the carrying amount of our aggregate provisions in respect of the social insurance fund and housing provident fund contributions amounted to RMB38.5 million.

Pursuant to relevant PRC laws and regulations, failure to make full contribution of social insurance premium within a prescribed period may subject us to a daily overdue fine of 0.05% of the overdue payment. If such payment is not made within the prescribed period, the competent authority may further impose a fine from one to three times the amount of the overdue payment. Pursuant to relevant PRC laws and regulations, if there is a failure to pay the full amount of housing provident fund as required, the housing provident fund management

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center may order to make the outstanding payment within a prescribed period. If the payment is not made within the prescribed period, an application may be made to the PRC courts for compulsory enforcement. We cannot assure you that the competent authority will not require us to rectify any non-compliance by making contribution of unpaid social insurance premium and housing provident fund or impose fine or penalty related thereto. For more information, see “Business – Compliance with Laws and Regulations – Compliance Matters – Non-compliance in relation to social insurance fund and housing provident fund contributions.”

**Our use of some leased properties could be challenged by third parties or government authorities, which may cause interruptions to our business operations. Failure to renew our current leases or locate desirable alternatives for our facilities could materially and adversely affect our business.**

Some of the lessors of our leased properties have not provided us with their property ownership certificates or other documentation proving their right to lease those properties to us. If our lessors are not the owners of the properties and they have not obtained consents from the owners or their lessors, our leases could be invalidated. If this occurs, we may have to renegotiate the leases with the owners or the parties who have the right to lease the properties, and the terms of the new leases may be less favorable to us. Some of our leased properties were also subject to mortgage at the time the leases were entered into. Such lease may not be binding on the transferee of the property in the event that the mortgage holder forecloses on the mortgage and transfers the property to another party. In addition, as of the Latest Practicable Date, 48 lease agreements for our leased properties had not been registered with the relevant PRC government authorities as required by PRC laws and regulations. Pursuant to relevant PRC laws and regulations, failure to complete such registration may subject us to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. Also, in the event that the actual use of our leased properties is inconsistent with the use registered on the land use right certificates, the competent authorities may require the lessors to rectify and impose fines on the lessors, or confiscate the proceeds from the leasing of the properties. Therefore, the relevant lease agreements may be deemed to be in breach of the law and therefore be void. During the Track Record Period and up to the Latest Practicable Date, none of the title defects of the leased properties were material to our Company. For details, please see “Business – Properties” in this prospectus.

We are not aware of any material claims or actions being contemplated or initiated by government authorities, property owners or any other third parties with respect to our leasehold interests in or use of such properties. However, we cannot assure you that our use of such leased properties will not be challenged in the future. In the event that our use of properties is successfully challenged, we may be subject to fines and forced to relocate the affected operations. In addition, we may become involved in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties. We cannot assure you that we will be able to find suitable replacement sites on terms acceptable to us on a timely basis, or at all, or that we will not be subject to material liability resulting from third parties’ challenges on our use of such properties. As a result, our business, financial condition and results of operations may be materially and adversely affected.

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### RISKS RELATED TO OUR CONTRACTUAL ARRANGEMENTS

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

Current PRC laws and regulations impose certain restrictions on foreign ownership of companies that engage in a number of business activities, including value-added telecommunications services and other related services. We are a company incorporated under the laws of the Cayman Islands, and Hainan WFOE, our wholly-owned PRC subsidiary, is considered a foreign-invested enterprise. To comply with PRC laws and regulations, we conduct our business in China through our Consolidated Affiliated Entities. Because of the Contractual Arrangements, we are the primary beneficiary of the Consolidated Affiliated Entities and consolidate its results of operations into ours. Our Consolidated Affiliated Entities hold the licenses, approvals and key assets that are essential for our business operations.

If the PRC government finds that our Contractual Arrangements do not comply with its restrictions on foreign investment in businesses, or if the PRC government otherwise finds that we or our Consolidated Affiliated Entities are in violation of PRC laws or regulations, or lack the necessary permits or licenses to operate our business, the relevant PRC regulatory authorities, including MOFCOM and MIIT, would have broad discretion in dealing with such violations or failures, including, without limitation:

- requiring the nullification of the Contractual Arrangements;
- revoking our business and operating licenses;
- discontinuing or restricting our operations;
- imposing fines or confiscating any of our income which is deemed to have been obtained through illegal operations;
- imposing conditions or requirements with which we or Hainan WFOE and our Consolidated Affiliated Entities may not be able to comply;
- requiring us or Hainan WFOE and our Consolidated Affiliated Entities to restructure the relevant ownership structure or operations, or to re-apply for the necessary licenses, or to relocate our businesses, staff and assets;
- restricting or prohibiting our use of the proceeds from this offering or other of our financing activities to finance the business and operations of our Consolidated Affiliated Entities; or
- taking other regulatory or enforcement actions that could be harmful to our business.

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Any of these actions could cause significant disruption to our business operations, and may materially and adversely affect our business, results of operations and financial condition. In addition, it is unclear whether PRC government actions would have any impact on us, and our ability to consolidate the financial results of any of our Consolidated Affiliated Entities in our consolidated financial statements, if the PRC governmental authorities find our legal structure and Contractual Arrangements to be in violation of PRC laws, rules and regulations.

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

Since PRC laws limit foreign equity ownership in the Relevant Businesses in China, we operate our Relevant Businesses in China through our Consolidated Affiliated Entities, in which we have no ownership interest and rely on a series of contractual arrangements with our Consolidated Affiliated Entities and their respective equity holders to control and operate these businesses. Our revenue and cash flow from our Relevant Businesses are attributed to our Consolidated Affiliated Entities. The Contractual Arrangements may not be as effective as direct ownership in providing us with control over our Consolidated Affiliated Entities. Direct ownership would allow us, for example, to directly or indirectly exercise our rights as a shareholder to effect changes in the boards of directors of our Consolidated Affiliated Entities, which, in turn, could effect changes, subject to any applicable fiduciary obligations at the management level. However, under the Contractual Arrangements, as a legal matter, if our Consolidated Affiliated Entities or their respective equity holders fail to perform their respective obligations under the Contractual Arrangements, we may have to (i) incur substantial costs, (ii) expend significant resources to enforce those arrangements, and (iii) resort to litigation or arbitration and rely on legal remedies under PRC laws. These remedies may include seeking specific performance or injunctive relief and claiming damages, any of which may not be effective. In the event we are unable to enforce these contractual arrangements or we experience significant delays or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over our Consolidated Affiliated Entities and may lose control over the assets owned by our Consolidated Affiliated Entities. As a result, we may be unable to consolidate our Consolidated Affiliated Entities in our consolidated financial statements, which could materially and adversely affect our financial condition and results of operations.

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

Our Consolidated Affiliated Entities hold certain licenses, approvals and assets that are necessary for the operation of our Relevant Businesses, as well as equity interests in a series of our portfolio companies, to which foreign investments are typically restricted or prohibited under applicable PRC law. The Contractual Arrangements contain terms that specifically obligate the equity holders of the Consolidated Affiliated Entities to ensure the valid existence of the Consolidated Affiliated Entities and restrict the disposition of material assets or any

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equity interest of the Consolidated Affiliated Entities. However, in the event the equity holders of the Consolidated Affiliated Entities breach the terms of these contractual arrangements and voluntarily liquidate our Consolidated Affiliated Entities, or any of our Consolidated Affiliated Entities declares bankruptcy and all or part of its assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to operate some or all of our Relevant Businesses or otherwise benefit from the assets held by the Consolidated Affiliated Entities, which could have a material adverse effect on our Relevant Businesses, financial condition and results of operations. Furthermore, if any of our Consolidated Affiliated Entities undergoes a voluntary or involuntary liquidation proceeding, its equity holders or unrelated third-party creditors may claim rights to some or all of the assets of such Consolidated Affiliated Entities, thereby hindering our ability to operate our business as well as constraining our growth.

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

Mr. Yao and Mr. Chen are the registered shareholders of our Consolidated Affiliated Entities. In addition, as a director of our Company, Mr. Chen has a duty of care and loyalty to our Company and to our shareholders under Cayman Islands law. We control our Consolidated Affiliated Entities through the Contractual Arrangements, and the business and operations of our Consolidated Affiliated Entities are closely integrated with the business and operations of our subsidiaries. Nonetheless, conflicts of interests for these individuals may arise due to dual roles in the Consolidated Affiliated Entities and our Company.

We cannot assure you that these individuals will always act in the best interests of our Company should any conflicts of interest arise, or that any conflicts of interest will always be resolved in our favor. We also cannot assure you that these individuals will ensure that the Consolidated Affiliated Entities will not breach the existing Contractual Arrangements. If we cannot resolve any such conflicts of interest or any related disputes, we would have to rely on legal proceedings to resolve these disputes and/or take enforcement action under the Contractual Arrangements. There is substantial uncertainty as to the outcome of any such legal proceedings. See “– We may lose the ability to use, or otherwise benefit from, the licenses, approvals and assets held by our Consolidated Affiliated Entities if any of our Consolidated Affiliated Entities declares bankruptcy or becomes subject to a dissolution or liquidation proceeding” above.

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

The tax regime in China is rapidly evolving, and there is significant uncertainty for taxpayers in China as PRC tax laws may be interpreted in significantly different ways. The PRC tax authorities may assert that we or our subsidiaries or Consolidated Affiliated Entities or their equity holders owe and/or are required to pay additional taxes on previous or future revenue or income. In particular, under applicable PRC laws, rules and regulations,

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arrangements and transactions among related parties, such as the contractual arrangements with our Consolidated Affiliated Entities, may be subject to audit or challenge by the PRC tax authorities. If the PRC tax authorities determine that any contractual arrangements were not entered into on an arm's length basis and therefore constitute a favorable transfer pricing, the PRC tax liabilities of the relevant subsidiaries and/or Consolidated Affiliated Entities and/or equity holders of the Consolidated Affiliated Entities could be increased, which could increase our overall tax liabilities. In addition, the PRC tax authorities may impose late payment fees or other penalties. Our profit may be materially reduced if our tax liabilities increase.

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

On March 15, 2019, the National People's Congress promulgated the Foreign Investment Law (《中華人民共和國外商投資法》), which took effect on January 1, 2020. On December 26, 2019, the State Council of the People's Republic of China published Implementation Rules of the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》). Since these rules are relatively new, substantial uncertainties exist in relation to its interpretation and implementation. The Foreign Investment Law does not explicitly classify whether variable interest entities that are controlled through contractual arrangements would be deemed as foreign invested enterprises if they are ultimately "controlled" by foreign investors. However, it has a catch-all provision under definition of "foreign investment" that includes investments made by foreign investors in China through other means as provided by laws, administrative regulations or the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions of the State Council to provide for contractual arrangements as a form of foreign investment, at which time it will be uncertain whether our Contractual Arrangements will be deemed to be in violation of the market access requirements for foreign investment in the PRC and if yes, how our Contractual Arrangements should be dealt with.

The Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as either "restricted" or "prohibited" from foreign investment in the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021) (《外商投資准入特別管理措施(負面清單)(2021年版)》) published by certain departments of the State Council of the People's Republic of China on December 27, 2021. The Foreign Investment Law provides that foreign-invested entities shall not invest in "prohibited" industries and shall meet the investment conditions stipulated under the negative list for any "restricted" industries. If our control over our Consolidated Affiliated Entities through the Contractual Arrangements are deemed as foreign investment in the future, and any business of our Consolidated Affiliated Entities is "restricted" or "prohibited" from foreign investment under the "negative list" effective at the time, we may be deemed to be in violation of the Foreign Investment Law, the contractual arrangements that



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allow us to have control over our Consolidated Affiliated Entities may be deemed as invalid and illegal, and we may be required to unwind such contractual arrangements and/or restructure our business operations, any of which may have a material and adverse effect on our business operation.

Furthermore, if future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure and business operations.

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

The Contractual Arrangements provide for dispute resolution by way of arbitration in the China International Economic and Trade Arbitration Commission (the “CIETAC”), in accordance with the then effective arbitration rules. The arbitration shall be conducted in Beijing.

The Contractual Arrangements contain provisions to the effect that the arbitral body may award remedies over the shares and/or assets of our Consolidated Affiliated Entities, injunctive relief and/or order the winding up of the Consolidated Affiliated Entities. These agreements also contain provisions to the effect that courts of competent jurisdictions are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal. However, under PRC laws, these terms may not be enforceable. Under PRC laws, an arbitral body does not have the power to grant injunctive relief or to issue a provisional or final liquidation order for the purpose of protecting assets of or equity interests in the Consolidated Affiliated Entities in case of disputes. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC. PRC laws allow the arbitral body to grant an award of transfer of assets of or equity interests in the Consolidated Affiliated Entities in favor of an aggrieved party. In the event of non-compliance with such award, enforcement measures may be sought from the court. However, the court may or may not support the award of an arbitral body when deciding whether to take enforcement measures.

Under PRC laws, courts of judicial authorities in the PRC generally would not grant injunctive relief or the winding-up order against our Consolidated Affiliated Entities as interim remedies for the purpose of protecting assets or equity interests in favor of any aggrieved party. In case the Contractual Arrangements provide that courts in competent jurisdictions may grant and/or enforce interim remedies or in support of arbitration, such interim remedies (even if granted by courts in competent jurisdictions in favor of an aggrieved party) may still not be recognized, or enforced by PRC courts. As a result, in the event that our Consolidated

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Affiliated Entities or its shareholders breach any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over our Consolidated Affiliated Entities and conduct our business could be materially and adversely affected.

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

We may incur substantial cost in the exercise of the option to acquire the equity interests in or assets of our Consolidated Affiliated Entities. Pursuant to the Contractual Arrangements, Hainan WFOE has the exclusive right to require the shareholders of our Consolidated Affiliated Entities to transfer their equity interests in the Consolidated Affiliated Entities or to require the Consolidated Affiliated Entities to transfer its assets, in whole or in part, to Hainan WFOE or a third party designated by Hainan WFOE at any time and from time to time, at the lowest price allowed under PRC laws and regulations at the time of transfer. If the relevant PRC authorities determine that the purchase prices for acquiring the equity interests and assets of our Consolidated Affiliated Entities are below the market value, they may require Hainan WFOE to pay enterprise income tax, value-added tax and other applicable taxes with reference to the fair value of such assets instead of the price as stipulated under the Contractual Arrangements, in which case Hainan WFOE may be subject to a substantial amount of tax and our financial condition may be materially and adversely affected.

### **RISKS RELATED TO DOING BUSINESS IN MAINLAND CHINA**

**Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us.**

We conduct our business primarily through our PRC subsidiaries and Consolidated Affiliated Entities in China. Our operations in China are governed by PRC laws and regulations. The legal system in China is a civil law system based on written statutes. Unlike common law systems, it is a system in which decided legal cases have little precedential value. The legal system in China evolves rapidly, and the interpretations of many laws, regulations and rules may contain inconsistencies and their interpretation and enforcement involve uncertainties. These uncertainties could limit the legal protections available to us. In addition, we cannot predict the effect of future developments in the PRC legal system, particularly with regard to internet-related industries, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. Moreover, the PRC legal system is based, in part, on government policies and internal rules (some of which are not published in a timely manner or at all) that may have retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. Such unpredictability and uncertainties, including those towards our contractual, property (including intellectual property) and procedural rights could adversely affect our business and impede our ability to continue our operations and any failure to respond to changes in the regulatory environment in China, could materially and

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adversely affect our business and impede our ability to continue our operations. Furthermore, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

**It may be difficult to effect service of process, enforce foreign judgments and arbitral awards against us or our Directors and senior management located in mainland China.**

We are incorporated in the Cayman Islands. A substantial portion of our assets and operations are located in mainland China, and a majority of our Directors and senior management are located in mainland China. As a result, it may be difficult or impossible for you to effect service of process within Hong Kong upon us or these persons, or to bring an action in Hong Kong against us or these individuals. Moreover, China does not have treaties with most of the other jurisdictions that provide for the reciprocal recognition and enforcement of judicial rulings and awards.

On July 14, 2006, the Supreme People’s Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the “2006 Arrangement”). Pursuant to such arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement.

On January 18, 2019, the Supreme People’s Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the “2019 Arrangement”), the commencement date of which shall be announced after the Supreme People’s Court promulgates judicial interpretations and relevant procedures are completed in Hong Kong. The 2019 Arrangement will supersede the 2006 Arrangement and afford greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The 2006 Arrangement will remain applicable to a “choice of court agreement in writing” entered into before the 2019 Arrangement taking effect. However, there remains uncertainties as to the outcome of any applications to recognize and enforce such judgments and arbitral awards in China.

Furthermore, an original action may only be brought in China against our Directors and senior management located in mainland China, if the actions are not required to be arbitrated by PRC law and upon satisfaction of the conditions for commencing a cause of action pursuant to the PRC civil procedure law. As a result of the conditions set forth in the PRC civil

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procedure law and the discretion of the PRC courts to determine whether the conditions are satisfied and whether to accept the action for adjudication, it is uncertain whether investors will be able to bring an original action in China in this manner.

**Adverse changes in economic and political policies of the PRC government could have a material and adverse effect on overall economic growth in China, which could materially and adversely affect our business.**

A significant portion of our operations are conducted in China and the majority of our revenue is sourced from China. Accordingly, our financial condition, results of operations and prospects are influenced by economic, political and legal developments in China. Economic reforms have resulted in significant economic growth in China in the past few decades. However, any economic reform policies or measures in China may from time to time be modified or revised. China's economy differs from the economies of most developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While China's economy has experienced significant growth in the past few decades, the rate of growth has slowed down since 2012, and growth has been uneven across different regions and among various economic sectors.

The PRC government exercises significant control over China's economic growth through strategically allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Although China's economy has grown significantly in the past decade, that growth may not continue and any slowdown may have a negative effect on our business. Any adverse changes in economic conditions in China, in the policies of the PRC government or in the laws and regulations in China, could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our businesses, lead to reduction in demand for our services and adversely affect our competitive position.

**Increases in labor costs and enforcement of stricter worker protection laws and regulations in China may adversely affect our business and our profitability.**

China's overall economy and the average wage in China have increased in recent years and are expected to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will increase. Unless we are able to pass on these increased labor costs to our users, our profitability and results of operations may be materially and adversely affected.

In addition, we have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits to designated government agencies and are encouraged to take out worker-related insurances. See "Regulations – Regulations Relating to Employment and Social Welfare." Pursuant to the PRC Labor Contract Law and its implementation rules, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration,

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determining the term of employee's probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

Further, in the PRC, authorities have been making efforts to strengthen the protection for workers providing services on online platforms. For example, on July 16, 2021, the Ministry of Human Resources and Social Security, together with certain other PRC government authorities, jointly promulgated the Labor Protection Opinions to protect workers' rights with respect to remuneration, rest, and labor safety. The Labor Protection Opinions call for pilot programs for occupational injury protection for flexible employment personnel, with a focus on platform enterprises in industries such as travel, food delivery, instant delivery and intra-city freight. On October 11, 2021, 16 governmental departments in the PRC jointly issued Freight Drivers Opinion, which provides, among others, that the authorities will strengthen the regulation of online freight platforms and urge online platforms to listen to the opinions of platform drivers, reasonably determine and adjust platform rules, and disclose such rules publicly, and further encourages freight drivers to participate in social insurance schemes and supports intra-city freight platforms to join occupational injury insurance pilot schemes. We do not enter into employment agreements or establish employment relationships with platform drivers. Therefore, as advised by our PRC Legal Advisor, neither the Labor Protection Opinions, the Freight Drivers Opinion, nor any other applicable laws and regulations currently in effect in the PRC require us to pay social insurance or housing provident funds for platform drivers who have no employment relationships with us. However, if new laws and regulations are promulgated in the future, which require us to make such contributions, our cost of operations will substantially increase, our business and financial condition will be materially and adversely affected, and our current business model may no longer be sustainable.

As the interpretation and implementation of labor-related laws and regulations are still evolving, our employment practices may violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations.

**Failure to comply with PRC regulations regarding the registration requirements for employee stock ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.**

We, along with our Directors, executive officers and other employees who may be granted options, may be subject to the Notice on Foreign Exchange Administration PRC Residents Participating in Stock Incentive Plans of Offshore Listed Companies (國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知), issued by SAFE in February 2012. According to the foregoing Notice, employees, directors, supervisors and other management members who are PRC citizens or non-PRC citizens residing in China for a continuous period of no less than one year participating in any stock incentive plan of an overseas publicly listed company, subject to limited exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas

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listed company, and complete certain other procedures. Failure to complete SAFE registrations may subject them to fines and other legal sanctions and may also limit their ability to make payment under the equity incentive plans or receive dividends or sales proceeds related thereto, or our ability to contribute additional capital into our PRC subsidiaries and our PRC subsidiaries' ability to distribute dividends to us. This notice issued by SAFE only covers two categories of equity incentive plans, i.e. employee stock ownership plans and stock option plans. As a result, we also face regulatory uncertainties that could restrict our ability to adopt additional equity incentive plans for our Directors and employees under PRC laws and regulations.

In addition, SAT and MOFCOM have issued certain circulars with respect to employee share option. Under these circulars, our employees working in China will be subject to PRC individual income tax if they exercise share options. Our PRC subsidiaries have the obligation to file documents relating to the employee share options with the relevant tax authorities and may be required to withhold individual income tax for those employees. If our employees fail to pay income tax, or if we fail to make the filing according to the relevant laws and regulations or withhold income tax in any case as required, we may face sanctions imposed by the relevant tax authorities.

**The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.**

A number of PRC laws and regulations, including the M&A Rules, the Anti-monopoly Law (《中華人民共和國反壟斷法》) promulgated by the SCNPC in August 2007, and the Rules of Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》) promulgated by MOFCOM in August 2011, have established procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time-consuming and complex. These include requirements in some instances that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise and that the approval from MOFCOM be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review or security review. Moreover, the Anti-Monopoly Law requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds be cleared by relevant government authorities before they can be completed. On February 7, 2021, the Anti-monopoly Commission of the State Council of the PRC (國務院反壟斷委員會) issued the Anti-Monopoly Guidelines for the Internet Platform Economy Sector (關於平台經濟領域的反壟斷指南) that specifies some of activities of internet platforms may be identified as monopolistic, and concentrations of undertakings involving variable interest entities are subject to anti-monopoly scrutiny as well. On October 23, 2021, the SCNPC published for public comment the Draft Revised Anti-monopoly Law, which provides, among others, that business operators shall not abuse data, algorithms, technology, capital advantages and

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platform rules to exclude or limit competition. The draft also requires relevant government authorities strengthen the examination of concentration of undertakings in areas such as finance, media, science and technology, and enhances penalties for violation of the regulations regarding concentration of undertakings.

We have grown and may continue to grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from MOFCOM or its local counterparts and other government authorities, may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises “national defense and security” or “national security” concerns. However, MOFCOM or other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which case our future acquisitions in China, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

**The approval of or filing with the CSRC or other governmental authorities may be required in connection with the Global Offering, and, if required, we cannot predict whether we will be able to obtain such approval or complete such filing.**

On July 6, 2021, the General Office of the State Council together with another authority jointly promulgated the Securities Activities Opinions, which calls for the enhanced administration and supervision of overseas-listed China-based companies, proposes to revise the relevant regulation governing the overseas issuance and listing of shares by such companies and clarifies the responsibilities of competent domestic industry regulators and government authorities. As of the Latest Practicable Date, due to the lack of further clarifications or detailed rules and regulations, there are still uncertainties regarding the interpretation and implementation of the Securities Activities Opinions, including on China-based companies with a VIE structure.

Further, on December 24, 2021, the CSRC issued the Draft Overseas Listing Regulations for public comments, which require, among others, that PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted. As of the date of this prospectus, the Draft Overseas Listing Regulations were released for public comments only and the final version and effective date of such regulations are subject to change with substantial uncertainty. If the Draft Overseas Listing Regulations become effective in their current form before the Listing is completed, our PRC Legal Advisor is of the view that we may be required to complete the filing procedures with the CSRC with respect to this Listing.

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In addition, we cannot guarantee that new rules or regulations promulgated in the future will not impose any additional requirement on us or otherwise tightening the regulations on companies with a VIE structure. If it is determined that we are subject to any CSRC approval, filing, other governmental authorization or requirements for the Global Offering, we cannot assure you that we could obtain such approval or meet such requirements in a timely manner or at all. Such failure may subject us to fines, penalties or other sanctions which may have a material adverse effect on our business and financial conditions as well as our ability to complete the Global Offering.

**We may be classified as a “PRC resident enterprise” for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our Shareholders and have a material adverse effect on our results of operations and the value of your investment.**

Under the People’s Republic of China on Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) (the “EIT Law”), an enterprise established outside of the PRC with a “de facto management body” within China is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control over, and overall management of, the business, production, personnel, accounts and properties of an enterprise. On April 22, 2009, the SAT issued a circular, known as Circular 82, which was last amended on December 29, 2017. Circular 82 provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners like us, the criteria set forth in the circular may reflect the SAT’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (1) the primary location of the day-to-day operational management is in the PRC; (2) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (3) the enterprise’s primary assets, accounting books and records, company seal, and board and shareholder resolutions, are located or maintained in the PRC; and (4) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities, and uncertainties remain with respect to the interpretation of the term “de facto management body.” As a majority of our management members are based in mainland China, it remains unclear how the tax residency rule will apply to our case. If the PRC tax authorities determine that our Company or any of our subsidiaries outside of the PRC is a PRC resident enterprise for PRC enterprise income tax purposes, our Company or such subsidiary



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could be subject to PRC tax at a rate of 25% on its worldwide income, which could materially reduce our net profit. In addition, we will also be subject to PRC enterprise income tax reporting obligations. Furthermore, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, gains realized on the sale or other disposition of our ordinary shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from PRC sources. It is unclear whether non-PRC shareholders of our Company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in our company.

**The PRC government's control of foreign currency conversion may limit our foreign exchange transactions, including dividend payments on our Shares.**

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and the remittance of currency out of China. We receive a substantial amount of our revenue in Renminbi. Under our current corporate structure, our income is primarily derived from dividend payments from our PRC subsidiaries. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our Shares, if any. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations.

Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration or filings with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

In light of the flood of capital outflows of China in 2016 due to the weakening of Renminbi, the PRC government has imposed more restrictive foreign exchange policies and stepped up scrutiny of major outbound capital movement. More restrictions and substantial vetting process are put in place by SAFE to regulate cross-border transactions falling under the capital account. The PRC government may at its discretion further restrict access to foreign currencies for current account transactions or capital account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency needs, we may not be able to pay dividends in foreign currencies to our shareholders. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of China.

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**PRC regulation of loans to, and direct investments in, PRC entities by offshore holding companies may delay or prevent us from using the proceeds of the Global Offering to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.**

We may transfer funds to our PRC subsidiaries or finance our PRC subsidiaries by means of shareholders' loans or capital contributions after completion of the Global Offering. Any loans to our PRC subsidiaries, which are foreign-invested enterprises, or FIEs, cannot exceed a statutory limit, and shall be filed with SAFE or its local counterparts after the loan agreement is signed. Any medium or long term loan exceeding one year to be provided by us to our Consolidated Affiliated Entities must be recorded and registered by the NDRC and the SAFE or its local branches.

Furthermore, any capital contributions we make to our PRC subsidiaries shall be subject to the requirement of making necessary filings or reports in the Foreign Investment Comprehensive Management Information System, and registration with a local bank authorized by SAFE. We may not be able to obtain these government registrations or approvals, or complete these government filings on a timely basis, if at all. If we fail to receive such registrations or approvals or complete such filings, our ability to provide loans or capital contributions to our PRC subsidiaries and Consolidated Affiliated Entities in a timely manner may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

On March 30, 2015, SAFE promulgated the Circular on Reforming the Administration Measures on Conversion of Foreign Exchange Registered Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or Circular 19. On June 9, 2016, SAFE further issued the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), or Circular 16, which, among other things, amended certain provisions of Circular 19. According to Circular 19 and Circular 16, FIEs are allowed to settle 100% of their foreign exchange capitals and foreign debts from foreign currency into Renminbi on a discretionary basis, and the flow and use of the Renminbi capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. If our Consolidated Affiliated Entities require financial support from us or our PRC subsidiaries in the future, and we find it necessary to use foreign currency-denominated capital to provide such financial support, our ability to fund our Consolidated Affiliated Entities' operations will be subject to statutory limits and restrictions, including those described above. The applicable foreign exchange circulars and rules may limit our ability to transfer the net proceeds from the Global Offering to our PRC subsidiaries and convert the net proceeds into Renminbi, which may adversely affect our business, financial condition and results of operations.

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**We may be subject to penalties, including restriction on our ability to inject capital into our PRC subsidiaries, and on our PRC subsidiaries' ability to distribute profits to us, if our PRC resident shareholders or beneficial owners fail to comply with relevant PRC foreign exchange regulations.**

Pursuant to the Circular on Relevant Issues Concerning Foreign Exchange Administration for Financing and Round-trip Investments by Domestic Residents through Offshore Special Purpose Vehicles (《國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》), or the SAFE Circular 75, promulgated by the SAFE and effective on November 1, 2005, a PRC resident must register with the local SAFE branch prior to establishing or controlling an overseas special purpose vehicle. SAFE issued the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), or the SAFE Circular 37, effective on July 4, 2014 and replaced the SAFE Circular 75. SAFE Circular 37 requires PRC residents, including PRC individuals and institutions, to register with SAFE or its local branches in connection with their direct establishment or indirect control of an offshore special purpose vehicle, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests. In addition, such PRC residents must update their foreign exchange registrations with SAFE or its local branches when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC individual shareholder, name and operation term), increases or decreases in investment amount, share transfers or exchanges, or mergers or divisions.

If any shareholder holding interest in an offshore special purpose vehicle, who is a PRC resident as determined by SAFE Circular 37, fails to fulfill the required foreign exchange registration with the local SAFE branches, the PRC subsidiaries of that offshore special purpose vehicle may be prohibited from distributing their profits and dividends to their offshore parent company or from carrying out other subsequent cross-border foreign exchange activities, and the offshore special purpose vehicle may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws for evasion of applicable foreign exchange control.

On February 13, 2015, SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), or SAFE Notice 13, effective on June 1, 2015. In accordance with SAFE Notice 13, entities and individuals are required to apply for foreign exchange registration of foreign direct investment and overseas direct investment, including those required under SAFE Circular 37, with qualified banks, instead of SAFE. The qualified banks, under the supervision of SAFE, directly examine the applications and conduct the registration.

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We may not be fully informed of the identities of all our shareholders or beneficial owners who are PRC residents, and therefore, we may not be able to identify all our shareholders or beneficial owners who are PRC residents to ensure their compliance with SAFE Circular 37 or other related rules. In addition, we cannot provide any assurance that all of our shareholders and beneficial owners who are PRC residents will comply with our request to make, obtain or update any applicable registrations or comply with other requirements required by SAFE Circular 37 or other related rules in a timely manner. Even if our shareholders and beneficial owners who are PRC residents comply with such request, we cannot provide any assurance that they will successfully obtain or update any registration required by SAFE Circular 37 or other related rules in a timely manner due to many factors, including those beyond our and their control. If any of our shareholders who is a PRC resident as determined by SAFE Circular 37 fails to fulfill the required foreign exchange registration, our PRC subsidiaries may be prohibited from distributing their profits and dividends to us or from carrying out other subsequent cross-border foreign exchange activities, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries, which may adversely affect our business.

**The heightened scrutiny over acquisition transactions by PRC tax authorities may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your investment in us.**

Pursuant to the Notice of State Administration for Taxation on Strengthening Administration of Enterprise Income Tax for Share Transfers by Resident Enterprises outside of China (《國家稅務總局關於加強非居民企業股權轉讓所得企業所得稅管理的通知》), or SAT Circular 698, issued by SAT in December 2009 with retroactive effect from January 1, 2008, where a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas non-public holding company, or an Indirect Transfer, and such overseas holding company is located in a tax jurisdiction that (i) has an effective tax rate of less than 12.5% or (ii) does not impose income tax on the foreign income of its residents, the non-resident enterprise, being the transferor, must report to the competent tax authority of the PRC resident enterprise this Indirect Transfer. Using a “substance over form” principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax.

On February 3, 2015, SAT issued the Announcement of SAT on Several Issues concerning the Enterprise Income Tax on Income from the Indirect Transfer of Assets by Non-Resident Enterprises (《國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告》), or SAT Circular 7, which abolished certain provisions in SAT Circular 698, as well as certain other rules providing clarification on SAT Circular 698. SAT Circular 7 provided comprehensive guidelines relating to, and also heightened the PRC tax authorities’ scrutiny over, indirect transfers by a non-resident enterprise of PRC taxable assets. Under SAT Circular 7, the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC taxable assets, when a non-resident enterprise transfers PRC taxable assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such PRC taxable assets through arrangements which do not have a reasonable commercial objective

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to circumvent enterprise income tax payment obligation, by disregarding the existence of such overseas holding company and considering the transaction to be a direct transfer of PRC enterprise income taxes. However, SAT Circular 7 contains certain exemptions, including (i) where a non-resident enterprise derives income from the indirect transfer of PRC taxable assets by acquiring and selling shares of an overseas listed company which holds such PRC taxable assets on a public market; and (ii) where there is an indirect transfer of PRC taxable assets, but if the non-resident enterprise had directly held and disposed of such PRC taxable assets, the income from the transfer would have been exempted from PRC enterprise income tax under an applicable tax treaty or arrangement.

On October 17, 2017, SAT issued the Circular on the Source of Deduction of Income Tax for Non-resident Enterprises (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公 告》), or SAT Circular 37, which became effective on December 1, 2017 and abolished SAT Circular 698 as well as certain provisions in SAT Circular 7. SAT Circular 37 further clarifies the practice and procedure of withholding non-resident enterprise income tax. Pursuant to SAT Circular 37, where the party responsible for deducting such income tax did not or was unable to make such deduction, or the non-resident enterprise receiving such income failed to declare and pay the taxes that should have been deducted to the relevant tax authority, both parties may be subject to penalties. The taxable gain is calculated as balance of the total income from such transfer net deducting the net value of equity interest.

We may conduct acquisitions involving changes in corporate structures. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Any PRC tax imposed on a transfer of our Shares or any adjustment of such gains would cause us to incur additional costs and may have a negative impact on the value of your investment in us.

**You may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our Shares.**

Under the EIT Law and its implementation rules, PRC withholding tax at the rate of 10% is generally applicable to dividends from PRC sources paid to investors that are “non-resident enterprises”, which do not have an establishment or place of business in China, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% PRC income tax if such gain is regarded as income derived from sources within China. Under the PRC Individual Income Tax Law and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax. Any such PRC tax liability may be reduced by the provisions of an applicable tax treaty.

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As discussed above under “– We may be classified as a “PRC resident enterprise” for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our shareholders and have a material adverse effect on our results of operations and the value of your investment,” we may be considered a PRC resident enterprise. Although a significant portion of our business operations are in mainland China, it is unclear whether dividends we pay with respect to our Shares, or the gain realized from the transfer of our Shares, would be treated as income derived from sources within China and as a result be subject to PRC income tax if we are considered a PRC resident enterprise. If PRC income tax is imposed on gains realized through the transfer of our Shares or on dividends paid to our non-resident investors, the value of your investment in our Shares may be materially and adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

In addition, pursuant to the Double Tax Avoidance Arrangement between Hong Kong and China (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) and the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements (國家稅務總局關於執行稅收協定股息條款有關問題的通知) issued on February 20, 2009 by SAT, if a Hong Kong resident enterprise owns more than 25% of the equity interest in a PRC company at all times during the twelve-month period immediately prior to obtaining a dividend from such company, the 10% withholding tax on dividends is reduced to 5% provided certain other conditions and requirements under the Double Tax Avoidance Arrangement between Hong Kong and China and other applicable PRC laws are satisfied at the discretion of the relevant PRC tax authority. However, based on the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, the PRC tax authorities may adjust the preferential tax treatment. Based on the Notice on Issues concerning Beneficial Owner in Tax Treaties (《關於稅收協定中“受益所有人”有關問題的公告》), or Circular 9, issued on February 3, 2018 by SAT and effective from April 1, 2018, when determining the applicant’s status of the “beneficial owner” regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in a third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levies tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. If our Hong Kong subsidiaries are determined by PRC government authorities as receiving benefits from reduced income tax rates due to a structure or arrangement that is primarily tax-driven, it would materially and adversely affect the amount of dividends.

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**We principally rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of our PRC subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business or our financial condition.**

We are a holding company, and we partially rely on dividends and other distributions on equity that may be paid by our PRC subsidiaries and remittances from our Consolidated Affiliated Entities, for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to the holders of our ordinary shares and service any debt we may incur. If our PRC subsidiaries or our Consolidated Affiliated Entities incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Under PRC laws and regulations, wholly foreign-owned enterprises in China may pay dividends only out of their retained earnings as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to fund certain statutory surplus reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. At the discretion of shareholders of the wholly foreign-owned enterprise, it may make further contribution to the surplus reserve using its after-tax profits based on PRC accounting standards. These surplus reserve funds are not distributable as cash dividends. Any limitation on the ability of our Consolidated Affiliated Entities to make remittance to our wholly-owned PRC subsidiaries or on the ability of our wholly-owned PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

### **RISKS RELATED TO THE GLOBAL OFFERING**

**There has been no prior public market for the Shares and the liquidity and market price of our Shares may be volatile.**

Prior to the completion of the Global Offering, there has been no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after completion of the Global Offering. The Offer Price is the result of negotiations between our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters), which may not be indicative of the price at which our Shares will be traded following completion of the Global Offering. The market price of our Shares may drop below the Offer Price at any time after completion of the Global Offering.

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## RISK FACTORS

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**You will experience immediate dilution and may experience further dilution in the future.**

As the Offer Price of Shares is higher than the net tangible book value per share of our Shares immediately prior to the Global Offering, purchasers of our Shares in the Global Offering will experience an immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the Global Offering may experience further dilution in their shareholding percentage.

**The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and Controlling Shareholders, could adversely affect the market price of our Shares.**

Future sales of a substantial number of our Shares, especially by our directors, executive officers and substantial shareholders, or the perception or anticipation of such sales, could negatively impact the market price of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate. The Shares held by our shareholders are subject to certain lock-up periods beginning on the date on which trading in our Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future.

**We cannot assure you that we will declare and distribute any amount of dividends in the future.**

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we have not yet adopted a dividend policy with respect to future dividends. Therefore, you should not rely on an investment in our Shares as a source for any future dividend income.

Our board of directors has discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our Company may only pay dividends either out of profits or share premium account, and provided always that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value or even maintain the price at which you purchased the Shares. You may not realize a return on your investment in our Shares and you may even lose your entire investment in our Shares.



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## RISK FACTORS

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### **Investors may experience difficulties in enforcing Shareholder rights.**

Our Company is an exempted company incorporated in the Cayman Islands with limited liability and the laws of the Cayman Islands differ in some respects from those of Hong Kong or other jurisdictions where investors may be located. The corporate affairs of our Company are governed by the Memorandum and the Articles, the Companies Act and the common law of the Cayman Islands. The rights of Shareholders to take legal action against our Company and/or our Directors, actions by minority Shareholders and the fiduciary duties of our Directors to our Company under Cayman Islands laws are to a large extent governed by the common law of the Cayman Islands. The rights of the Shareholders and the fiduciary duties of our Directors under Cayman Islands laws may differ in some respects as they would be under statutes or judicial precedents in Hong Kong or other jurisdictions where investors may be located. As a result, Shareholders may have more difficulties in exercising their rights against the management of our Company, Directors or major Shareholders than they would as shareholders of a Hong Kong company or company incorporated in other jurisdictions.

### **We cannot assure you of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various independent third-party sources, including the industry expert reports, contained in this document.**

This prospectus, particularly the section headed “Industry Overview,” contains information and statistics relating to the intra-city logistics market. Such information and statistics have been derived from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by Frost & Sullivan. The information from official government sources has not been independently verified by us, the Joint Global Coordinators, Joint Sponsors, Joint Bookrunners, Joint Lead Managers, any of the Underwriters, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy. Accordingly the information from official government sources contained herein may not be accurate and should not be unduly relied upon.

### **Forward-looking statements contained in this document are subject to risks and uncertainties.**

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain pro forma information and other matters.

The words “anticipate,” “believe,” “could,” “potential,” “continue,” “expect,” “intend,” “may,” “plan,” “seek,” “will,” “would,” “should” and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary

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## RISK FACTORS

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estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in “Risk Factors” in this document. Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

**You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.**

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this document, there has been press and media coverage regarding us and the Global Offering. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.

**Our Controlling Shareholder has significant influence over our Company and its interests may not be aligned with the interests of our other Shareholders.**

Immediately upon the completion of the Global Offering without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, our Controlling Shareholders will collectively control approximately 49.23% voting power at general meetings of our Company. Our Controlling Shareholders will, through their voting power at the Shareholders’ meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our Shares.

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## RISK FACTORS

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**There will be a time gap of several business days between pricing and trading of our Shares offered in the Global Offering. Holders of our Shares are subject to the risk that trading prices of our Shares could fall during the period before trading of our Shares begins.**

The final Offer Price of our Shares is determined at HK\$21.50. However, our Shares will not commence trading on the Hong Kong Stock Exchange until they are delivered, which is expected to be several business days after the date of this prospectus. As a result, investors may not be able to sell or deal in our Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of our Shares could fall before trading begins as a result of unfavorable market conditions, or other adverse developments, that could occur between the time of sale and the time trading begins.

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND  
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In preparation for the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

**MANAGEMENT PRESENCE IN HONG KONG**

Rule 8.12 of the Listing Rules provides that a new applicant for listing on the Stock Exchange must have a sufficient management presence in Hong Kong and, under normal circumstances, at least two of the new applicant's executive directors must be ordinarily resident in Hong Kong.

The Company serves an extensive area covering five countries and regions in Asia, with its operations in mainland China accounting for a substantial portion. Three of the four executive Directors principally reside in the PRC, and our Company considers that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong. Our Company does not have and does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements, which are in line with the requirements under guidance letter HKEX-GL9-09 of the Stock Exchange:

- (a) pursuant to Rule 3.05 of the Listing Rules, the Company has appointed Mr. Chen, our executive Director and Chairman of the Board, and Ms. YU Wing Sze, our company secretary, as authorized representatives of our Company (the "Authorized Representatives"), to be the principal channel of communication with the Stock Exchange. Each of them has confirmed that he/she can be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange and will also be available to meet with the Stock Exchange to discuss any matters on short notice. As and when the Stock Exchange wishes to contact the Directors on any matters, each of the Authorized Representatives will have means to contact all of the Directors promptly at all times. Our Company will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;
- (b) in addition to the appointment of the Authorized Representatives, to facilitate communication with the Stock Exchange, the contact details of each Director, including his mobile phone number, office phone number, facsimile number and email address have been provided to each of the Authorized Representatives, our company secretary, our Compliance Advisor who have means for contacting all

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Directors promptly at all times as and when the Stock Exchange wishes to contact the Directors on any matters. Furthermore, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period as and when required; and

- (c) the Company has appointed Red Solar Capital Limited as its Compliance Advisor for the period commencing on the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the Company's financial results for the first full financial year commencing after the Listing Date. The Compliance Advisor will act as the Company's additional and alternative channel of communication with the Hong Kong Stock Exchange, and its representatives will be readily available to answer enquiries from the Hong Kong Stock Exchange. Our Company will ensure that there are adequate and efficient means of communication between us, our Authorized Representatives, Directors and other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between us and the Stock Exchange. Our Company will also inform the Stock Exchange promptly in respect of any change in the Compliance Advisor.

**CONTINUING CONNECTED TRANSACTIONS**

We have entered into certain transactions which will constitute non-exempt continuing connected transactions of our Company (including the Contractual Arrangements) under the Listing Rules following the completion of the Global Offering. We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (where applicable) (i) the announcement, circular and/or independent shareholders' approval requirements, (ii) the annual cap requirement, and (iii) the requirement of limiting the term of the continuing connected transactions set out in Chapter 14A of the Listing Rules for such continuing connected transactions. For further details, see "Connected Transactions."

**WAIVER AND EXEMPTION IN RELATION TO THE SHARE INCENTIVE PLAN**

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribes certain disclosure requirements in relation to the share options granted by our Company (the "Share Options Disclosure Requirements"):

- (a) Rule 17.02(1)(b) of the Listing Rules requires our Company to disclose in this prospectus full details of all outstanding options and their potential dilution effect on the shareholdings upon Listing as well as the impact on the earnings per share arising from the exercise of such outstanding options;

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND  
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- (b) paragraph 27 of Appendix 1A to the Listing Rules requires our Company to set out in this prospectus particulars of any capital of any member of our Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and
- (c) section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all prospectuses to be issued, circulated or distributed in Hong Kong to include, among other information, the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires our Company to set out in this prospectus, among other things, details of the number, description and amount of any shares in or debentures of our Company which any person has, or is entitled to be given, an option to subscribe for, together with the certain particulars of the option, namely (a) the period during which it is exercisable, (b) the price to be paid for shares or debentures subscribed for under it, (c) the consideration (if any) given or to be given for it or for the right to it, and (d) the names and addresses of the persons to whom it was given.

Guidance Letter HKEX-GL11-09 issued by the Stock Exchange provides that the Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the issuer could demonstrate that such disclosures would be irrelevant and unduly burdensome, subject to certain conditions specified therein.

Pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

A total of 104,134,465 Options had been granted to eligible participants from 2021 to 2022. On January 13, 2022, Mr. Chen exercised the 7,912,383 Options granted to him under the Share Incentive Plan and as a result, 7,912,383 Shares were issued to Genesis Fortune Holdings Limited, a special purpose vehicle indirectly wholly owned by Mr. Chen. In June 2022, due to the departure of certain employees of the Group and a subsidiary of 58 Daojia, 10,982 Options historically granted were cancelled. Accordingly, as of the date of this Prospectus, there are an aggregate of 96,211,100 outstanding and unexercised options granted to 570 grantees, representing the right to subscribe for an aggregate of 96,211,100 Shares. Among all grantees who have been granted awards under the Share Incentive Plan, 13 are Directors and the senior management or other connected persons of our Company and the

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remaining 557 grantees are not connected persons of the Company. For further details of our Share Incentive Plan, please refer to the section headed “Statutory and General Information – D. Share Incentive Plan” in Appendix IV to this prospectus.

Our Company has applied to (i) the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules; and (ii) the SFC for a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the options granted under the Share Incentive Plan, on the ground that strict compliance with the Share Options Disclosure Requirements would be unduly burdensome for our Company and the exemption and waiver would not prejudice the interest of the investing public for the following reasons:

- (a) given that 570 grantees are involved, strict compliance with such disclosure requirements in setting out full details of all the grantees under the Share Incentive Plan in this prospectus would be costly and unduly burdensome for our Company in light of a significant increase in cost and timing for information compilation, preparation and printing;
- (b) strict compliance with the Share Options Disclosure Requirements to disclose names, addresses, and entitlements on an individual basis in the prospectus will require a substantial volume of additional disclosure that does not provide any material information to the investing public;
- (c) the grant and exercise in full of the options under the Share Incentive Plan will not cause any material adverse impact in the financial position of our Company;
- (d) non-compliance with the Share Options Disclosure Requirements would not prevent our Company from providing its potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and
- (e) material information relating to the options under the Share Incentive Plan has been disclosed in this prospectus, including the total number of Shares subject to the Share Incentive Plan, the exercise price per Share, the potential dilution effect on the shareholding and impact on earnings per Share upon full exercise of the options granted under the Share Incentive Plan. Our Directors consider that the information that is reasonably necessary for the potential investors to make an informed assessment of our Company in their investment decision making process (including, but not limited, to any effect of the options granted on the financial position of our Company) has been included in this prospectus.

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In light of the above, our Directors are of the view that the granting of the waiver and exemption sought under this application will not prejudice the interest of the investing public.

The Stock Exchange has granted to our Company a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix 1A to the Listing Rules with respect to the options granted under the Share Incentive Plan on the condition that:

- (i) a certificate of exemption from strict compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance be granted by the SFC and the particulars of the exemption be disclosed in this prospectus; and
- (ii) the following information and particulars be disclosed in this prospectus:
  - (a) on an individual basis, full details of the options under the Share Incentive Plan granted to (1) grantees who are Directors, senior management and other connected persons of our Company, and (2) grantees who have been granted 500,000 or more options representing 500,000 or more Shares, including all the particulars required under the Share Options Disclosure Requirements;
  - (b) in respect of the options granted by our Company under the Share Incentive Plan to the grantees other than those referred to in (a)(1) above, disclosure will be made on an aggregate basis: (i) the aggregate number of grantees; (ii) the aggregate number of Shares underlying the options granted; (iii) the consideration paid for the grant of options; (iv) the exercise period of the options; and (v) the exercise price of the options;
  - (c) the aggregate number of Shares underlying the options granted under the Share Incentive Plan, the percentage of our Company's issued share capital represented by such number of Shares and the dilutive effect and impact on earnings per Share upon the full exercise of the options under the Share Incentive Plan;
  - (d) a summary of the major terms of the Share Incentive Plan in the section headed "Statutory and General Information – D. Share Incentive Plan" in Appendix IV to this prospectus; and
  - (e) the particulars of the waiver.



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The SFC has agreed to grant to our Company the certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the disclosure requirements under section 342(1) of and paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance with respect to the options granted under the Share Incentive Plan on the condition that:

- (a) on an individual basis, full details of the options under the Share Incentive Plan granted to (1) grantees who are Directors, senior management and other connected persons of our Company, and (2) grantees who have been granted 500,000 or more options representing 500,000 or more Shares are disclosed in this prospectus, such details to include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) in respect of the options granted by our Company under the Share Incentive Plan to grantees other than those set out in (a)(1) above, disclosure will be made on an aggregate basis: (i) the aggregate number of grantees; (ii) the aggregate number of Shares underlying the options granted; (iii) the consideration paid for the grant of options; (iv) the exercise period of the options; and (v) the exercise price of the options;
- (c) a full list of all grantees under the Share Incentive Plan with all the particulars required will be made available for public inspection in the section headed “Documents Delivered to the Registrar of Companies and on Display – Document available for inspection” in Appendix V to this prospectus;
- (d) the particulars of the exemption will be disclosed in this prospectus; and
- (e) the prospectus of our Company will be issued on or before June 14, 2022.

For further details of our Share Incentive Plan, please refer to the section headed “Statutory and General Information – D. Share Incentive Plan” in Appendix IV to this prospectus.

**WAIVER IN RELATION TO PUBLIC FLOAT REQUIREMENTS**

Rule 8.08(1)(a) of the Listing Rules requires that there must be an open market in the securities for which listing is sought, and that a sufficient public float of an issuer’s listed securities shall be maintained. Generally, at least 25% of the issuer’s total issued share capital must at all times be held by the public.

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Based on the Offer Price HK\$21.50 and assuming no exercise of the Over-allotment Option, we will achieve a minimum market capitalization of at least HK\$10 billion upon Listing and we have applied to the Stock Exchange to request the Stock Exchange to exercise, and the Stock Exchange has confirmed that it will exercise, its discretion under Rule 8.08(1)(d) of the Listing Rules, pursuant to which the public float of the Company may fall below 25% of the issued share capital of the Company, to allow the minimum percentage of the Company's issued share capital to be held by the public to be 19.11% (or such higher percentage as is held by the public upon completion of any exercise of the Over-allotment Option).

In order to support the application of this waiver, we have confirmed to the Stock Exchange that: (a) we will make appropriate disclosure of the lower prescribed percentage of public float in the Prospectus and the announcement of allotment results; (b) we will confirm sufficiency of public float in its successive annual reports after the Listing; (c) we will implement appropriate measures and mechanisms to ensure continual maintenance of the minimum 19.11% public float (or a higher percentage upon completion of any exercise of the Over-allotment Option) after the Listing; and (d) in the event that the public float percentage falls below the minimum percentage prescribed by the Stock Exchange, our Directors will take appropriate steps, which may include a further issue of Shares to independent third parties, to ensure the minimum percentage of public float prescribed by the Stock Exchange will be complied with.

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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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### **DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS**

This prospectus, for which our Directors (including any proposed director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and that there are no other matters the omission of which would make any statement herein or this prospectus misleading.

### **GLOBAL OFFERING**

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the Application Forms contain the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus and the relevant Application Forms, and any information or representation not contained herein and therein must not be relied upon as having been authorized by (i) our Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and any of the Underwriters, (ii) any of the respective directors, agents, employees or advisers, or (iii) any other party involved in the Global Offering.

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Joint Global Coordinators. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement.

Further information regarding the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus, and the procedures for applying for our Shares are set out in the section headed "How to apply for Hong Kong Offer Shares" in this prospectus and in the related Application Forms. See "Underwriting" in this prospectus for further information about the Underwriters and the underwriting arrangements.

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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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### **PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES**

The application procedures for the Hong Kong Offer Shares are set forth in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus and on the relevant Application Forms.

### **STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING**

Details of the structure of the Global Offering, including its conditions, are set forth in the section headed “Structure of the Global Offering” in this prospectus.

### **SELLING RESTRICTIONS ON OFFERS AND SALE OF SHARES**

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Offer Shares to, confirm that he/she is aware of the restrictions on offers for the Offer Shares described in this prospectus and on the relevant Application Forms.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than in Hong Kong, or the distribution of this prospectus and/or the Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

### **APPLICATION FOR LISTING ON THE STOCK EXCHANGE**

We have applied to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering.

Dealings in the Shares on the Stock Exchange are expected to commence on Friday, June 24, 2022. No part of our Shares or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought. All the Offer Shares will be registered on the Hong Kong Share Registrar of our Company in order to enable them to be traded on the Stock Exchange.

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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Stock Exchange.

### **OVER-ALLOTMENT OPTION AND STABILIZATION**

Details of the arrangements relating to the Over-allotment Option and Stabilization are set out in the section headed “Structure of the Global Offering” in this prospectus.

### **SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS**

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **SHARE REGISTER AND STAMP DUTY**

Our principal register of members will be maintained in the Cayman Islands by our Principal Share Registrar, Maples Fund Services (Cayman) Limited, in the Cayman Islands, and our Hong Kong register of members will be maintained by the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong.

All Offer Shares issued pursuant to applications made in the Hong Kong Public Offering and the International Offering will be registered on the Hong Kong register of members of our Company in Hong Kong. Dealings in the Shares registered in our Hong Kong register of members will be subject to Hong Kong stamp duty. For further details of Hong Kong stamp duty, please seek professional tax advice.

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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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### **PROFESSIONAL TAX ADVICE RECOMMENDED**

Potential investors in the Global Offering are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, holding and dealing in the Shares or exercising any rights attached to them. It is emphasized that none of us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our/their respective affiliates, directors, supervisors, employees, agents or advisers or any other party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of holders of the Shares resulting from the subscription, purchase, holding or disposal of the Shares or exercising any rights attached to them.

### **EXCHANGE RATE CONVERSION**

Solely for convenience purposes, this prospectus includes translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars. No representation is made that the any amounts could actually be converted into another currency at the rates indicated, or at all. Unless otherwise indicated: (i) the translation between Renminbi and Hong Kong dollars was based on the rate of RMB0.84956 to HK\$1, the exchange rate prevailing on June 7, 2022 published by the PBOC for foreign exchange transactions, and (ii) the translations between U.S. dollars and Hong Kong dollars were based on the rate of US\$1 to HK\$7.8461, being the noon buying rate as set forth in the H.10 statistical release of the United States Federal Reserve Board on June 3, 2022.

### **TRANSLATION**

If there is any inconsistency between the English version of this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail unless otherwise stated. However, if there is any inconsistency between the names of any of the entities mentioned in this English prospectus which are not in the English language and their English translations, the names in their respective original languages shall prevail.

### **ROUNDING**

Any discrepancies in any table in this prospectus between total and sum of amounts listed therein are due to rounding.

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**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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**DIRECTORS**

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
<b>Executive Directors</b>		
Mr. CHEN Xiaohua (陳小華)	Laiguangying Shanshuilanwei No. 16, 4-501 Chaoyang District, Beijing PRC	Chinese
Mr. HE Song (何松)	Room 602, Door 4, Building 10 East District of Longzeyuan Huilongguan Changping District, Beijing PRC	Chinese
Mr. LAM Hoi Yuen (林凱源)	Flat 421, Hong Ying Court 225 Pik Wan Road Lam Tin, Kowloon Hong Kong	Chinese (Hong Kong)
Mr. HU Gang (胡剛)	Room 306, Building 31, Huayanli Chaoyang District, Beijing PRC	Chinese
<b>Non-Executive Directors</b>		
Mr. YE Wei (葉偉)	Room 1001, 28th Floor Panjiayuan Dongli Chaoyang District, Beijing PRC	Chinese
Mr. LEUNG Ming Shu (梁銘樞)	Flat A1, 3/F., Block A 19-23B Ventris Road, Ventris Place Happy Valley Hong Kong	Chinese (Hong Kong)
Mr. SHUAI Yong (帥勇)	Room 1404, Building 3 Jianxiang Garden Haidian District, Beijing PRC	Chinese

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**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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<b>Name</b>	<b>Address</b>	<b>Nationality</b>
Mr. WANG Ye (王也)	Room 1706, Building 6 Daoxiangyuan, Haidian District Beijing PRC	Chinese
<b>Independent Non-Executive Directors</b>		
Mr. KWAN Ming Sang Savio (關明生)	66 F, HighCliff 41D Stubbs Road Hong Kong	British
Mr. NI Zhengdong (倪正東)	Apartment A714 Apartment Building Beijing Lufthansa Center No. 50, Liangmaqiao Road Chaoyang District Beijing PRC	Chinese
Mr. TANG Shun Lam (鄧順林)	Flat A, 24/F, Block 1 Cavendish Heights 33 Perkins Road Wanchai Hong Kong	British
Mr. ZHAO Hongqiang (趙宏強)	No. 1101, Unit 3, Building 3 3 Jingda Road, Chaoyang District Beijing PRC	American

Further information is disclosed in the section headed “Directors and Senior Management” in this prospectus.



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## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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### PARTIES INVOLVED IN THE GLOBAL OFFERING

#### Joint Sponsors

**UBS Securities Hong Kong Limited**  
52/F, Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

**China International Capital Corporation  
Hong Kong Securities Limited**  
29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

**BOCOM International (Asia) Limited**  
9th Floor, Man Yee Building  
68 Des Voeux Road Central  
Hong Kong

**ABCI Capital Limited**  
11/F, Agricultural Bank of China Tower  
50 Connaught Road Central  
Central  
Hong Kong

#### Joint Global Coordinators

**UBS AG Hong Kong Branch**  
52/F, Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

**China International Capital Corporation  
Hong Kong Securities Limited**  
29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

**BOCOM International Securities Limited**  
9/F, Man Yee Building  
68 Des Voeux Road Central  
Hong Kong

**ABCI Capital Limited**  
11/F, Agricultural Bank of China Tower  
50 Connaught Road Central  
Central  
Hong Kong

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## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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### Joint Bookrunners

**UBS AG Hong Kong Branch**  
52/F, Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

**China International Capital Corporation  
Hong Kong Securities Limited**  
29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

**BOCOM International Securities Limited**  
9/F, Man Yee Building  
68 Des Voeux Road Central  
Hong Kong

**ABCI Capital Limited**  
11/F, Agricultural Bank of China Tower  
50 Connaught Road Central  
Central  
Hong Kong

**Futu Securities International  
(Hong Kong) Limited**  
Unit C1-2 13/F  
United Centre  
No. 95 Queensway  
Hong Kong

**Zhongtai International Securities Limited**  
19/F, Li Po Chun Chambers  
189 Des Voeux Road Central  
Central  
Hong Kong

**Fosun Hani Securities Limited**  
Suite 2101-2105 21/F  
Champion Tower  
3 Garden Road  
Central  
Hong Kong

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**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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**Joint Lead Managers**

**UBS AG Hong Kong Branch**  
52/F, Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

**China International Capital Corporation  
Hong Kong Securities Limited**  
29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

**BOCOM International Securities Limited**  
9/F, Man Yee Building  
68 Des Voeux Road Central  
Hong Kong

**ABCI Securities Company Limited**  
10/F, Agricultural Bank of China Tower  
50 Connaught Road Central  
Central  
Hong Kong

**Futu Securities International  
(Hong Kong) Limited**  
Unit C1-2 13/F  
United Centre  
No. 95 Queensway  
Hong Kong

**Zhongtai International Securities Limited**  
19/F, Li Po Chun Chambers  
189 Des Voeux Road Central  
Central  
Hong Kong

**Fosun Hani Securities Limited**  
Suite 2101-2105 21/F  
Champion Tower  
3 Garden Road  
Central  
Hong Kong

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**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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**Tiger Brokers (HK) Global Limited**

18th Floor, Central 88  
88 Des Voeux Road Central  
Hong Kong

**CEB International Capital Corporation  
Limited**

22/F, AIA Central  
1 Connaught Road Central  
Central  
Hong Kong

**Eddid Securities and Futures Limited**

21/F, Citic Tower  
1 Tim Mei Avenue  
Central  
Hong Kong

**Livermore Holdings Limited**

Unit 1214A 12/F  
Tower II Cheung Sha Wan Plaza  
833 Cheung Sha Wan Road  
Kowloon  
Hong Kong

**Legal Advisors to our Company**

*As to Hong Kong law:*

**CYL & Partners in Association with  
Cooley HK**

Suites 3501-3505, 35/F  
Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

*As to U.S. law:*

**Cooley LLP**

c/o Suites 3501-3505, 35/F  
Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

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## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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*As to PRC law:*

**Tian Yuan Law Firm**

10/F, China Pacific Insurance Plaza  
28 Fengsheng Hutong  
Xicheng District, Beijing  
PRC

*As to Cayman Islands law:*

**Maples and Calder (Hong Kong) LLP**

26th Floor, Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

**Legal Advisors to the Joint Sponsors and  
the Underwriters**

*As to Hong Kong and U.S. laws:*

**Paul Hastings**

22/F, Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

*As to PRC law:*

**Commerce & Finance Law Offices**

12-14th Floor, China World Office 2  
No. 1 Jianguomenwai Avenue  
Beijing  
PRC

**Reporting Accountant and Auditor**

**PricewaterhouseCoopers**

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

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**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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**Receiving Banks****Bank of China (Hong Kong) Limited**

1 Garden Road  
Hong Kong

**Bank of Communications Co., Ltd.****Hong Kong Branch**

Unit B B/F & G/F, Unit C G/F, 1-3/F,  
16/F Room 01 & 18/F  
Wheelock House  
20 Pedder Street  
Central  
Hong Kong

**Industry Consultant****Frost & Sullivan International Limited**

1706, One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

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## CORPORATE INFORMATION

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<b>Registered Office in the Cayman Islands</b>	PO Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands
<b>Headquarters and Principal Place of Business in the PRC</b>	Room 212, Building C Kaide Building Complex No.7 Rongyuan Road Huayuan Industrial Park Binhai Hi-tech Zone, Tianjin PRC
<b>Principal Place of Business in Hong Kong</b>	19/F, Fun Tower, 35 Hung To Road Kwun Tong, Kowloon Hong Kong
<b>Company Website</b>	<b><u><a href="http://gogxholdings.com">gogxholdings.com</a></u></b> <i>(the information contained on this website does not form part of this prospectus)</i>
<b>Company Secretary</b>	Ms. YU Wing Sze <i>(an associate member of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute in the United Kingdom)</i> 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
<b>Authorized Representatives</b>	Mr. CHEN Xiaohua Laiguangying Shanshuilanwei No. 16, 4-501 Chaoyang District, Beijing PRC  Ms. YU Wing Sze 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
<b>Audit Committee</b>	Mr. ZHAO Hongqiang ( <i>chairman</i> ) Mr. TANG Shun Lam Mr. NI Zhengdong

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## CORPORATE INFORMATION

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<b>Remuneration Committee</b>	Mr. TANG Shun Lam ( <i>chairman</i> ) Mr. NI Zhengdong Mr. HU Gang
<b>Nomination Committee</b>	Mr. NI Zhengdong ( <i>chairman</i> ) Mr. KWAN Ming Sang Savio Mr. CHEN Xiaohua
<b>Principal Share Registrar and Transfer Office</b>	Maples Fund Services (Cayman) Limited PO Box 1093, Boundary Hall, Cricket Square Grand Cayman, KY1-1102 Cayman Islands
<b>Hong Kong Share Registrar</b>	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
<b>Compliance Advisor</b>	Red Solar Capital Limited Unit 402B, 4/F China Insurance Group Building No. 141 Des Voeux Road Central Central Hong Kong
<b>Principal Banks</b>	<b>Shanghai Pudong Development Bank (Beijing Shijicheng Branch)</b> No. 1A, Chenyue Garden Lidianchang West Road Haidian District, Beijing PRC  <b>Shanghai Pudong Development Bank (Beijing West Road Branch)</b> No. 689 Beijing West Road Jingan District, Shanghai PRC



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## INDUSTRY OVERVIEW

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*The information and statistics set out in this section and other sections of this prospectus were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by Frost & Sullivan. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Joint Global Coordinators, Joint Sponsors, Joint Bookrunners, Joint Lead Managers, any of the Underwriters, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy. Accordingly the information from official government sources contained herein may not be accurate and should not be unduly relied upon.*

### INTRODUCTION AND SOURCE OF INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report on, the intra-city logistics market in Asia for use in this prospectus (the “Frost & Sullivan Report”). The information from Frost & Sullivan disclosed in the prospectus is extracted from the Frost & Sullivan Report, a report commissioned by us for a fee of US\$135,800, and is disclosed with the consent of Frost & Sullivan. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York and its services include, among others, industry consulting, market strategic consulting and corporate training.

Frost & Sullivan conducted (i) primary research, which involved discussing the status of the industry with certain leading industry participants, and interviews with industry experts on a best-effort basis to collect information in aiding in-depth analysis; and (ii) secondary research, which involved reviewing company reports, independent research reports and data based on its own research database.

Frost & Sullivan adopted the following primary assumptions while making projections: (i) global social, economic and political environment is likely to remain stable in the forecast period; (ii) purchasing power is expected to continue to rise rapidly in emerging regions and to grow steadily in developed regions; and (iii) related industry key drivers are likely to drive the market in the forecast period.

## INDUSTRY OVERVIEW

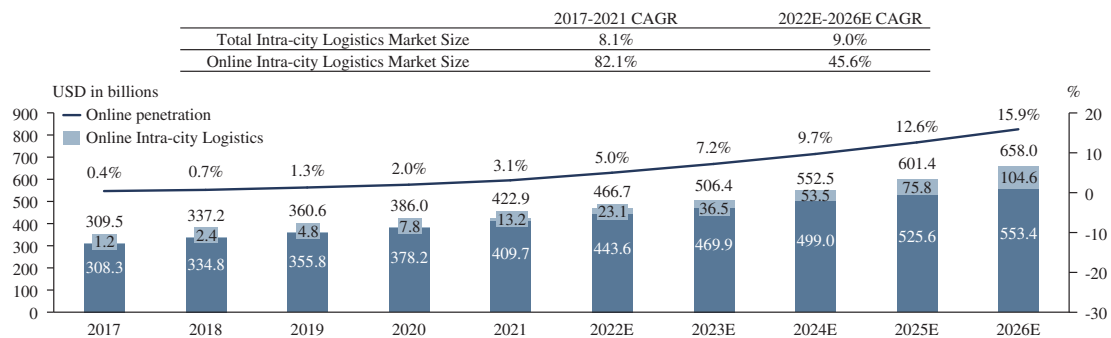
### OVERVIEW OF ASIA INTRA-CITY LOGISTICS MARKET

#### Market Overview

The logistics market can be divided into inter-city logistics market and intra-city logistics market. The inter-city logistics market refers to the transportation market where large tonnage goods weighing more than 30 kilograms are transported across cities, and the intra-city logistics market refers to the transportation market where large tonnage goods weighing more than 30 kilograms are transported within the same city. Major users of intra-city logistics services include large enterprises, SMEs and individual shippers. Enterprise shippers usually have recurring demand for professional logistics services and higher requirements for service quality.

The development of the intra-city logistics market is closely related to economic development. The Asian economy has enjoyed strong growth in the past. Its nominal GDP increased from US\$29.5 trillion in 2017 to US\$35.3 trillion in 2021, representing a CAGR of 4.5% from 2017 to 2021, and is expected to further increase to US\$49.1 trillion in 2026, representing a CAGR of 6.4% from 2022 to 2026. The urbanization rate, e-commerce penetration rate and mobile payment penetration rate in Asia increased significantly from 2017 to 2021 driven by economic development, and the growth trend is expected to continue in the future. Benefiting from the foregoing factors, the intra-city logistics market in Asia experienced rapid growth. The market size in terms of GTV increased from US\$309.5 billion in 2017 to US\$422.9 billion in 2021, representing a CAGR of 8.1% from 2017 to 2021, and is expected to further increase to US\$658.0 billion in 2026, representing a CAGR of 9.0% from 2022 to 2026. The following chart illustrates the actual and forecasted market size of the intra-city logistics market and online intra-city logistics market in terms of GTV and the online penetration rate in Asia for the periods indicated.

**Market Size of Asia's Intra-city Logistics Market, 2017-2026E**



Source: Frost & Sullivan

### Challenges in Intra-city Logistics Market

Traditionally, shippers contact freight drivers through acquaintances or middlemen or find drivers directly at wholesale markets or other places where freight drivers gather. However, the information conversion rate is low and the rights and interests of both shippers and drivers are not well-protected. Thus, shippers and drivers traditionally face several challenges.

#### *For shippers:*

- *Lack of responsiveness per order request:* There are limited numbers of intra-city logistics service providers with the capacity to provide a wide variety of services. Therefore, it often takes hours or days for shippers to find reliable drivers. A relatively low proportion of market needs are being fulfilled because of the difficulty in finding suitable drivers.
- *Lack of standardized transaction process:* There lack of prevailing industry standards in the traditional logistics market, such the transaction process, pricing terms and insurance coverage . In addition, there is no effective tool for shippers to track orders in real-time or review and evaluate the services provided by the drivers. Due to the lack of value-added services such as insurance coverage, shippers and drivers are also exposed to substantial risks related to damages to shipments, which in turn lead to more frequent disputes between shippers and drivers.
- *Lack of transparency, safety and trust:* Transactions between shippers and drivers are often entered into in a blind trust. Shippers often have to go through multiple layers of middlemen. In addition, asymmetric information on prevailing freight rates results in opaque pricing mechanisms, reducing trust between shippers and drivers in the process. In the traditional model, there is no effective way to protect the interests of shippers and drivers, leading to low level of user satisfaction.

#### *For drivers:*

- *Difficulty in responding to diversified demand from enterprise shippers:* Enterprise shippers typically have diverse transportation needs and requirements in terms of timing, vehicle types and specific transportation conditions, creating challenges for individual drivers and fleets who own limited capacity and vehicle types. As a result, although the demand of SMEs and large enterprises for intra-city logistics services is growing, traditional intra-city logistics service providers struggle meet diversified, ever-changing demands of enterprise shippers.
- *Ineffectiveness in allocating drivers' capacity:* Under the traditional model, shippers undergo a lengthy process to find drivers and multiple intermediaries may be involved, which result in low capacity utilization rate and inefficient resource allocation. Without a smart dispatching system, drivers usually have to travel

## INDUSTRY OVERVIEW

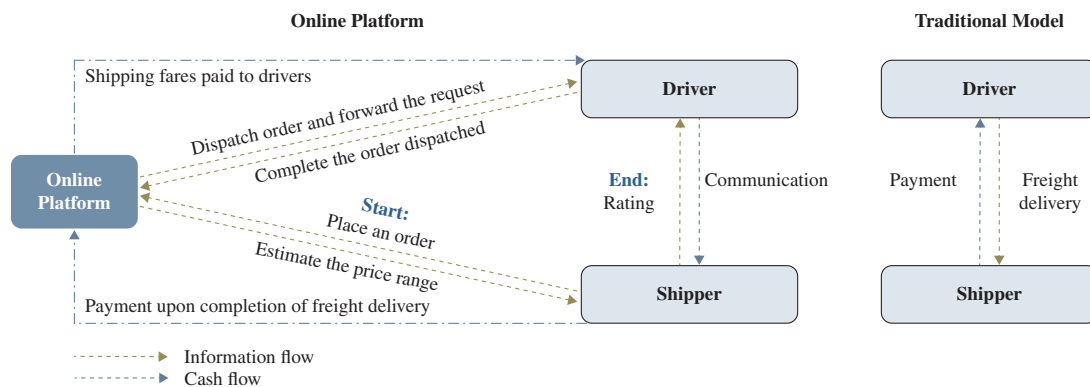
considerable distance, or so-called “deadhead miles”, to find their next order, resulting in additional fuel costs, toll fees and time costs. Further, drivers lack access to sophisticated efficiency tools, such as route optimization and GPS tracking.

- *Low income visibility and poor protection of interests:* Drivers struggle to make stable earnings due to sporadic shipment orders which limits their ability to plan their routes in advance. The interests of drivers are poorly protected as they often deliver orders without proof of record or protocols for dispute resolution. Drivers are also subject to credit risks due to non-payment by shippers.

### Emergence of Technology-driven Logistics Platforms

Catalyzed by the proliferation of internet infrastructure and technologies, standardized and digital solutions provided by technology-driven logistics platforms have emerged. Online platforms enable shippers, ranging from individuals, SMEs to large enterprises, to advertise their demand for logistics services to a large group of drivers with a few clicks, secure drivers’ capacity with upfront pricing, and track shipments in real time from pickup to delivery. With further increases in e-commerce and mobile internet penetration rate, emerging business models developed by retail giants, and changes in lifestyle post the COVID-19 pandemic, online logistics platforms are expected to gain popularity. According to Frost & Sullivan, the online logistics platform penetration rate in Asia, which is calculated by dividing the online intra-city logistics market size by the total intra-city logistics market size in terms of GTV, increased from 0.4% in 2017 to 3.1% in 2021, and is expected to continue to increase to 15.9% in 2026.

The following graphs illustrate the transaction process of the online and traditional logistics delivery business model, respectively.



Source: Frost & Sullivan

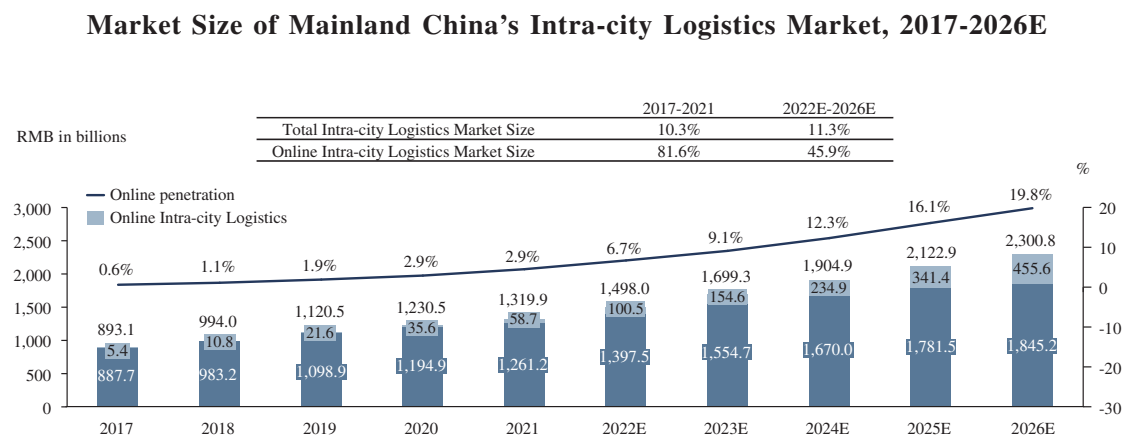
## INDUSTRY OVERVIEW

For online logistics platforms, costs for facilitation services primarily comprise of employee expenses in connection with, for example, IT professionals and user support staff. According to Frost & Sullivan, the average labor cost in the IT industry and the transportation, warehousing and postal industry has been on an upward trend in the past and is expected to continue to increase in the near future. In particular, in mainland China, the average annual salary of employees in the IT industry increased from approximately RMB122,478 in 2016 to approximately RMB177,544 in 2020, and is expected to further increase to RMB225 thousand in 2025, according to Frost & Sullivan. Online logistics platforms may also directly provide logistics services as a freight carrier, and fulfill shipment orders through in-house fleet or third-party drivers registered on the platforms. Costs for such services also include services fees paid to drivers who fulfill shipment orders. The average annual salary of workers in the transportation, warehousing and postal industry in mainland China increased from approximately RMB61 thousand in 2016 to approximately RMB80 thousand in 2020, and is expected to further increase to RMB106 thousand in 2025, according to Frost & Sullivan.

### OVERVIEW OF MAINLAND CHINA'S INTRA-CITY LOGISTICS MARKET

#### Market Size

Increases in urbanization rate, improvement of transport infrastructure and development of e-commerce have been driving the growth of the intra-city logistics market in mainland China. In addition, high population density in urban areas in mainland China results in rising demand for urban freight transportation using vehicles of various load capacity. According to Frost & Sullivan, the size of the intra-city logistics market size in mainland China in terms of GTV increased from RMB893.1 billion in 2017 to RMB1,319.9 billion in 2021, representing a CAGR of 10.3% from 2017 to 2021, and is expected to continue to increase to RMB2,300.8 billion in 2026, representing a CAGR of 11.3% from 2022 to 2026. The following chart illustrates the actual and forecasted market size of the intra-city logistics market and online intra-city logistics market in terms of GTV and the online penetration rate in mainland China for the periods indicated.



Source: Frost & Sullivan

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## INDUSTRY OVERVIEW

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The development of online intra-city logistics is closely correlated with the level of GDP, population density, mobile internet penetration and e-commerce penetration. According to China's National Bureau of Statistics, the economy of mainland China increased by 8.1% in terms of GDP from 2020 to 2021, and the urbanization rate increased by 0.83% during the same period and reached 64.72% by the end of 2021. In addition, with more than one billion internet users by the end of 2021, mainland China has the largest mobile internet users globally. In the meanwhile, the online payment users reached 888 million in 2021 and is expected to experience further growth in future. The rapid growth of economy, increasing urbanization rate, large scale of mobile internet users and online payment users and strong market demand driven by the advantages of online logistics services in mainland China in combination contributed to the increase of online intra-city logistics penetration rate. The penetration rate of online intra-city logistics increased from 0.6% in 2017 to 4.5% in 2021 and is expected to further increase to 19.8% in 2026.

### *Types of Shippers*

Shippers in the intra-city logistics market can be categorized into three types, large enterprises, SMEs, and individual shippers. According to Frost & Sullivan, GTV contribution from SMEs and large enterprises for the intra-city logistics market in mainland China increased from 75.9% in 2017 to 84.9% in 2021.

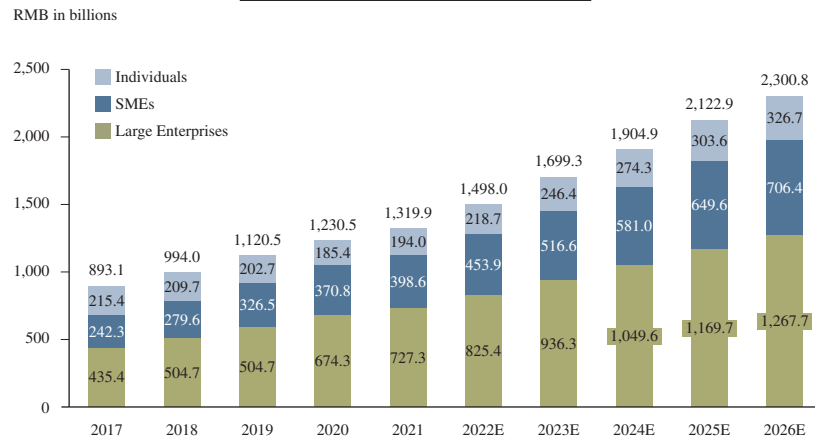
With the rapid development of the logistics industry and enterprise shippers' increasing demand for diverse logistics services, instead of maintaining in-house fleets, a growing number of enterprises choose to outsource their logistics needs to third-party platforms which have the capacity to satisfy their fluctuating demand in a cost-effective manner. Therefore, from 2017 to 2021, the market size of mainland China's intra-city logistics market in terms of GTV contributed by large enterprises increased from RMB435.4 billion to RMB727.3 billion, representing a CAGR of 13.7% from 2017 to 2021, and is expected to reach RMB1,267.7 billion in 2026, representing a CAGR of 11.3% from 2022 to 2026, according to Frost & Sullivan. GMV contribution from SMEs increased from RMB242.3 billion in 2017 to RMB398.6 billion in 2021, representing a CAGR of 13.3% from 2017 to 2021, and is expected to reach RMB649.6 billion in 2026, representing a CAGR of 11.7% from 2022 to 2026.

## INDUSTRY OVERVIEW

The following chart illustrates the actual and forecasted breakdown of the intra-city logistics market in mainland China by types of shippers for the periods indicated.

### Market Size of Mainland China's Intra-city Logistics, Breakdown by Shipper Types, 2017-2026E

	CAGR	2017-2021	2022E-2026E
Large Enterprises <sup>(1)</sup>		13.7%	11.3%
SMEs <sup>(2)</sup>		13.3%	11.7%
Individuals		-2.6%	10.6%
Total		10.3%	11.3%



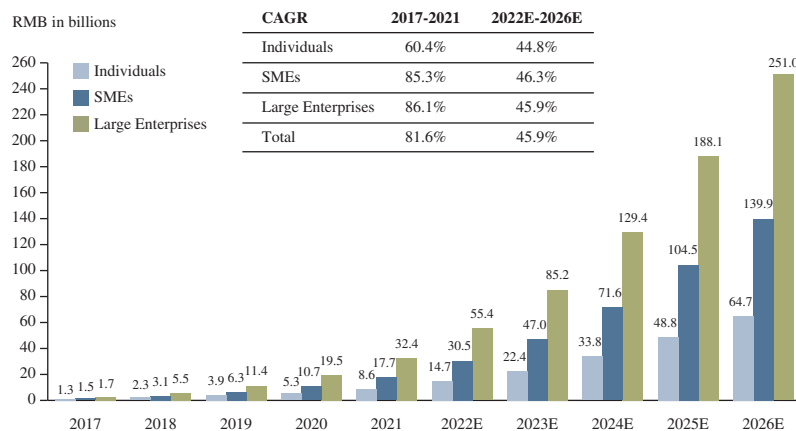
Source: Frost & Sullivan

Notes:

- (1) Large enterprises refer to entities (i) with an annual revenue of more than RMB400 million or more than 200 employees for those in the wholesale industry, or (ii) with an annual revenue of more than RMB200 million or more than 300 employees for those in the retail industry.
- (2) SMEs refer to entities (i) with an annual revenue of less than RMB400 million or less than 200 employees for those in the wholesale industry, or (ii) with an annual revenue of less than RMB200 million or less than 300 employees for those in the retail industry.

The following chart illustrates the actual and forecasted breakdown of the online intra-city logistics market in mainland China by types of shippers for the periods indicated.

### Market Size of Mainland China's Online Intra-city Logistics, Breakdown by Shipper Types, 2017-2026E



Source: Frost & Sullivan

## INDUSTRY OVERVIEW

### *Types of Services*

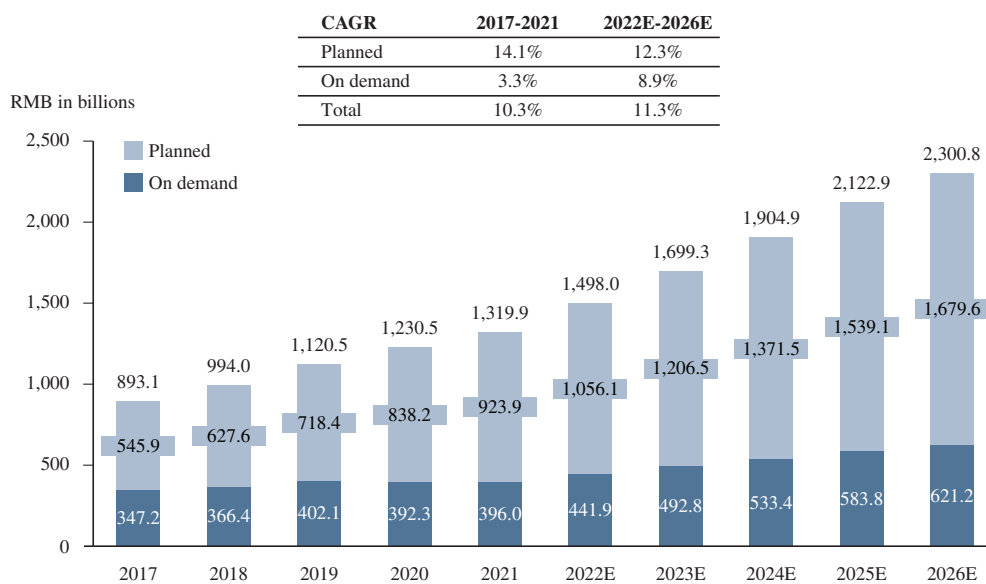
Intra-city logistics services consist of on-demand services and planned services. On-demand services refer to intra-city logistics services provided within a short time after a shipment order is placed. Planned services refer to intra-city logistics services that respond to orders placed in advance and usually of foreseeable recurring nature.

SMEs and individual shippers with ad-hoc needs tend to choose on-demand services for its flexibility. The market size of mainland China's intra-city logistics market in terms of GTV attributable to on-demand services increased from RMB347.2 billion in 2017 to RMB396.0 billion in 2021, representing a CAGR of 3.3% from 2017 to 2021. With the development of the e-commerce industry, intra-city logistics providers started to offer digital solutions which provide e-commerce platforms with flexible logistics services on demand. Therefore, the market size of mainland China's intra-city logistics market in terms of GTV attributable to on-demand services is expected to reach RMB621.2 billion in 2026, representing a CAGR of 8.9% from 2022 to 2026.

SMEs and large enterprises with recurring logistics demands tend to prefer planned services. The market size of mainland China's intra-city logistics market in terms of GTV attributable to planned services increased from RMB545.9 billion in 2017 to RMB923.9 billion in 2021, representing a CAGR of 14.1% from 2017 to 2021, and is expected to continue to increase to RMB1,679.6 billion in 2026, representing a CAGR of 12.3% from 2022 to 2026.

The following chart illustrates the actual and forecasted breakdown of the intra-city logistics market in mainland China by types of orders for the periods indicated.

**Market Size of Mainland China's Intra-city Logistics,  
Breakdown by Order Types, 2017-2026E**



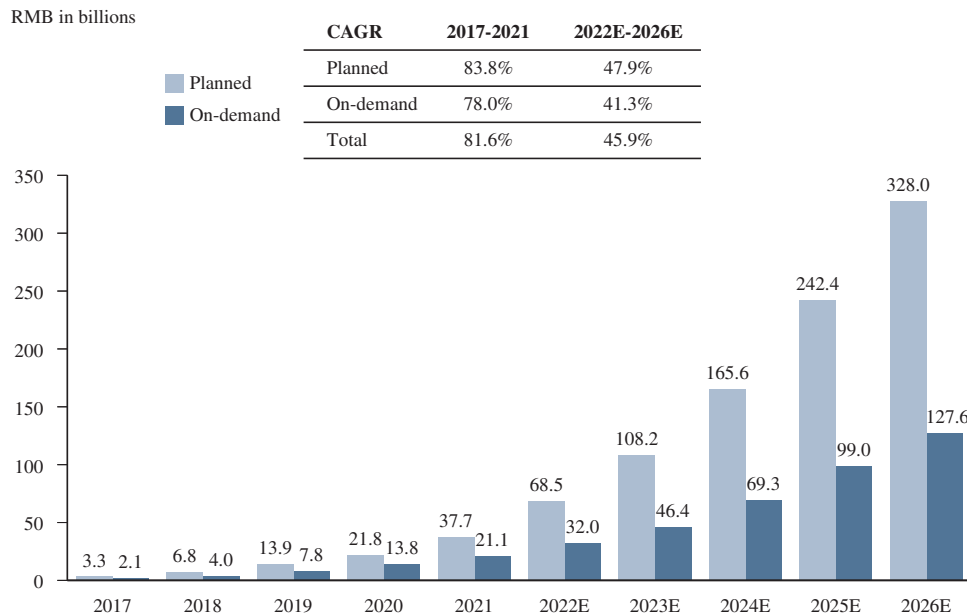
Source: Frost & Sullivan



## INDUSTRY OVERVIEW

The following chart illustrates the actual and forecasted breakdown of the online intra-city logistics market in mainland China by types of orders for the periods indicated.

### Market Size of Mainland China’s Online Intra-city Logistics, Breakdown by Order Types, 2017-2026E



Source: Frost & Sullivan

### Market Drivers

- Rising market demand driven by increasing urbanization:* The acceleration of urbanization and the increase in residents’ consumption levels have raised market demand for intra-city logistics services. The urban population in mainland China has experienced steady growth since 2017, which has resulted in expanded geographical coverage of intra-city logistics networks and increased user base of intra-city logistics services. In addition, the growth of per capita disposable income provides a solid economic foundation for goods consumption of urban households, directly leading to an increase in demand for intra-city logistics services.
- Improving transportation infrastructure:* Development of mainland China’s economy in the past decade led to improved transportation infrastructure. Enhancement of urban road networks and construction of public transportation facilities improved the quality of transportation infrastructure, which benefited freight transportation in urban areas. In addition, the development of the service sector led to boosted service consumption. As a result, there is an increasing market demand for vehicles with various transportation capacity and platforms operating in a more effective manner.

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## INDUSTRY OVERVIEW

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- *E-commerce growth driving demand:* The percentage of people using the internet to procure goods has been steadily increasing. E-commerce growth has led to growing demand for quick delivery and higher requirement for service quality. Online intra-city logistics services, in comparison to traditional logistics services, can better meet such demands due to its faster response, shorter delivery time and increased flexibility.
- *The digitalization of enterprise activities:* The evolution of internet and 5G technologies further accelerated the digitalization trend, which have brought changes to the entire industrial chain, such as the transformation of payment methodologies, and changed the way logistics services are provided.
- *New business models driving demand for intra-city logistics:* The emergence of new business models in recent years has reshaped the intra-city logistics market in mainland China. For instance, community group purchasing, which is an emerging e-commerce model enabling residents in a community to purchase groceries in bulk, has increased demand for logistics services for the delivery of goods to local communities.

### Future Trends

- *Increasing adoption of online platform:* Technological advances, in particular advances in information, network and communication technologies, have been driving the digitalization of the intra-city logistics market, leading to improved efficiency across supply chains. The penetration rate of online intra-city logistics platform increased from 0.6% in 2017 to 4.5% in 2021 and is expected to further increase to 19.8% in 2026. Moreover, the rapid development of 5G-related technologies will lead to upgrades of IT infrastructure and online communication tools.
- *Heightened regulation of the intra-city logistics market:* A number of government regulations and policies have taken effect in mainland China or are going to take effect in the next five years, which tightened the standards of services offered by intra-city logistics providers. For example, the PRC government have promulgated regulations on operation of freight transportation services via online platforms, which provided a clear definition of online logistics platforms, and the qualification and liability for drivers and online platforms to provide logistics services.
- *Improved responsiveness of delivery upon effective resource allocation:* Responsiveness to shippers' real-time requests is a key determinant of service capacity in the intra-city logistics market. This can be achieved through effective allocation of resources driven by the development of technologies, such as big data analytics, machine learning and AI, to increase efficiency and reduce idle capacity. It is also a trend for online platforms to integrate available resources, such as cooperating with traditional logistics providers, operational management agents, and

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## INDUSTRY OVERVIEW

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outsourcing logistics agent, to provide sufficient drivers, vehicles, and management personnels and improve overall service capacity. In the long-term, such initiatives will help service providers proactively and spontaneously respond to needs and requirements of shippers.

- *Adoption of new energy vehicles (NEVs):* The NEV market in mainland China has been growing rapidly with the support of favorable government policies. It is expected that NEVs will play an increasingly dominant role in the intra-city logistics market as compared to traditional freight vehicles, which will effectively reduce greenhouse gas emission. Leading logistics platforms may have the bargaining power to cooperate with NEVs manufacturers and dealers in promoting the use of NEVs in logistics delivery.
- *Adoption of a healthy development model:* Owing to government guidance and policies on protecting drivers' interests, maintaining healthy competition and promoting social equity, it is expected that online platforms in Mainland, including those in the logistics industry, will gradually adopt a more sustainable growth strategy to reduce the reliance on aggressive incentive policies to acquire users and focus on providing better services.

### Competitive Landscape of Online Intra-city Logistics Market in Mainland China

The online intra-city logistics market in mainland China is highly concentrated. The top five market players contributed to an aggregate market share of approximately 64.9% in terms of GTV in 2021, among which we ranked third with a market share of 3.2%. The following table sets forth the ranking of leading online intra-city logistics companies in mainland China in terms of GTV in 2021.

<u>Ranking</u>	<u>Company</u>	<u>GTV in 2021</u>	<u>Market Share in 2021</u>
		<i>(RMB in billions)</i>	<i>(%)</i>
1	Lalamove	31.0	52.8
2	DiDi Freight	3.2	5.5
3	Our Company	1.9	3.2
4	Lanxiniu	1.2	2.0
5	Yifeng Moving Logistics	0.8	1.4
<b>Total</b>		38.1	64.9

Source: Frost & Sullivan

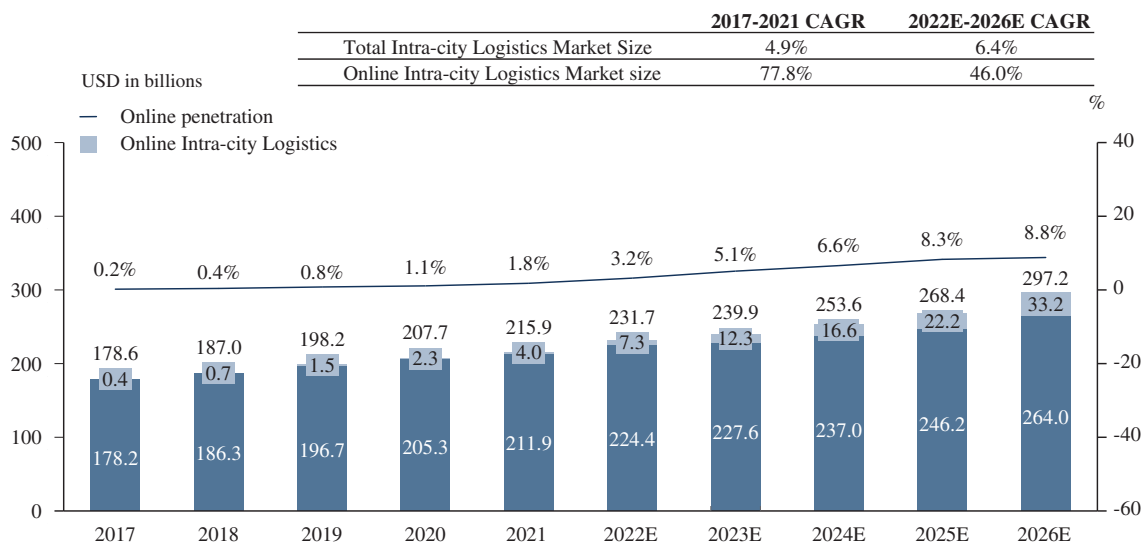
## INDUSTRY OVERVIEW

### OVERVIEW OF ASIA'S INTRA-CITY LOGISTICS MARKET (EXCLUDING MAINLAND CHINA)

#### Market Overview

Due to economic development and urbanization, Asia's intra-city logistics market (excluding mainland China) increased from US\$178.6 billion in 2017 to US\$215.9 billion in 2021, representing a CAGR of 4.9%, according to Frost & Sullivan. Driven by rapid urbanization and e-commerce growth, it is expected to reach US\$297.2 billion in 2026, representing a CAGR of 6.4% from 2022 to 2026. The following chart illustrates the actual and forecasted market size of the intra-city logistics market and online intra-city logistics market in terms of GTV and the online penetration rate in Asia (excluding mainland China) for the periods indicated.

#### Market Size of Asia's Intra-city Logistics Market (excluding mainland China)<sup>(1)</sup>, 2017-2026E



Source: Frost & Sullivan

Note:

(1) Including Hong Kong, Singapore, India, Japan, Korea, Southeast Asia and other countries or regions.

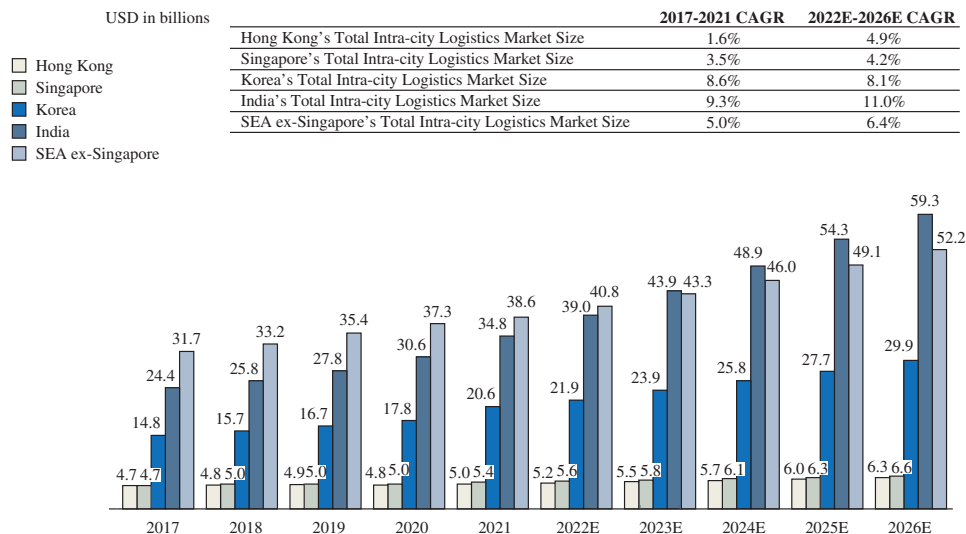
## INDUSTRY OVERVIEW

In addition, the e-commerce penetration rate in Asia has undergone significant growth, and is expected to continue to increase in the near future. Asia's internet user population accounted for approximately 50% of the world in 2015, and accounted for approximately 60% by the end of 2021, as a result of its growing population and increasing internet penetration rate. The scale of e-commerce in Asia and its potential for further development are mainly due to (i) development of information and communication technology and infrastructure, transportation infrastructure and logistics capacity, (ii) increasing use of e-payment systems and (iii) improvement of the legal and regulatory environment.

### Key Regional Markets

The following chart illustrates the actual and forecasted market size of the key regional intra-city logistics markets in Asia in terms of GTV in 2021 for the periods indicated, including Hong Kong, Singapore, Korea, India and Southeast Asia (excluding Singapore).

### Market Size of Intra-city Logistics Market in Major Asian Countries and Regions, 2017-2026E



*Note:* SEA refers to Southeast Asia, the region located to the east of the Indian subcontinent and south of China, which usually includes 11 countries, such as Singapore, Vietnam, Thailand, Malaysia and Indonesia.

### Market Drivers

- Improvement of urbanization and economic development in major Asian countries:* The growth of the intra-city logistics market in Asia is significantly driven by each country's GDP growth and overall level of urbanization. In the past five years, a majority of countries in Asia have experienced visible growth of national GDP, which further contributed to the rising level of disposable income of local residents. The overall consumption upgrade led to the increased volume of transactions, which

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## INDUSTRY OVERVIEW

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contributes to the subscription of intra-city logistics services. The improvement of urbanization level also reflects in the development and improvement of urban infrastructure, vehicle supply, different types of urban constructions and goods transportation, which will serve as an effective driver for growing demand for intra-city logistics services.

- *Improved IT infrastructure supporting the development of online intra-city logistics platforms:* Improvement in Asia's IT infrastructure provides a solid foundation for the development of online intra-city logistics platforms. Digital solutions integrate information and data of the goods to be delivered (such as pickup and drop-off location), real-time vehicle data (such as transportation capacity, real-time status and location), and street and traffic status. Through the gradual improvement of the level of urbanization and increase in penetration rate of e-commerce, countries in Southeast Asia, such as Thailand and Vietnam, will increase its urban areas and build more IT infrastructure in urban and more developed rural areas. This will create potential for online intra-city logistics solutions to achieve a wider geographical coverage and reach a broader user base.
- *Users' growing demand for quick delivery and rising requirement for service quality:* The rapid growth of Asia's economy resulted in improved living standard in Asia and increasing demand for purchases and consumption of goods. Since a significant portion of goods are purchased via online e-commerce platforms, demand for logistics services, such as home or office delivery, are increasing rapidly. Online intra-city logistics services, in comparison to traditional logistics services, can better meet service requirement due to its fast responsiveness, shorter delivery time, better flexibility and higher frequency. In addition, intra-city logistics service providers offer delivery services within a relatively small geographical coverage, which meets end-users' requirement for fast delivery.

### Future Trends

- *Growing sharing economy:* The rise of the sharing economy has changed the way consumers use goods and services, and transformed the intra-city logistics market in Asia. Intra-city logistics service providers can unite to share multi-customer warehouses, platform resources, transport capacity, and on-demand staffing, which will favor the market players, allowing them to acquire resources at lower costs, increase economic efficiency and ultimately improve the quality of their services.
- *Cooperation with local logistics companies to establish a wide service network:* Building an intra-city logistics service network with greater geographical coverage would be a key competitive advantage that many service providers look to obtain. However, such a feat is not feasible without sufficient resources, including time, human and capital resources, expertise and large customer base. Thus, online logistics platform in Asia are likely to cooperate with local logistics companies to leverage their pre-existing logistics network. This will create a win-win situation for

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## INDUSTRY OVERVIEW

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both online logistics platform and local logistics companies in terms of effective resources sharing and allocation. Such integration and partnership should benefit larger platform players, who will have the necessary resources, financial strength, domain knowledge, customer base and technical know-how to maximize the benefits of such a network. The network, it functioning efficiently, when coupled with technologies will play to the strength of platform operators, who can bring agile and configurable internet applications to this fragmented group of local logistics providers. Such collaboration will further increase service quality, customer satisfaction and cost-efficiency attracting more intra-city logistics services demand.

- *Adoption of new energy vehicles (NEVs):* Increasing awareness toward reduction of greenhouse gas emission and eco-friendly transportation underlies the growing popularity of NEVs in freight deliveries. The relatively short delivery distance of intra-city logistics service also makes such transition easier. Presently, leading players in the intra-city logistics industry are working with large manufactures of NEVs to implement eco-friendly logistics solutions. NEVs include pure electric and hybrid vehicles. Prices for both types of vehicles are expected to come down, especially with government subsidies and green policies being implemented across the region. NEVs have lower cost per distance travelled which could reduce the cost of intra-city logistics services and hence provide another impetus for its growth of the industry.

### Competitive Landscape of Online Intra-city Logistics Market in Asia (excluding mainland China)

The economic conditions vary in each country and region in Asia, and the major market players in each country and region are different.

In Hong Kong, we occupy over half of the online intra-city logistics market in terms of GTV in 2021.

Ranking	Company	GTV in 2021 <i>(USD in millions)</i>	Market Share in 2021 <i>(%)</i>
1	Our Company	98	50.9
2	Lalamove	36	18.5
3	CALL4VAN	8	4.2
4	Zeek	4	2.1
<b>Total</b>		146	75.7

Source: Frost & Sullivan

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## INDUSTRY OVERVIEW

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The online intra-city logistics industry in Singapore, Korea, India and other regions in Asia are still in an early stage and the penetration rate is relatively low. The below table sets forth the key market players in the online intra-city logistics industry in Asia excluding mainland China in 2021:

<b>Company</b>	<b>Launch Time<sup>(1)</sup></b>	<b>Headquarters</b>	<b>Geographical Coverage</b>
Our Company	2013	Mainland China	Mainland China, Hong Kong, Singapore, Korea and India
Lalamove	2013	Mainland China	More than ten countries or regions, including mainland China, Hong Kong, Singapore, Indonesia, Malaysia, Philippines, Taiwan, Thailand and Vietnam
CALL4VAN	2013	Hong Kong	Hong Kong
Zeek	2017	Hong Kong	Hong Kong
LetsTransport	2015	India	India
sendy	2017	Korea	Korea
Kakao Mobility	2013	Korea	Korea
Ninja Van	2014	Singapore	Six countries, including Singapore and Malaysia

*Note:*

(1) Launch time refers to the time to launch online intra-city logistics services.



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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### OVERVIEW

We are a major online intra-city logistics platform in Asia. We operate in more than 340 cities across five countries and regions in Asia, namely mainland China, Hong Kong, Singapore, Korea and India. We own and operate two highly-recognized, well-trusted brands in the online intra-city logistics space: Kuaigou Dache (快狗打車) in mainland China and GOGOX in other countries and regions in Asia. The history of our Group can be traced back to 2013 when the GOGO VAN service was launched in Hong Kong and to 2014 when the 58 Suyun app was officially launched in mainland China as a short-distance freight service platform to meet the intra-city freight demand in the PRC. For more information about our founders Mr. Chen and Mr. Lam Hoi Yuen, see “Directors and Senior Management” of this prospectus.

Our Company was incorporated in the Cayman Islands on June 8, 2017 as an exempted company with limited liability under the name of “58 Freight Inc.”, and is the holding company of our Group with businesses conducted through our subsidiaries and Consolidated Affiliated Entities controlled by our Company through Contractual Arrangements. In August 2017, in connection with the merger between our Company and GoGo Tech Holdings Limited (“GoGoVan Cayman”), 58 Daojia, which was formerly running the actual operation of 58 Suyun, transferred the key employees, contracts, operating assets and liabilities associated with its freight services business, and GoGoVan Cayman transferred its subsidiaries to our Company. In August 2018, we changed our brand name from “58 Suyun” to “Kuaigou Dache” (快狗打車) in mainland China, and in July 2020 from “GOGO VAN” to “GOGO X” in other countries and regions in Asia. In November 2021, the name of the Company was changed to GOGO X HOLDINGS LIMITED (快狗打車控股有限公司).

### OUR MILESTONES

The following is a summary of our key business development milestones:

<b>Year</b>	<b>Event</b>
2013	GOGO VAN was launched and was one of Asia’s first app-based logistics platforms to disrupt Hong Kong’s traditional freight transportation, which was previously coordinated via middlemen and traditional radio call centers.
2014	58 Suyun was launched by 58 Daojia as a short-distance freight trading service platform to meet the intra-city short-distance freight transport demand.
2017	The Company merged with GoGoVan Cayman.
2018	We changed our brand name from “58 Suyun” to “Kuaigou Dache” in mainland China.
2019	We expanded our business, and operated in five countries and regions, and over 300 cities in total.
2020	Kuaigou Dache officially launched the “Kuaigou premier delivery” service in mainland China, satisfying the last mile delivery of community group purchase delivery fulfillment needs.
	We changed our brand name from “GOGO VAN” to “GOGO X” in other countries and regions in Asia.

### OUR MAJOR SUBSIDIARIES AND OPERATING ENTITIES

The following entities are of strategic importance to us or have made material contributions to our results of operations during the Track Record Period:

#### 1. Hainan 58 Technology

Hainan 58 Technology (the Hainan WFOE) was established as a company with limited liability in the PRC on May 21, 2021.

We have adopted a series of Contractual Arrangements among Hainan WFOE, Tianjin 58 Freight and Shareholders of Tianjin 58 Freight, pursuant to which our Company is able to exercise control over the business operation of our Consolidated Affiliated Entities and enjoy substantially all the economic interests derived therefrom through Hainan WFOE. See “Contractual Arrangements” for details of our Contractual Arrangements.

#### 2. Tianjin 58 Freight

Tianjin 58 Freight was established as a company with limited liability in the PRC on July 10, 2017. It is an operating entity of our platform services in mainland China and principally engages in our platform service.

#### 3. Zhenjiang 58 Supply Chain

Zhenjiang 58 Supply Chain was established as a company with limited liability in the PRC on March 20, 2017. It is an operating entity of our enterprise services in mainland China and principally engaged in road transport business during the Track Record Period.

#### 4. Hainan 58 Supply Chain

Hainan 58 Supply Chain was established as a company with limited liability in the PRC on April 21, 2020, and it is an operating entity of our enterprise services in mainland China and principally engages in internet based freight transport business.

#### 5. GoGo Tech HK

GoGo Tech HK was established as a limited company in Hong Kong on June 14, 2013. It acts as the regional headquarters for our overseas business and is principally engaged in providing logistics services.

#### 6. GoGoVan Korea

GoGoVan Korea was established as a stock corporation in the Republic of Korea on November 24, 2014. It is principally engaged in providing logistics services.

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### 7. GoGoVan Singapore

GoGoVan Singapore was established as a private limited company in the Republic of Singapore on April 2, 2014. It is principally engaged in providing logistics services.

## MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

### I. Incorporation in 2017

Our Company was incorporated in the Cayman Islands on June 8, 2017 as an exempted company with limited liability. Upon incorporation, it had an authorized share capital of US\$50,000 divided into 50,000 Ordinary Shares with a par value of US\$1.00 each. On June 8, 2017, we allotted and issued (i) one share to McGrath Tonner Corporate Services Limited at par value, which was transferred on the same day to 58 Daojia, and (ii) 49,999 Ordinary Shares to 58 Daojia at par value.

### II. Share Subdivision in 2017

On August 25, 2017, 58 Daojia surrendered 49,990 Ordinary Shares with par value of US\$1.00 each at nil consideration and the surrendered Shares were cancelled accordingly. Following the surrender, the authorized issued share capital of our Company was reduced to US\$10 divided into ten Ordinary Shares of par value of US\$1.00 each. On the same day, we conducted a share subdivision, pursuant to which every Ordinary Share of par value US\$1.00 each was subdivided into 400,000 Ordinary Shares of par value US\$0.0000025 each. Accordingly, the total number of authorized Shares of the Company increased to 20,000,000,000. Following such share subdivision, 58 Daojia was interested in 4,000,000 Ordinary Shares.

### III. Merger between our Company and GoGoVan Cayman, Exercise of the Taobao Conversion Right and Issuance of Series A Preferred Shares

On August 29, 2017, our Company allotted and issued 307,111,112 Class B Ordinary Shares to 58 Daojia. In exchange, 58 Daojia contributed certain assets, intellectual property, information technology, employees and contracts to our Group. On the same day, our Company allotted and issued 88,888,888 Class A Ordinary Shares to GoGoVan Cayman, in exchange for entire equity interests in the subsidiaries of GoGoVan Cayman. After the merger, 58 Daojia was interested in 77.78%, and GoGoVan Cayman was interested in 22.22% of the issued share capital of our Company, respectively. See “– Merger with GoGoVan” below for further details.

In connection with the merger, on August 26, 2017, Taobao China Holding Limited (“Taobao China”), 58 Daojia, GoGoVan Cayman and our Company entered into a conversion letter agreement (as subsequently amended by an amendment to conversion letter agreement dated February 28, 2018, the “Conversion Agreement”), pursuant to which, among other things, Taobao China has the right to convert certain of its shares in 58 Daojia into the Series A Preferred Shares of our Company (“Taobao Conversion Right”).

## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pursuant to the Series B Investment Agreement (as defined below) dated July 12, 2018, Taobao China exercised the Taobao Conversion Right in full on August 7, 2018 and subscribed for 75,476,660 Series A Preferred Shares by way of forfeiting certain shares of 58 Daojia and paying a capital injection of par value of US\$0.0000025 per Series A Preferred Share.

Concurrently with the issuance of Shares to Taobao China, our Company also allotted and issued 21,564,760 Class A Ordinary Shares to GoGoVan Cayman at a subscription price of US\$0.0000025 per share. Upon completion of the issuance of Shares as disclosed above, the shareholding structure of our Company is set out below:

Name of Shareholders	Shares	Number of Shares	Shareholding Percentage
58 Daojia	Class B Ordinary Shares	311,111,112	62.59%
GoGoVan Cayman	Class A Ordinary Shares	110,453,648	22.22%
Taobao China	Series A Preferred Shares	75,476,660	15.19%

#### IV. Series B Financing

On July 12, 2018, our Company, Taobao China, GoGoVan Cayman, and the initial series B investors, being 58 Daojia, Vision Carnation Limited (“Vision Carnation”), Zhuhai Hengqin Fortune Huaxin Equity Investment Fund (Limited Partnership) (珠海橫琴財富華新股權投資基金(有限合夥)) (“Fortune Huaxin”), Qianhai Equity Investment Fund (Limited Partnership) (前海股權投資基金(有限合夥)) (“Qianhai Equity Investment”), Cainiao, Tulando Holdings Limited (“Tulando”), Buchkana Holdings Limited (“Buchkana”) and Infinite Benefits Limited (“Infinite”) (collectively, the “Initial Series B Investors”), entered into the Series B Preferred Shares Share Subscription Agreement (the “Series B Investment Agreement”).

Pursuant to the Series B Investment Agreement, the Initial Series B Investors (other than Fortune Huaxin and Qianhai Equity Investment) agreed to subscribe for an aggregate of 57,446,943 Series B Preferred Shares for a total consideration of US\$104,020,000, at a price of US\$1.8107 per share. The Series B Preferred Shares were issued on August 7, 2018 to the Initial Series B Investors as set forth in the table below:

Name of Shareholder	Number of Series B Preferred Shares	Consideration (US\$)
Vision Carnation	13,817,751	25,020,000
58 Daojia	18,777,121	34,000,000
Cainiao	16,568,047	30,000,000
Tulando	3,922,704	7,102,896
Buchkana	3,922,704	7,102,896
Infinite	438,616	794,208

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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On January 25, 2019, UBS AG, London Branch (“UBS”) and our Company entered into a deed of adherence to the Series B Investment Agreement, pursuant to which a total of 4,749,511 Series B Preferred Shares were issued to UBS on January 30, 2019, for a total consideration of approximately US\$8.6 million at a price of US\$1.8107 per share.

On January 27, 2019, our Company and Novich Dingli International Investment Limited (諾偉其定利國際投資有限公司) (“Novich Dingli”) entered into a deed of adherence to the Series B Investment Agreement, pursuant which a total of 3,761,985 Series B Preferred Shares were issued to Novich Dingli on February 27, 2019, for a total consideration of approximately US\$6.8 million at a price of US\$1.8107 per share.

On July 6, 2019, our Company and Mega Prime Development Limited (“Mega Prime”) entered into the second amendment to Series B Investment Agreement, pursuant which a total of 7,889,546 Series B Preferred Shares were issued to Mega Prime on July 26, 2019, for a total consideration of US\$15.0 million at a price of US\$1.9013 per share. Our Company also issued to Mega Prime a warrant representing the right to subscribe for up to 21,038,790 Series B Preferred Shares for a total consideration of US\$40,000,000 at a price of US\$1.90125 per share (the “Mega Prime Warrant”). On June 24, 2021, Mega Prime transferred all of the Mega Prime Warrant to its affiliate, Dawanqu SPC, a company for and on behalf of and for the account of GBA Logistics SP. On June 30, 2021, Dawanqu SPC – GBA Logistics SP exercised the Mega Prime Warrant and was issued 13,068,244 Series B Preferred Shares on July 8, 2021.

### *Convertible Notes and Warrants*

Pursuant to the Series B Investment Agreement, each of Fortune Huaxin and Qianhai Equity Investment shall advance onshore loans to Tianjin 58 Freight (which were later effected by the issuance of convertible notes by Tianjin 58 Freight as described below), in consideration for the issuance of warrants by our Company, which entitled each of them to subscribe for certain Series B Preferred Shares. Pursuant to the Series B Investment Agreement, Vision Carnation was also granted a warrant representing the right to subscribe for up to 24,852,071 Series B Preferred Shares at a price of US\$1.8107 per share (“Vision Carnation Warrant”).

On July 12, 2018, each of Fortune Huaxin and Qianhai Equity Investment entered into a convertible note agreement with Tianjin 58 Freight, pursuant to which Tianjin 58 Freight issued convertible notes in the principal amount of RMB59,400,000 and RMB100,000,000 to Fortune Huaxin and Qianhai Equity Investment, respectively. Such amounts were fully and irrevocably settled on July 30, 2018 and July 25, 2018, respectively. On August 7, 2018, in conjunction with the convertible notes, our Company issued warrants to Fortune Huaxin and Qianhai Equity Investment. On January 25, 2019, Tianjin 58 Freight repaid RMB3,800,000 principal amount of the convertible notes issued to Fortune Huaxin. Accordingly, Fortune Huaxin and Tianjin 58 Freight entered into a supplemental agreement to the convertible note agreement, pursuant to which the principal amount was decreased to RMB55,600,000, and the warrant issued to Fortune Huaxin was correspondingly amended on the same day.

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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On January 25, 2019, Vision Carnation transferred the right to purchase up to 938,366 Series B Preferred Shares as prescribed under the Vision Carnation Warrant to Zhuhai Hengqin Borui Huaxin Investment Partnership (Limited Partnership) (珠海橫琴博睿華新投資合夥企業(有限合夥)) (“Borui Huaxin”), an affiliate of Vision Carnation. On the same day, Borui Huaxin and Tianjin 58 Freight entered into a convertible note agreement, pursuant to which Tianjin 58 Freight issued a convertible note in the principal amount of RMB11,607,143 to Borui Huaxin, and our Company issued a warrant to Borui Huaxin for the aforementioned purchase of 938,366 Series B Preferred Shares. The principal amount of the convertible note was fully and irrevocably settled on January 31, 2019. The right to purchase the remaining 23,913,705 Series B Preferred Shares under the Vision Carnation Warrant expired in May 2019.

Pursuant to the Warrants granted to Fortune Huaxin, Qianhai Equity Investment and Borui Huaxin (collectively, the “Note Holders”), the Note Holders are entitled to subscribe for Series B Preferred Shares for a consideration representing the respective principal amount of convertible notes (collectively, the “Convertible Notes”) advanced by each of them to Tianjin 58 Freight, at a price of Renminbi equivalent of US\$1.8107 per share, on the condition that the Note Holders complete relevant overseas direct investment filings and approvals with (i) the National Development and Reform Commission of the PRC or its local counterparts; and (ii) the Ministry of Commerce of the PRC or its local counterparts (together, the “ODI Filings”).

Upon the Note Holders completing the ODI Filings, (1) Tianjin 58 Freight shall be obligated to make repayment of the full principal amounts of the Convertible Notes to a designated bank account for the sole purpose of funding the exercise of the Warrants; and (2) the full repayment amount shall be converted into U.S. dollars and remitted offshore to fund the exercise of the Warrants. Accordingly, the repayment amount of the Convertible Notes equals to the amounts required to exercise the Warrants.

The Note Holders’ intention was to invest in the Shares of the Company in the first place. However, due to the foreign exchange restrictions under the relevant PRC laws and regulations, the Note Holders could only invest in a PRC domestic operating entity of the Company at the time of their investments. In addition, the structure of a combination of onshore Convertible Notes and offshore Warrants (the “CN and Warrant Structure”) offers the following additional commercial benefits to the Company and investors:

- *Simplifying the funds flow process.* As compared to the scenario where the investment is conducted in the form of equity investment in a domestic subsidiary, under the CN and Warrant Structure, Tianjin 58 Freight can repay the principal amounts to the Note Holders directly without having to go through the complex and lengthy capital reduction procedure (which is required under the applicable PRC laws and regulations) to complete the funds flow process.
- *Reducing the tax costs.* If the Note Holders exit the Company in the future, they would be subject to income tax pursuant to relevant PRC laws and regulations, which is calculated by deducting the investment amount injected (indirectly through the Company’s offshore subsidiaries) into the wholly foreign owned subsidiary of

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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the Company from the proceeds of the share disposal/transfer, multiplied by the applicable tax rate. If the CN and Warrant Structure were not adopted, in the absence of funds being remitted offshore through ODI Filing process, the Note Holders would need to subscribe for Shares at nominal value as part of the pre-listing corporate restructuring. Accordingly, for the purpose of calculating income tax, the only deduction would be the amount representing the nominal value of the Shares to be subscribed for by the Note Holders. As a result, substantially all amount of the proceeds of the share disposal/transfer would be subject to income tax. In contrary, the Note Holders (or their offshore affiliates) would enjoy higher tax bases if they subscribe for Shares from the Company with the funds remitted offshore in accordance with the terms of the CN and Warrant Structure.

The Note Holders have been exposed to genuine investment risk since their investment in Tianjin 58 Freight, and such risk is not significantly different from those assumed by other Pre-IPO investors. The principal terms of the Convertible Notes differ from typical convertible instruments and are more similar to an equity investment in an operating subsidiary. Other than the “repay and exercise” mechanism (i.e., repayment of the principal amounts by Tianjin 58 Freight onshore, and exercise of Warrants offshore), the Note Holders do not have any right to require the Company or Tianjin 58 Freight to repay the principal amounts of the Convertible Notes until fifteen years after the settlement date of their respective principal amount. In addition, the Convertible Notes do not carry any coupon.

Furthermore, the principal terms relating to the exercise of Warrants have been agreed upon and set out in the Warrants issued to the Note Holders in conjunction with the Convertible Notes, including but not limited to the exercise price, the number of Shares to be issued by the Company and expected source of funding (being the repayment of the principal amounts of the Convertible Notes). No additional funds would be invested by such Note Holders upon the exercise of the Warrants.

The Note Holders completed their ODI Filings in August 2021. The gap between the investment and the ODI Filing is mainly due to the reason that the Note Holders did not timely commence the ODI Filing procedures due to their internal procedures. Following the completion of the ODI Filings and the overseas funds remitting, the Warrants were fully exercised. Fortune Huaxin, Borui Huaxin and Qianhai Ark (BVI) Investment Co., Limited (“Qianhai Ark BVI”) were issued Series B Preferred Shares in October 2021. Qianhai Ark BVI is a wholly-owned subsidiary of Qianhai Equity Investment through which Qianhai Equity Investment completed the ODI-related procedures.

Our PRC Legal Advisor is of the view that, based on review of the Warrants and Convertible Notes, so far as governed by PRC laws, the Warrants and Convertible Notes do not violate any provision of the applicable PRC laws.

For details of number of Series B Preferred Shares issued and number of warrant Shares to be issued under Series B financing, see “– Pre-IPO Investments” below.

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### V. Series C Financing

On June 3, 2021, among others, our Company and 58 Daojia entered into the Series C Preferred Shares Subscription Agreement (the “Series C Investment Agreement”), pursuant to which 58 Daojia agreed to subscribe for 6,404,809 Series C Preferred Shares for a total consideration of US\$15 million, at a price of US\$2.342 per share. The Series C Preferred Shares were issued to 58 Daojia on June 3, 2021.

On June 17, 2021, Smart Pioneer Inc Limited (“Smart Pioneer”), Idea Chance Limited (“Idea Chance”), Alibaba Hong Kong Entrepreneurs Fund, L.P. (“AHKEF”), BOCOM International Asset Management Limited (“BOCOM AM”) and CMF Six Limited (“CMF”) each entered into a deed of adherence to the Series C Investment Agreement with our Company, pursuant to which a total of 20,596,029 Series C Preferred Shares were issued for a total consideration of approximately US\$48.2 million at a price of US\$2.342 per share. On June 23, 2021 and June 24, 2021, the Series C Preferred Shares were issued to the above-mentioned investors as set forth in the table below:

<u>Name of Shareholder</u>	<u>Number of Series C Preferred Shares</u>	<u>Consideration</u> <i>(US\$)</i>
Smart Pioneer	6,404,809	15,000,000
Idea Chance	4,269,873	10,000,000
AHKEF	100,640	235,699
BOCOM AM	8,539,746	20,000,000
CMF	1,280,961	3,000,000

### MERGER WITH GOGO VAN

#### History and Development of GoGoVan

On July 8, 2013, GOGO VAN, a van-hailing platform, was launched by Mr. Lam Hoi Yuen, Mr. Kwan Chun Man, and Mr. Tang Kuen Wai. GOGO VAN was rebranded to GOGO X on July 8, 2020.

GoGoVan Cayman, the holding company of entities that operated GoGoVan prior to the merger between the Company and GoGoVan Cayman, was established by Mr. Lam Hoi Yuen, Mr. Kwan Chun Man, Mr. Tang Kuen Wai, Mr. O Hing Pong and Mr. Yuan Chun Pong. According to the unaudited management accounts of GoGoVan Cayman, (i) for the year ended December 31, 2016, its total revenue was approximately HKD78.07 million, and the revenue generated from PRC operations and overseas operations accounted for approximately 34.6% and 65.4% of its total revenue, respectively; and (ii) for the year ended December 31, 2017, its total revenue was approximately HKD213.84 million, and the revenue generated from PRC operations and overseas operations accounted for approximately 49.0% and 51.0% of its total revenue, respectively.



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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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Throughout the years, GOGOX has expanded to Singapore, Korea and India to provide agile and efficient logistics services in the Southeast Asia region. GOGOX started as a van-hailing platform and transformed into an intra-city logistics company with a diverse business portfolio, from platform services such as van-hailing and delivery to enterprise logistics solutions for small and medium businesses as well as large corporations.

### **Merger between the Company and GoGoVan Cayman**

In 2016, AHKEF, an affiliate of Alibaba Group Holding Limited (“Alibaba”) invested in GoGoVan Cayman. At that time, another affiliate of Alibaba was an existing investor of 58 Daojia. Therefore, founders of the Company and GoGoVan Cayman became acquainted through the introduction of Alibaba.

Prior to the merger, the PRC operation of GoGoVan Cayman, formerly known as Kuaigou Suyun (快狗速運), focused on enterprise services, while 58 Suyun (then a business unit operated under 58 Daojia, and later rebranded as Kuaigou Dache) focused on platform business at that time. Realizing the potential synergies that can be generated from the merger, founders of the Company and GoGoVan Cayman decided to proceed with the merger.

On August 26, 2017, 58 Daojia, our Company and GoGoVan Cayman entered into a share subscription agreement (the “Merger Agreement”). Pursuant to the Merger Agreement, our Company acquired 100% equity interests of GoGo Energy Holdings Limited, GoGoVan Holdings Limited and GGEx Holdings Limited (collectively, the “GoGoVan Subsidiaries”), each being a wholly-owned subsidiary of GoGoVan Cayman, through a series of transactions. As consideration of such acquisitions, our Company allotted and issued 88,888,888 Class A Ordinary Shares to GoGoVan Cayman (the “Merger Share Issuance”). The merger between our Company and GoGoVan Cayman is intended to enable our Group to expand into overseas markets and business lines by combining our Group’s freight delivery service with GoGoVan’s platform. Total consideration for the merger was determined by both parties at arm’s length negotiation taking into account the respective gross merchandise volume of 58 Suyun and GoGoVan, and the Merger Share Issuance was completed on August 29, 2017.

Upon the completion of the merger, our Company was owned by 58 Daojia and GoGoVan Cayman as to 77.78% and 22.22%, respectively, and the GoGoVan Subsidiaries became our Company’s wholly-owned subsidiaries.

After the merger, in order to improve operational efficiency, Kuaigou Suyun was integrated with 58 Suyun. A majority of Kuaigou Suyun’s management team was retained and continued to lead the Enterprise Business of the Group in mainland China. Staff of other operational teams of Kuaigou Suyun also integrated with that of 58 Suyun. A majority of GoGoVan Cayman’s management team was retained and continued to lead the overseas operations of the Group after the merger.

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we did not conduct any other acquisitions, disposals or mergers that we consider material to us.

### SHARE INCENTIVE PLAN

In order to promote the success and enhance the value of the Company by linking the personal interests of the Directors, employees, and consultants of the Company to those of the Company and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company, we approved and adopted the Share Incentive Plan on August 18, 2021. For the purpose of reserving shares for the issuance pursuant to awards under the Share Incentive Plan, on August 18, 2021, 58 Daojia and GoGoVan Cayman surrendered 41,172,639 Class B Ordinary Shares and 7,735,002 Class A Ordinary Shares, respectively. Such surrendered shares were cancelled by the Company, and the same number of Shares may be issued by our Company in the future, as part of the Shares under the Share Incentive Plan. In addition, the Shareholders also approved the reservation of 55,226,824 Shares for issuance under the Share Incentive Plan. Accordingly, the maximum aggregate number of Shares which may be issued under the Share Incentive Plan shall initially be 104,134,465 Shares. A total of 104,134,465 Options had been granted to eligible participants from 2021 to 2022. On January 13, 2022, Mr. Chen exercised the 7,912,383 Options granted to him under the Share Incentive Plan and as a result, 7,912,383 Shares were issued to Genesis Fortune Holdings Limited, a special purpose vehicle indirectly wholly owned by Mr. Chen. In June 2022, due to the departure of certain employees of the Group and a subsidiary of 58 Daojia, 10,982 Options historically granted were cancelled. Accordingly, as of the date of this prospectus, there are an aggregate of 96,211,100 outstanding and unexercised options granted to 570 grantees, representing the rights to subscribe for 96,211,100 Shares, accounting for approximately 15.63% of our total issued share capital upon completion of the Global Offering (assuming no Over-allotment Option is exercised and no new Shares are issued pursuant to the Share Incentive Plan). After the Listing, no further awards (options or other types of awards) will be granted pursuant to the Share Incentive Plan. The principal terms of the Share Incentive Plan are set out in the section headed “Statutory and General Information – D. Share Incentive Plan” in Appendix IV.

### REORGANIZATION

For the purpose of our pre-listing reorganization, the Note Holders exercised their Warrants and were issued Series B Preferred Shares in October 2021. For details with respect to the CN and Warrant Structure, see “– Major Shareholding Changes of our Company – IV. Series B Financing – Convertible Notes and Warrants.”

# HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

## CAPITALIZATION OF OUR COMPANY

The following table sets out our shareholding structure as of the date of this prospectus and immediately upon the completion of the Global Offering, assuming (i) the Over-allotment Option is not exercised and (ii) no Shares are issued pursuant to the Share Incentive Plan:

Shareholders	Class A Ordinary Shares	Class B Ordinary Shares	Series A Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Aggregate number of Shares as of the date of this prospectus	Aggregate ownership percentage as of the date of this prospectus	Aggregate number of Shares upon the completion of the Global Offering <sup>(1)</sup>	Aggregate ownership percentage upon the completion of the Global Offering <sup>(1)</sup>
58 Daojia	-	269,938,473	-	18,777,121	6,404,809	295,120,403	50.51%	295,120,403	47.95%
GoGoVan Cayman	102,718,646	-	-	-	-	102,718,646	17.58%	102,718,646	16.69%
Taobao China	-	-	75,476,660	-	-	75,476,660	12.92%	75,476,660	12.26%
Vision Carnation	-	-	-	13,817,751	-	13,817,751	2.36%	13,817,751	2.24%
Fortune Huaxin	-	-	-	4,797,605	-	4,797,605	0.82%	4,797,605	0.78%
Qianhai Ark BVI <sup>(2)</sup>	-	-	-	8,628,787	-	8,628,787	1.48%	8,628,787	1.40%
Caniao	-	-	-	16,568,047	-	16,568,047	2.84%	16,568,047	2.69%
Tulando	-	-	-	3,922,704	-	3,922,704	0.67%	3,922,704	0.64%
Buchkana	-	-	-	3,922,704	-	3,922,704	0.67%	3,922,704	0.64%
Infinite	-	-	-	438,616	-	438,616	0.08%	438,616	0.07%
UBS	-	-	-	4,749,511	-	4,749,511	0.81%	4,749,511	0.77%
Novich Dingli	-	-	-	3,761,985	-	3,761,985	0.64%	3,761,985	0.61%
Borui Huaxin	-	-	-	938,366	-	938,366	0.16%	938,366	0.15%
Mega Prime	-	-	-	7,889,546	-	7,889,546	1.35%	7,889,546	1.28%
Smart Pioneer	-	-	-	-	6,404,809	6,404,809	1.10%	6,404,809	1.04%
Idea Chance	-	-	-	-	4,269,873	4,269,873	0.73%	4,269,873	0.69%
AHKEF	-	-	-	-	100,640	100,640	0.02%	100,640	0.02%
BOCOM AM	-	-	-	-	8,539,746	8,539,746	1.46%	8,539,746	1.39%
CMF	-	-	-	-	1,280,961	1,280,961	0.22%	1,280,961	0.21%
Dawanqu SPC – GBA	-	-	-	13,068,244	-	13,068,244	2.24%	13,068,244	2.12%
Logistics SP	-	-	-	-	-	-	-	-	-
Genesis Fortune Holdings Limited	7,912,383	-	-	-	-	7,912,383	1.35%	7,912,383	1.29%
Investors taking part in the Global Offering	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>110,631,029</b>	<b>269,938,473</b>	<b>75,476,660</b>	<b>101,280,987</b>	<b>27,000,838</b>	<b>584,327,987</b>	<b>100%</b>	<b>615,527,987</b>	<b>100%</b>

**Notes:**

- (1) Based on the assumption that each of the Series A Preferred Share, Series B Preferred Share and Series C Preferred Share will be converted into Shares on a one-to-one basis by way of re-designation to Shares upon the completion of the Global Offering.
- (2) Qianhai Ark BVI is a wholly-owned subsidiary of Qianhai Equity Investment, one of the Note Holders. For details of the Note Holders, see “– Major Shareholding Changes of our Company – IV. Series B Financing – Convertible Notes and Warrants” in this section.

# HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

## PRE-IPO INVESTMENTS

### 1. Overview

We have received several rounds of Pre-IPO Investments since our establishment, which are summarized below. All of our Pre-IPO Investors were issued Preferred Shares in our Company pursuant to the relevant agreements in respect of the Pre-IPO Investments.

Name of the Investor	Pre-money valuation <i>(in USD)</i>	Shares	Date of investment agreement	Settlement Date	Number of Shares subscribed	Cost per Share (in USD unless otherwise indicated)	Consideration (in USD unless otherwise indicated)	Discount to the Offer Price <sup>(1)</sup>	Approximate percentage of shareholding immediately following the completion of the Global Offering <sup>(2)</sup>
<b>Series A</b>									
1. Taobao China	1.0 billion <sup>(3)</sup>	Series A Preferred Shares	July 12, 2018 <sup>(3)</sup>	August 6, 2018	75,476,660	1.6200 <sup>(3)</sup>	122,272,189 <sup>(3)</sup>	40.88%	12.26%
<b>Series B</b>									
1. 58 Daojia	1.0 billion	Series B Preferred Shares	July 12, 2018	August 7, 2018	18,777,121	1.8107 <sup>(4)</sup>	34,000,000 <sup>(4)</sup>	33.92%	3.05%
2. Vision Carnation	1.0 billion	Series B Preferred Shares	July 12, 2018	July 26, 2018	13,817,751	1.8107	25,020,000	33.92%	2.24%
3. Fortune Huaxin	1.0 billion	Series B Preferred Shares	July 12, 2018	July 30, 2018 <sup>(5)</sup>	4,797,605 <sup>(5)</sup>	RMB11.5891 <sup>(5)</sup>	RMB55,600,000 <sup>(5)</sup>	33.92%	0.78%
4. Qianhai Ark BVI	1.0 billion	Series B Preferred Shares	July 12, 2018	July 25, 2018 <sup>(5)</sup>	8,628,787 <sup>(5)</sup>	RMB11.5891 <sup>(5)</sup>	RMB100,000,000 <sup>(5)</sup>	33.92%	1.40%
5. Cainiao	1.0 billion	Series B Preferred Shares	July 12, 2018	July 31, 2018	16,568,047	1.8107	30,000,000	33.92%	2.69%
6. Tulando	1.0 billion	Series B Preferred Shares	July 12, 2018	July 20, 2018	3,922,704	1.8107	7,102,896	33.92%	0.64%
7. Buchkana	1.0 billion	Series B Preferred Shares	July 12, 2018	July 20, 2018	3,922,704	1.8107	7,102,896	33.92%	0.64%
8. Infinite	1.0 billion	Series B Preferred Shares	July 12, 2018	July 20, 2018	438,616	1.8107	794,208	33.92%	0.07%
9. UBS	1.0 billion	Series B Preferred Shares	January 25, 2019	January 31, 2019	4,749,511	1.8107	8,600,007	33.92%	0.77%
10. Novich Dingli	1.0 billion	Series B Preferred Shares	January 27, 2019	February 27, 2019	3,761,985	1.8107	6,811,881	33.92%	0.61%
11. Borui Huaxin	1.0 billion	Series B Preferred Shares	January 25, 2019	January 31, 2019 <sup>(5)</sup>	938,366 <sup>(5)</sup>	RMB12.370 <sup>(5)</sup>	RMB11,607,143 <sup>(5)</sup>	33.92%	0.15%
12. Mega Prime	1.05 billion	Series B Preferred Shares	July 6, 2019	July 26, 2019	7,889,546	1.9013	15,000,000	30.61%	1.28%
13. Dawanqu SPC – GBA Logistics SP	1.05 billion	Series B Preferred Shares	June 24, 2021	July 8, 2021	13,068,244	1.9013	24,846,000	30.61%	2.12%
<b>Series C</b>									
1. 58 Daojia	1.5 billion	Series C Preferred Shares	June 3, 2021	June 24, 2021	6,404,809	2.3420	15,000,000	14.53%	1.04%
2. Smart Pioneer	1.5 billion	Series C Preferred Shares	June 17, 2021	June 23, 2021	6,404,809	2.3420	15,000,000	14.53%	1.04%
3. Idea Chance	1.5 billion	Series C Preferred Shares	June 17, 2021	June 21, 2021	4,269,873	2.3420	10,000,000	14.53%	0.69%

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Name of the Investor	Pre-money valuation <i>(in USD)</i>	Shares	Date of investment agreement	Settlement Date	Number of Shares subscribed	Cost per Share (in USD unless otherwise indicated)	Consideration (in USD unless otherwise indicated)	Discount to the Offer Price <sup>(1)</sup>	Approximate percentage of shareholding immediately following the completion of the Global Offering <sup>(2)</sup>
4. AHKEF	1.5 billion	Series C Preferred Shares	June 17, 2021	June 17, 2021	100,640	2.3420	235,699	14.53%	0.02%
5. BOCOM AM	1.5 billion	Series C Preferred Shares	June 17, 2021	June 24, 2021	8,539,746	2.3420	20,000,000	14.53%	1.39%
6. CMF	1.5 billion	Series C Preferred Shares	June 17, 2021	June 24, 2021	1,280,961	2.3420	3,000,000	14.53%	0.21%

*Notes:*

- (1) The discount to the Offer Price is calculated based on the assumption that (i) the Offer Price of HK\$21.50, and (ii) the Preferred Shares are reclassified as Shares on a one-to-one basis. The discount to offer price was determined primarily with reference to the pre-money valuation of each round of the Pre-IPO Investments, the basis of which is further described in Note (6) below.
- (2) Calculated after taking into account the Shares to be issued pursuant to the Global Offering, assuming that (i) the Over-allotment Option is not exercised and (ii) no other Shares are issued pursuant to the Share Incentive Plan.
- (3) Pursuant to the Series B Investment Agreement dated July 12, 2018, Taobao China exercised the Taobao Conversion Right in full on August 7, 2018 and such conversion did not involve any monetary settlement other than the capital injection of an amount representing the par value of the conversion Shares. Therefore, the valuation with respect to Taobao China's conversion is the same as that of Series B financing. The figures exhibited in the columns "Cost per share" and "Consideration" represent the fair value of the Series A Preferred Shares on July 12, 2018. For details, please refer to "– Major Shareholding Changes of our Company – III. Merger between our Company and GoGoVan Cayman, the Taobao Conversion Right and Issuance of Series A Preferred Shares."
- (4) The purchase price was paid by way of waiving certain indebtedness incurred by our Company to 58 Daojia as of the date thereof in the amount of US\$34,000,000.
- (5) Each of Fortune Huaxin, Qianhai Equity Investment and Borui Huaxin advanced RMB loans to Tianjin 58 Freight pursuant to the Convertible Notes Agreement. In conjunction with the Convertible Notes, they were issued Warrants representing the right to subscribe for Series B Preferred Shares for a consideration representing the respective principal amount of convertible notes advanced by each of them to Tianjin 58 Freight, at a price of Renminbi equivalent of US\$1.8107 per share. The settlement date refers to the date of settlement of the consideration for the Convertible Notes.

On July 12, 2018, Fortune Huaxin entered into a convertible note agreement with Tianjin 58 Freight, pursuant to which Tianjin 58 Freight issued convertible notes in the principal amount of RMB59,400,000 to Fortune Huaxin. Such amounts were fully and irrevocably settled on July 30, 2018. On August 7, 2018, our Company issued warrants to Fortune Huaxin. On January 25, 2019, Tianjin 58 Freight repaid RMB3,800,000 principal amount of the convertible notes issued to Fortune Huaxin. Accordingly, Fortune Huaxin and Tianjin 58 Freight entered into a supplemental agreement to the convertible note agreement, pursuant to which the principal amount was decreased to RMB55,600,000, and the warrant issued to Fortune Huaxin was correspondingly amended on the same day.

Following the completion of the ODI Filings and the overseas funds remitting, the Warrants were fully exercised. Fortune Huaxin, Borui Huaxin and Qianhai Ark BVI were issued Series B Preferred Shares in October 2021. Qianhai Ark BVI is a wholly-owned subsidiary of Qianhai Equity Investment, through which Qianhai Equity Investment completed the ODI-related procedures.

For details of the arrangement, see "– Major Shareholding Changes of our Company – IV. Series B Financing – Convertible Notes and Warrants" in this section.

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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- (6) The following sets forth the basis of pre-money valuation for each round of financing:
- The conversion valuation for Taobao China of USD1.0 billion (the “Base Valuation”) was based on the gross merchandise value of the Company and GoGoVan Cayman prior to the merger between the Company and GoGoVan. Please also refer to Note (3) above for details of the Taobao Conversion Right.
  - The pre-money valuation for Series B financing (for investors other than Mega Prime and Dawanqu SPC – GBA Logistics SP) of USD1.0 billion was the same as the Base Valuation and had been reached through arm’s length negotiation with the relevant investors, taking into account that the initial closing of Series B financing was conducted simultaneously with the exercise of Taobao Conversion Right.  
  
The pre-money valuation for Series B financing (for Mega Prime and Dawanqu SPC – GBA Logistics SP) slightly increased due to the gap between the initial closing and the subsequent closing of Series B financing.
  - The pre-money valuation for Series C financing of USD1.5 billion was determined based on arm length’s negotiation taking into account the price to sales multiple.

### 2. Principal terms of the Pre-IPO Investments and Pre-IPO Investors’ rights

Use of proceeds from the Pre-IPO Investments	We utilized the proceeds from the Pre-IPO Investments for the development and operation of business of our Group, including but not limited to, business expansion, capital expenditures, hiring of talent and marketing. As of the Latest Practicable Date, approximately 82% of the funds raised from the Pre-IPO Investments has been utilized.
Strategic benefits the Pre-IPO Investors brought to our Company	<p>At the time of the Pre-IPO Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-IPO Investors’ investments in our Company and their knowledge and experience. Our Pre-IPO Investors include (i) renowned companies in relevant industries, such as Taobao China and Cainiao, the cooperation with which can help us achieve business development; and (ii) professional institutional investors, which can provide us with professional advice on our Group’s development and improve our corporate governance, financial reporting and internal control.</p> <p>Our Directors are also of the view that the Pre-IPO Investors’ investments demonstrated their confidence in our Group’s operations and served as an endorsement of our Company’s performance, strengths and prospects.</p>

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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Basis of determining the consideration paid

The consideration for the Pre-IPO Investments were determined based on arm's length negotiations between our Company and the Pre-IPO Investors after taking into consideration the timing of the investments and the status of our business and operating entities.

Lock-up period

Pursuant to the terms of the shareholders' agreement, each of our Pre-IPO Investors has agreed that, upon request by our Company or the Underwriters, it will not sell or otherwise transfer or dispose of any securities of our Company held immediately before the date of this prospectus without prior written consent of our Company or the Underwriters, for a period of time specified by the Underwriters not to exceed 180 days from the date of this prospectus or the pricing date of the Global Offering as may be requested by the Underwriters.

At the request of the Company and the Underwriters, certain of our Pre-IPO Investors, being GoGoVan Cayman, Taobao China, Smart Pioneer Inc Limited, Alibaba Hong Kong Entrepreneurs Fund, L.P., BOCOM International Asset Management Limited and Dawanqu SPC – GBA Logistics SP, each agreed to enter into a lock-up deed with respect to their Shares in the Company for six months after the Listing Date. For further information about lock-up arrangements by our Pre-IPO Investors, please refer to the section headed "Underwriting – Underwriting Arrangements and Expenses – Undertakings by Our Certain Shareholders" in this prospectus.

Other Pre-IPO Investors, being Cainiao, Vision Carnation, Fortune Huaxin, Qianhai Ark BVI, Tulando, Buchkana, Infinite, Borui Huaxin, UBS, Novich Dingli, Mega Prime, Idea Chance and CMF, are not subject to lock-up arrangement.

### **3. Special rights of the Pre-IPO Investors**

According to the relevant agreements in respect of the Pre-IPO Investments, the Pre-IPO Investors were granted certain customary special rights. Such special rights shall be suspended upon submission of a listing application and/or will be terminated upon the Listing, in compliance with Guidance Letters HKEx-GL43-12 and HKEx-GL44-12.

#### 4. Public Float

The Shares held by 58 Daojia, GoGoVan Cayman, Taobao China, Cainiao, AHKEF, Genesis Fortune Holdings Limited, representing approximately 80.89% of our total issued Shares upon the completion of the Global Offering (assuming (i) the Over-allotment Option is not exercised and (ii) no new Shares are issued pursuant to the Share Incentive Plan), will not be counted towards public float.

Save as disclosed above, no other shareholders is a core connected person of our Company, as defined in the Listing Rules. Therefore, the Shares held by the other shareholders will count towards the public float for the purposes of Rule 8.08 of the Listing Rules.

We have applied to the Stock Exchange to request the Stock Exchange to exercise its discretion under Rule 8.08(1)(d) of the Listing Rules and the Stock Exchange has granted our Company a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules, pursuant to which the public float of our Company may fall below 25% of the issued share capital of our Company. For details of the relevant waiver, see “Waivers from Strict Compliance with the Listing Rules and Exemptions from Strict Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance – Waiver in Relation to the Public Float Requirements.”

#### 5. Information on the Pre-IPO Investors

##### *Taobao China*

Taobao China is an investment holding company incorporated in Hong Kong with limited liability on March 26, 2003. Taobao China is an indirect wholly owned subsidiary of Alibaba. Alibaba is a company incorporated in the Cayman Islands and its American depositary shares are listed on the New York Stock Exchange, and a company listed on the Hong Kong Stock Exchange (stock code: 9988).

##### *Cainiao*

Cainiao is a company incorporated under the laws of Hong Kong and is wholly owned by Cainiao Smart Logistics Network Limited, whose main business is providing domestic and international one-stop-shop logistics services and supply chain management solutions. Cainiao Smart Logistics Network Limited is an indirect non-wholly owned subsidiary of Alibaba.

##### *AHKEF*

AHKEF is an investment fund established in the Cayman Islands with The Hong Kong Entrepreneurs Fund Limited as the sole limited partner. The Hong Kong Entrepreneurs Fund Limited is in turn an indirect subsidiary of Alibaba. AHKE Fund General Partner Limited is the sole General Partner of AHKEF.



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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### *Vision Carnation*

Vision Carnation is a limited company incorporated in the Cayman Islands. It is a special purpose vehicle and wholly owned by Vision Toll LP. The general partner of Vision Toll LP is China InnoVision Capital GP Limited, which is majority controlled by Mr. ZHAO Fu (趙福), who was previously a Director and resigned from our Company in August 2021.

### *Fortune Huaxin and Borui Huaxin*

Each of Fortune Huaxin and Borui Huaxin is a limited partnership incorporated in the PRC principally engaged in equity investment. The general partner of both Fortune Huaxin and Borui Huaxin is Zhuhai Hengqin Huaxin Jianling Management Consulting Co., Ltd. (珠海橫琴華新建瓚管理顧問有限公司), an indirectly non-wholly owned subsidiary of Zhuhai Yishan Enterprise Management Consulting Co., Ltd. (珠海懿珊企業管理顧問有限公司), which in turn is wholly owned by Ms. WANG Chunzhi (王春芝), mother of Mr. ZHAO Fu.

### *Qianhai Equity Investment/Qianhai Ark BVI*

Qianhai Equity Investment is a limited partnership established in the PRC. It is a private investment fund with Qianhai Ark Asset Management Co., Ltd. (前海方舟資產管理有限公司) (“Qianhai Ark”) acting as its fund manager. Qianhai Ark is controlled by Shenzhen Qianhai Huaize Ark Venture Investment Enterprise (Limited Partnership) (深圳前海淮澤方舟創業投資企業(有限合夥)), which is ultimately controlled by Mr. Jin Haitao (靳海濤).

Qianhai Ark BVI is a wholly-owned subsidiary of Qianhai Equity Investment, through which Qianhai Equity Investment completed the ODI-related procedures.

### *Tulando, Buchkana and Infinite*

Tulando is a business company established in the BVI on November 22, 2017. Buchkana is a limited liability company established in Cyprus on September 20, 2016. Infinite is a limited liability company established in the Cayman Islands on August 21, 2015. With respect to their investment in our Company, they are controlled by Russia-China Investment Fund (“RCIF”). RCIF is a private equity fund mainly invested by the sovereign funds of China and Russia Federation.

### *UBS*

UBS AG, London Branch is a registered office of UBS AG, which is a wholly-owned subsidiary of UBS Group AG. The shares of UBS Group AG are listed on the SIX Swiss Exchange and the New York Stock Exchange.

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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UBS is a global financial services firm with nearly 160 years of experience in banking and over 71,000 employees in around 50 countries, providing services across wealth management, personal and corporate banking, asset management and investment banking. UBS is the largest global wealth manager with over USD3.0 trillion in invested assets as of December 31, 2020 and over 22,000 employees helping clients to achieve their goals. As a leading Swiss personal and corporate bank, UBS provides comprehensive financial products and services to private, corporate and institutional clients. UBS is a large-scale and diversified global asset manager, with USD1.1 trillion in invested assets as of December 31, 2020. UBS Asset Management offers investment capabilities and styles across all major traditional and alternative asset classes, as well as advisory support to institutions, wholesale intermediaries and Global Wealth Management clients around the world. UBS Investment Bank provides services to institutional, corporate and wealth management clients with a presence in more than 30 countries and offices in the major financial hubs.

UBS AG, London Branch and UBS Securities Hong Kong Limited (one of the Joint Sponsors) are members of a “sponsor group” as defined under the Listing Rules.

### *Novich Dingli*

Novich Dingli is a business company incorporated under the laws of BVI, which is owned as to 99.58% by Trout & Partners Strategic Positioning Consulting (Cayman) Co., Limited (“Trout & Partners Cayman”) and as to 0.42% by Novich Positioning Investment (Cayman) Limited (“Novich Cayman”). Novich Dingli is managed by Novich Cayman, which is wholly owned by Novich Positioning Investment (Hong Kong) Limited (“Novich HK”). Novich HK is wholly-owned by Shanghai Novich Positioning Investment Management Co., Ltd. (上海諾偉其定位投資管理有限公司), which is ultimately controlled by Mr. Deng Liping (鄧利平). Novich Dingli is principally engaged in equity investment, investment consulting and management. Trout & Partners Cayman is principally engaged in strategic consulting services, and is wholly-owned by Trout & Partners Strategic Positioning Consulting Co., Limited (“Trout & Partners HK”). Trout & Partners HK is wholly-owned by Shanghai Telaote Marketing Consulting Co., Ltd. (上海特勞特營銷諮詢有限公司), which is ultimately controlled by Mr. Deng Liping (鄧利平).

### *Mega Prime*

Mega Prime is a company incorporated under the laws of BVI, which is wholly owned by Greater Bay Area Homeland Investments Limited (大灣區共同家園投資有限公司) (“GBAHIL”). GBAHIL is a company incorporated in Hong Kong with limited liability. GBAHIL is jointly owned by ten international large-scale industrial institutions, financial institutions and new economic enterprises, each of which holds less than 15% interest in GBAHIL.

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### *Dawanqu SPC – GBA Logistics SP*

GBA Logistics SP is a segregated portfolio company wholly controlled by Dawanqu SPC. Dawanqu SPC is a segregated portfolio company incorporated in the Cayman Islands as an exempted company with limited liability on May 8, 2020. Its management share is 100% held by Celestial Billion Limited, a company incorporated in BVI, which is indirectly wholly owned by GBAHIL. GBAHIL has management control of Dawanqu SPC – GBA Logistics SP, and does not have economic interests in Dawanqu SPC – GBA Logistics SP except for the management fees. GBAHIL is jointly owned by ten international large-scale industrial institutions, financial institutions and new economic enterprises, each of which holds less than 15% interest in GBAHIL.

### *Smart Pioneer*

Smart Pioneer is a special purpose vehicle incorporated in Hong Kong for the purpose of investment. It is wholly owned by ABCI Investment Management Limited, which is ultimately wholly-owned by Agricultural Bank of China, whose H shares are listed on the Stock Exchange (stock code: 1288) and A shares are listed Shanghai Stock Exchange (stock code: 601288).

ABCI Investment Management Limited and ABCI Capital Limited (one of the Joint Sponsors) are members of a “sponsor group” as defined under the Listing Rules.

### *Idea Chance*

Idea Chance is a private limited company incorporated under the laws of BVI. It is an indirect wholly-owned subsidiary of Orion Investment Group Limited, an investment holding company based in Hong Kong, which is wholly-owned by Mr. Lincoln Lu.

### *BOCOM AM*

BOCOM AM is a company incorporated in Hong Kong with limited liability and is wholly owned by BOCOM International Holdings Company Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on The Stock Exchange of Hong Kong Limited (stock code: 3329). BOCOM AM is a licensed corporation under the Hong Kong Securities and Futures Ordinance with Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. The principal activity of BOCOM AM is to provide asset management services. BOCOM AM holds the shares on behalf of its clients in the capacity of an investment manager.

BOCOM AM and BOCOM International (Asia) Limited (a Joint Sponsor) are members of a “sponsor group” as defined under the Listing Rules.

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### *CMF*

CMF is an investment holding company incorporated in Hong Kong with limited liability. It is an indirect wholly-owned subsidiary of Hong Kong Cyberport Management Company Limited, which is indirect wholly owned by the Hong Kong SAR Government.

### COMPLIANCE WITH INTERIM GUIDANCE AND GUIDANCE LETTERS

On the basis that (i) the consideration for the Pre-IPO Investments was settled more than 28 clear days before the date of our first submission of the listing application in relation to the Listing to the Stock Exchange; and (ii) the customary special rights granted to the Pre-IPO Investors shall be suspended upon submission of a listing application and/or will be terminated upon the Listing, as the case may be, the Joint Sponsors have confirmed that the Pre-IPO Investments are in compliance with the Interim Guidance (HKEx-GL29-12) and the Guidance Letters HKEx-GL43-12 and HKEx-GL44-12 issued by the Stock Exchange.

### PRC REGULATORY REQUIREMENTS

According to the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the “M&A Rules”) jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, the SAIC and the SAFE on August 8, 2006, and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise through relevant agreements, and then invests such assets to establish a foreign-invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, that is controlled directly or indirectly by PRC companies or individuals and that is formed for the purpose of an overseas listing of the interests in a PRC company, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange, in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.

Given that (1) the CSRC currently has not issued any definitive rule or interpretation concerning whether the listing like ours are subject to the M&A Rules; (2) Tianjin WFOE, Hainan WFOE and Shanghai WFOE are all wholly foreign-owned enterprises established by GOGO PRC by way of new establishment, and are not involved in the acquisition of domestic enterprises by foreign investors as stipulated in the M&A Rules, and (3) that no provision in the M&A Rules clearly classifies contractual arrangements as a type of transaction subject to

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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the M&A Rules, as advised by our PRC Legal Advisor, unless new laws and regulations are enacted or MOFCOM and CSRC publish new provisions or interpretations on the M&A Rules in the future, prior CSRC or MOFCOM approval required under the M&A Rules for the Listing is not required.

### SAFE REGISTRATION IN THE PRC

Pursuant to the Circular on Relevant Issues Concerning Foreign Exchange Administration for Financing and Round-trip Investments by Domestic Residents through Offshore Special Purpose Vehicles (《國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》), or the SAFE Circular 75 (the “SAFE Circular 75”), promulgated by the SAFE and effective on November 1, 2005, a PRC resident must register with the local SAFE branch prior to establishing or controlling an overseas special purpose vehicle. Pursuant to the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the “SAFE Circular 37”), promulgated by SAFE and which became effective on July 14, 2014 and replaced the SAFE Circular 75, (i) a PRC resident must register with the local SAFE branch prior to their contribution of offshore or domestic assets or equity interests in an overseas special purpose vehicle (the “Overseas SPV”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting overseas investment or financing, and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties.

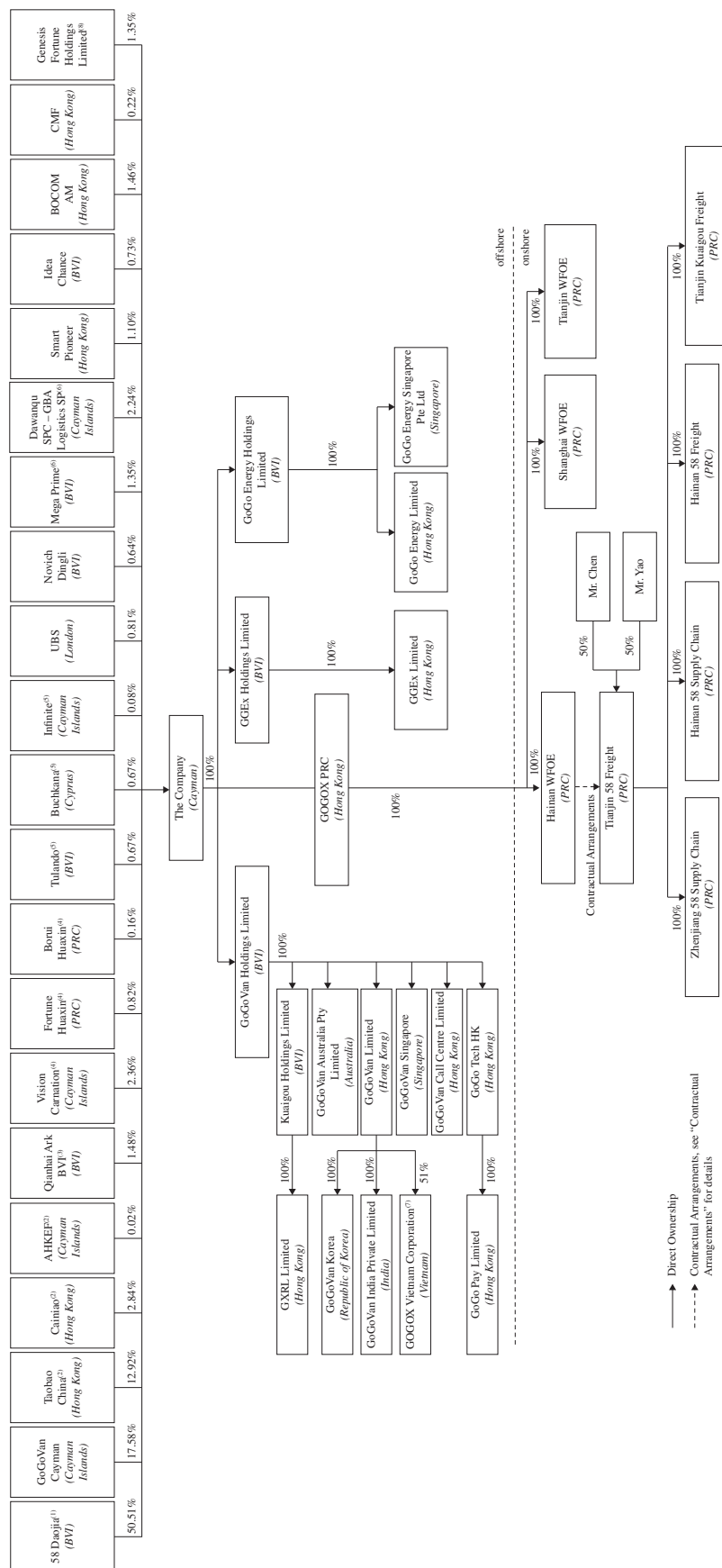
Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), promulgated by SAFE and effective on June 1, 2015, the power to accept foreign exchange registration was delegated from local SAFE branch to qualified banks where the assets or interests in the domestic entity are located.

As advised by our PRC Legal Advisor, Mr. Chen, and Mr. Yao, each being a PRC resident, have respectively conducted the required initial foreign exchange registration under the regulations abovementioned.

## CORPORATE STRUCTURE

### Corporate structure before the Global Offering

The following diagram illustrates the simplified corporate and shareholding structure of our Company immediately prior to the completion of the Global Offering:

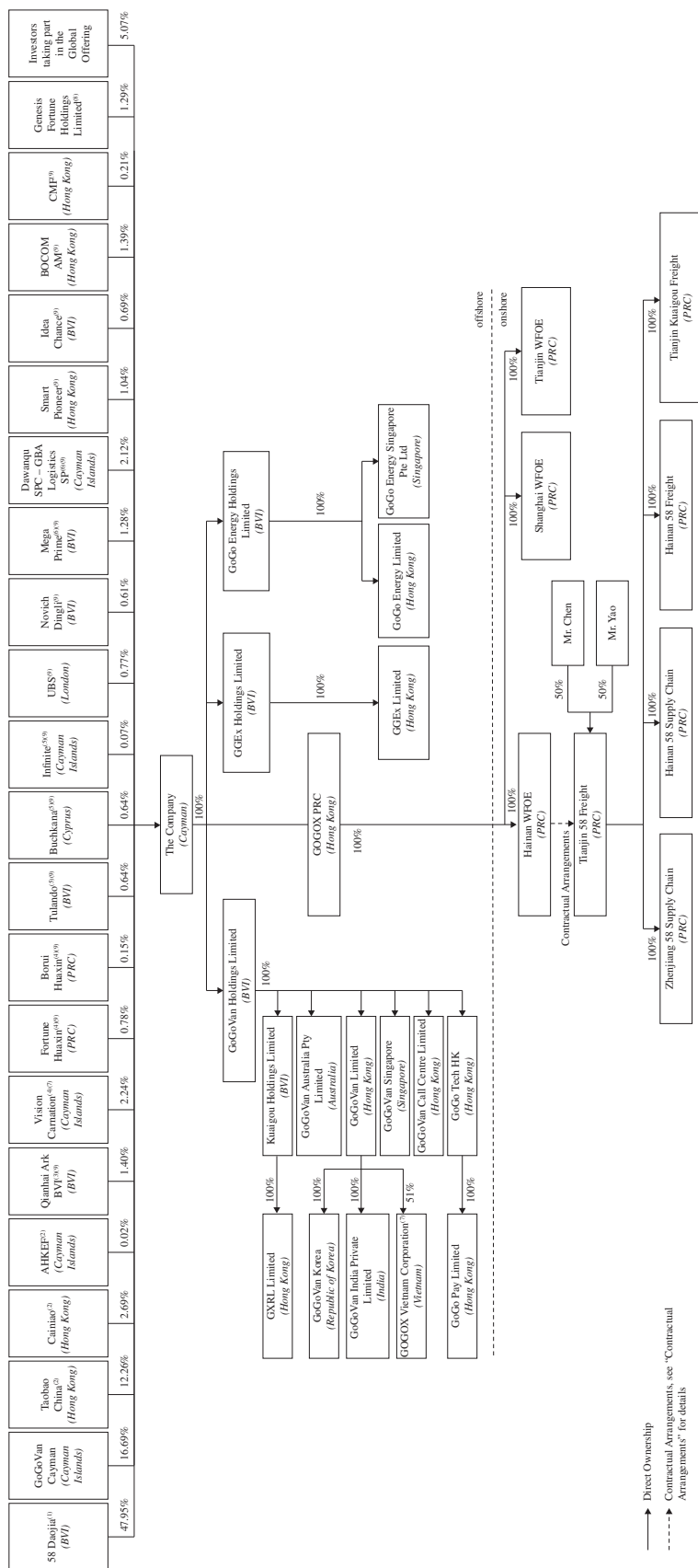


*Notes:*

- (1) 58.com (which directly holds and through its wholly-owned subsidiary, China Classified Information Corporation Limited, holds equity interest in 58 Daojia), Nihao China Corporation and Trumpway Limited, collectively hold approximately 77.5% voting rights in 58 Daojia. 58.com is wholly-owned by Quantum Bloom. Mr. Yao, through his controlled entities, controls more than 50% voting capital of Quantum Bloom. Trumpway Limited is wholly-owned by Mr. Chen.
- (2) Taobao China is an indirect wholly owned subsidiary of Alibaba. Cainiao Smart Logistics Network Limited is an indirect non-wholly owned subsidiary of Alibaba. AHKEF is an investment fund established in the Cayman Islands with The Hong Kong Entrepreneurs Fund Limited as the sole limited partner, which is in turn an indirect subsidiary of Alibaba. For details, please refer to “– Pre-IPO Investments – 5. Information on the Pre-IPO Investors.”
- (3) Qianhai Ark BVI is a wholly-owned subsidiary of Qianhai Equity Investment, one of the Note Holders. For details of the Note Holders, see “– Major Shareholding Changes of our Company – IV. Series B Financing – Convertible Notes and Warrants” in this section.
- (4) Vision Carnation is a special purpose vehicle wholly owned by Vision Toll LP. The general partner of Vision Toll LP is China InnoVision Capital GP Limited, which is majority controlled by Mr. ZHAO Fu (趙福), who was previously a director of our Company. The general partner of both Fortune Huaxin and Borui Huaxin is Zhuhai Hengqin Huaxin Jianling Management Consulting Co. Ltd. (珠海橫琴華新建築管理顧問有限公司), an indirectly non-wholly owned subsidiary of Zhuhai Yishan Enterprise Management Consulting Co. Ltd. (珠海懿珊企業管理顧問有限公司), which in turn is wholly owned by Ms. WANG Chunzhi (王春芝), mother of Mr. ZHAO Fu. For details, please refer to “– Pre-IPO Investments – 5. Information on the Pre-IPO Investors.”
- (5) Each of Tulando, Buchkana and Infinite is controlled by Russia-China Investment Fund. For details, please refer to “– Pre-IPO Investments – 5. Information on the Pre-IPO Investors.”
- (6) Mega Prime is wholly owned and GBA Logistics SP is wholly controlled by GBAHIL. For details, please refer to “– Pre-IPO Investments – 5. Information on the Pre-IPO Investors.”
- (7) As of the Latest Practicable Date, the remaining 49% equity interests in GOGOX Vietnam Corporation was held as to 47% by In Do Trans Logistics Corporation, and 2% by Golden North Star Investment Company Limited. Each of In Do Trans Logistics Corporation and Golden North Star Investment Company Limited is an independent third party of the Company.
- (8) Genesis Fortune Holdings Limited is wholly owned by Major Group Enterprises Limited, which is in turn wholly owned by Mr. Chen Xiaohua, chairman of the Board and an executive Director of the Company.

Corporate structure immediately following the Global Offering

The following diagram illustrates the simplified corporate and shareholding structure of our Company immediately following the completion of the Global Offering (assuming (i) the Preferred Shares are reclassified as Ordinary Shares on a one-to-one basis; (ii) the Over-allotment Option is not exercised; and (iii) no new Shares are issued pursuant to the Share Incentive plan).



Notes (1) – (8): please refer to notes below the chart set forth in the section headed “– Corporate Structure – Corporate structure before the Global Offering.”  
 Note (9): Shares held by Qianhai Ark BVI, Vision Carnation, Fortune Huaxin, Borui Huaxin, Tulando, Buchkana, Infinite, UBS, Novich Dingli, Mega Prime, Dawanqu SPC – GBA Logistics SP, Smart Pioneer, Idea Chance, BOCOM AM, CMF and other public shareholders, will be counted towards public float.



**OUR MISSION**

Our mission is to simplify intra-city logistics with technology. We are committed to providing technology-powered, user-centric logistics solutions for social good and sustainable development.

**OVERVIEW**

We are a major online intra-city logistics platform in Asia. We operate in more than 340 cities across five countries and regions in Asia, namely mainland China, Hong Kong, Singapore, Korea and India. We own and operate two highly-recognized, well-trusted brands in the online intra-city logistics space: Kuaigou Dache (快狗打車) in mainland China and GOGO in other countries and regions in Asia. According to Frost & Sullivan, we are the third largest online intra-city logistics platform in mainland China with market share of 3.2%, ranking after players with a market share of 52.8% and 5.5%, and the market leader in Hong Kong with a market share of 50.9%, each in terms of GTV in 2021. According to the same source, mainland China and Hong Kong collectively accounted for approximately 71% of the online intra-city logistics market of Asia in terms of GTV in 2021.

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

We have built a vibrant ecosystem of millions of shippers and drivers. As of December 31, 2018, 2019, 2020 and 2021, we had approximately 14.5 million, 19.8 million, 24.0 million and 27.6 million registered shippers and 1.3 million, 3.0 million, 4.2 million and 5.2 million registered drivers, respectively. In 2018, 2019, 2020 and 2021, there were 32.4 million, 33.4 million, 27.1 million and 28.4 million shipment orders fulfilled on our platform, generating a total GTV of RMB3,356.9 million, RMB3,313.0 million, RMB2,694.4 million and RMB2,676.7 million, respectively.

**Emergence of Technology-Driven Logistics Platforms**

The intra-city logistics market refers to the transportation market where large tonnage goods weighing more than 30 kilograms are transported within the same city. Asia's intra-city logistics market has tremendous market potential, with a market size of US\$422.9 billion in 2021 and is expected to grow to US\$658.0 billion in 2026, representing a CAGR of 9.0% from 2022 to 2026, driven by continued urbanization, e-commerce growth and new retail development, according to Frost & Sullivan. The online logistics platform penetration rate in Asia, in terms of the GTV of online intra-city logistics platform out of the total GTV of the intra-city logistics market, increased from 0.4% in 2017 to 3.1% in 2021, and is expected to continue to increase to 15.9% in 2026, according to the same source.

The intra-city logistics industry is highly fragmented on both the shipper and the driver side. A great number of shippers are long-tail SMEs and a large number of drivers are individual operators with only one vehicle. Under the traditional offline model, shippers often spend hours to find drivers either through acquaintances, multiple layers of middlemen or scattered offline information ports. This results in higher costs, longer wait time and dissatisfaction with service quality for shippers. Without an integrated matching platform, drivers rely heavily on middlemen to acquire shipment orders, resulting in low vehicle utilization, high agency costs and limited income visibility. Additionally, pricing is opaque and responsibilities are not clearly defined, leading to potential disputes and safety concerns.

Catalyzed by the proliferation of internet infrastructure and digital technologies, online intra-city logistics platforms have emerged to address these industry challenges. Online logistics platforms enable individuals, SMEs and large enterprises to create and tender shipments with a few clicks, secure service availability with upfront pricing and track shipments on a real-time basis from pickup to delivery. These platforms are playing an increasingly significant role in the intra-city logistics market. They provide transparent, flexible and efficient solutions which better satisfy the ever-evolving logistics demands from new economies, such as e-commerce merchants and new retail concepts.

### **Our Offerings**

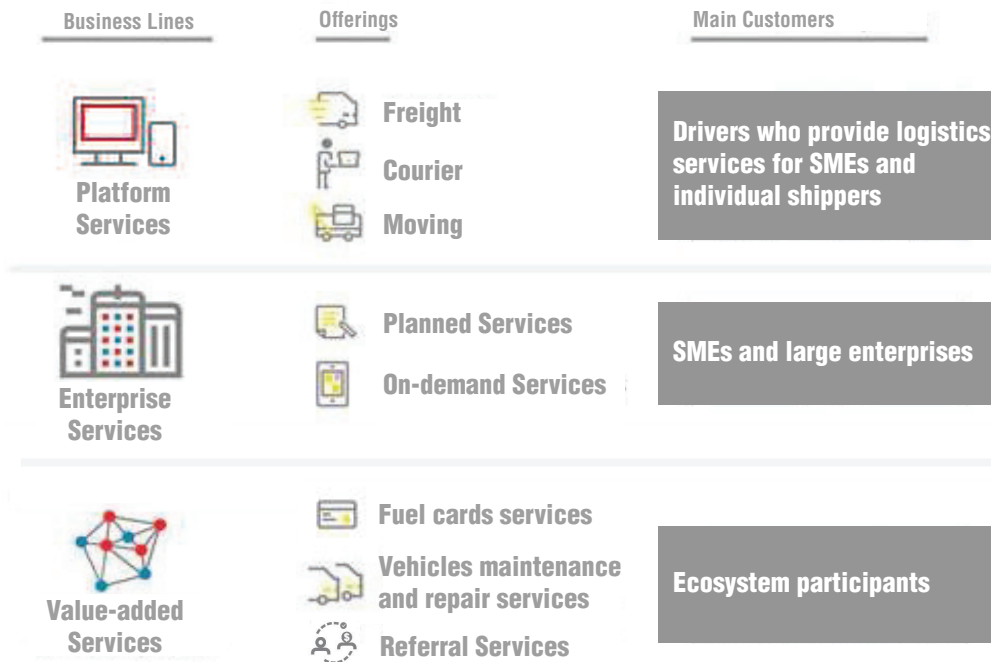
We own and operate two highly-recognized, well-trusted brands in the online intra-city logistics space: Kuaigou Dache (快狗打車) in mainland China and GOGO X in other countries and regions in Asia. Kuaigou Dache, founded in 2014, is the third largest online intra-city logistics platform in mainland China with a market share of 3.2% in terms of GTV in 2021, ranking after players with market share of 52.8% and 5.5%, according to Frost & Sullivan. GOGO X (formerly known as GOGO VAN), launched in 2013, is one of the first mobile app-based logistics platforms in Asia, which has disrupted the traditional logistics industry with innovative technology. GOGO X is the largest online intra-city logistics platform in Hong Kong in terms of GTV in 2021 with a market share of 50.9%, according to Frost & Sullivan, and has successfully expanded its footprint into Singapore, Korea and India. Kuaigou Dache (formerly known as 58 Suyun) and GOGO X merged in 2017 to create our Group. The two businesses have achieved strong synergies by exchanging market experiences and leveraging each other's technologies and know-how, accumulating a broad user base.

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## BUSINESS

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Our service offerings consist of platform services, enterprise services as well as a growing range of value-added services, capable of catering to evolving demand of shippers, drivers and other participants in our ecosystem. The diagram below illustrates the key components of our service offerings.



### *Platform services*

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

### *Enterprise services*

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

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### *Value-added services*

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

### **Revenue Model**

During the Track Record Period, we generated revenue from platform services, enterprise services and value-added services. The following table sets forth a breakdown of our revenue by business line and geographical region, in both absolute terms and as a percentage of our revenue for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue
<i>(RMB in thousands, except for percentages)</i>								
<b>Platform services</b>								
Mainland China	143,371	31.6%	198,068	36.1%	184,093	34.7%	210,803	31.9%
Overseas	24,996	5.5%	39,960	7.3%	41,502	7.8%	47,342	7.2%
Subtotal	168,367	37.1%	238,028	43.4%	225,595	42.5%	258,145	39.1%
<b>Enterprise services</b>								
Mainland China	187,853	41.5%	142,960	26.1%	90,343	17.0%	123,359	18.7%
Overseas	91,158	20.1%	148,827	27.1%	198,918	37.6%	249,447	37.7%
Subtotal	279,011	61.6%	291,787	53.2%	289,261	54.6%	372,806	56.4%
<b>Value-added services</b>								
Mainland China	1,735	0.4%	13,225	2.4%	5,959	1.1%	9,398	1.4%
Overseas	4,032	0.9%	5,417	1.0%	9,594	1.8%	20,508	3.1%
Subtotal	5,767	1.3%	18,642	3.4%	15,553	2.9%	29,906	4.5%
<b>Total revenue</b>	<b>453,145</b>	<b>100.0%</b>	<b>548,457</b>	<b>100.0%</b>	<b>530,409</b>	<b>100.0%</b>	<b>660,857</b>	<b>100.0%</b>

**Platform services.** We facilitate on-demand intra-city logistics by matching drivers with shippers on our platform. We generate revenue from charging service fees to drivers for their use of our platform to provide logistics services to shippers. We consider drivers as our customers and charge service fees either in the form of commission or membership fee. For the

## BUSINESS

shipment orders on which we charge a commission to the driver, the commission is the difference between the amount paid by the shipper for a shipment order and the amount earned by the driver from fulfilling that order. We have maintained a membership program in mainland China since April 2019. Drivers who use our platform services may choose to subscribe for our memberships which are usually for 30 days or 60 days. During the membership period, we charge no commission on all or part of the shipment orders completed by the drivers, depending on the tier of their memberships. For details of our membership program, see “– Our Service Offerings and Platform – Platform Services.”

The following table sets forth a breakdown of our revenue generated from platform services by commission and membership fees for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	<i>(RMB in thousands, except for percentages)</i>							
Platform services								
Commission	168,367	100.0	236,950	99.5	133,747	59.3	205,425	79.6
Membership fees <sup>(1)</sup>	–	–	1,078	0.5	91,848	40.7	52,720	20.4
<b>Total</b>	<b>168,367</b>	<b>100.0</b>	<b>238,028</b>	<b>100.0</b>	<b>225,595</b>	<b>100.0</b>	<b>258,145</b>	<b>100.0</b>

*Notes:*

- (1) In 2019, during the pilot stage of the membership program, we charged membership fees based on the drivers’ types of vehicles. In 2020 and 2021, the membership fees we charged varied by location, the subscribed membership period, and membership tier. In 2019, 2020 and 2021, our membership fees ranged between RMB398 to RMB498, RMB80 to RMB1,797 and RMB80 to RMB2,079, respectively.
- (2) The fluctuations of revenue generated from platform services by membership fees are mainly related to the number of drivers who subscribed to our membership program, which are influenced by our business strategies and policies toward membership program. From 2020 to 2021, the percentage of revenue generated from membership fees to the total revenue generated from platform services decreased from 40.7% to 20.4% as we strategically attract acquired new drivers to register on our platform through fleet operators since 2021, and such new drivers are automatically designated as our premium drivers. Drivers registered as premium drivers through fleet operators cannot join the membership program concurrently.

In mainland China, shipping fares that shippers pay for drivers’ logistics services are primarily determined taking into account the type of vehicles used, the distance between the pickup and the drop-off location, the number of available drivers, the shipper demand at the time the order is placed, and the prevailing market price in the local logistics market. In overseas markets, the shipping fares are generally based on the type of vehicles used and the distance between the pickup and the drop-off location, and shippers can choose to offer drivers extra cash incentives during peak time. In 2018, 2019, 2020 and 2021, we facilitated approximately 31.3 million, 32.1 million, 25.9 million and 26.8 million shipment orders through our platform services, respectively.

**Enterprise services.** We provide planned and on-demand intra-city logistics services for enterprise customers. As a freight carrier, we usually enter into logistics services agreements with enterprises and fulfill shipment orders by matching them with drivers registered on our platform. We consider enterprises who enter into logistics services agreements with us our customers. Our revenue represents the shipping fares charged by us to enterprises for shipment orders they place with us. The amount we pay for services provided by drivers is recorded in our cost of revenue. We negotiate our service fees on a case-by-case basis, taking into account, among others, the specific services required and the expected order amount from the customer. We typically have a fee schedule in the framework agreements entered into with enterprise customers according to which the service fee for each order is determined taking into account, among others, the type of vehicles used, the length of time needed for the delivery and the weight of the freight to be delivered. In 2018, 2019, 2020 and 2021, we delivered approximately 1.1 million, 1.3 million, 1.3 million and 1.6 million shipment orders through our enterprise services, respectively.

**Value-added services.** We offer a growing range of value-added services to our ecosystem participants. In mainland China, we provide drivers with information about locations of fuel stations and vehicle maintenance and repair centers through our mobile apps and charge these service providers commission. We cooperate with automobile manufacturers and dealers to offer discounted prices for drivers who intend to purchase or rent vehicles and choose to join our platform and charge the manufacturers and dealers commission for referrals. In Hong Kong and Singapore, we provide fuel cards services through our collaboration with fuel companies. The service fee earned by us from fuel cards services is the difference between the amount we charge drivers for fuel cards and the amount we pay to fuel companies. In Hong Kong, we provide vehicle maintenance and repair services at our proprietary service center and charge service fees.

### **Our Technology**

We utilize an array of advanced proprietary technologies to manage dynamic real-world interactions and deliver a better user experience. The following chart illustrates our proprietary core technologies.



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- ***Demand prediction:*** The scale of our network enables us to predict demand and proactively incentivize driver availability for shippers.
- ***Smart order dispatching:*** Our smart dispatching system can analyze the available drivers nearby when a shipper places an order via our platform, and recommend or dispatch the most suitable driver.
- ***Automated order pricing:*** AI and machine learning based pricing models analyze historical data to determine the appropriate price for each order automatically in mainland China.
- ***Optimized route recommendations:*** Our in-house route optimizer provides drivers with best possible route for a specific order.
- ***Digitalized driver assessment:*** Our system automatically evaluates the performance of drivers based on numerous factors.
- ***Risk management:*** We possess a proprietary risk management system to address credit, fraud and other risks effectively.

### **Social Responsibility and Sustainability**

We leverage data and technology to build efficient supply chains, lower costs for shippers, increase earnings for drivers, and minimize environmental impact. We generally do not hire drivers as our employees or own vehicles used by drivers to deliver freight and goods. As of December 31, 2021, in Singapore, we employed two drivers and rented 12 vehicles to provide better logistics services to our enterprise customers. We offer millions of drivers opportunities to make improved, more stable earnings in a flexible manner by providing easy access to shipping demand in their proximity, reducing empty backhauls and increasing vehicle utilization. We have launched a premium driver program in mainland China with an aim to improve drivers' earnings stability. We assign shipment orders to premium drivers, so they can obtain a more predictable number of orders without the need of bidding for orders. For details, see “– Our Asia-wide Network – Drivers.” In addition, through our smart order dispatching system, we unlock idle capacities and increase transportation supply without putting more vehicles on the road, thereby minimizing deadhead miles, energy use and carbon emissions. In mainland China, we have been pioneering the use of legally compliant NEVs for intra-city logistics services. For example, in Shenzhen, the percentage of orders completed by NEVs via our platform increased from 54.7% in January 2021 to 85.8% in December 2021. In Singapore and Korea, we provide emission-free deliveries with NEVs for certain enterprise customers to fulfill their vision of sustainable expansion.

### Our Scale and Financial Performance



A major intra-city logistics platform in Asia



121.3 million fulfilled orders<sup>1</sup> covering 340+ cities in five countries and region<sup>2</sup>



RMB12.0 billion GTV<sup>1</sup>



27.6 million registered shippers<sup>2</sup>



5.2 million registered drivers<sup>2</sup>



No.3 in mainland China<sup>3</sup>



No.1 in Hong Kong<sup>3</sup>

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*Notes:*

1. During the Track Record Period.
2. As of December 31, 2021.
3. Represents ranking as measured by market share in the online intra-city logistics platform in terms of GTV in 2021.

We had revenue of RMB453.1 million, RMB548.5 million, RMB530.4 million and RMB660.9 million in 2018, 2019, 2020 and 2021, respectively. Our gross profit was RMB104.4 million, RMB173.1 million, RMB183.4 million and RMB241.7 million in 2018, 2019, 2020 and 2021, respectively, representing a gross profit margin of 23.0%, 31.6%, 34.6% and 36.6% in the same periods, respectively. We had net loss of RMB1,070.9 million, RMB183.8 million, RMB658.2 million and RMB872.9 million in 2018, 2019, 2020 and 2021, respectively.

Our adjusted net loss, which is a non-IFRS measure, was RMB784.0 million, RMB396.9 million, RMB185.4 million and RMB311.1 million in 2018, 2019, 2020 and 2021, respectively. Our adjusted EBITDA, which is a non-IFRS measure, was negative RMB762.5 million, negative RMB359.8 million, negative RMB147.3 million and negative RMB282.4 million in 2018, 2019, 2020 and 2021, respectively. See “Financial Information – Description of Major Comprehensive Income Line Items – Non-IFRS Measures” for a reconciliation of our net loss to the adjusted net loss (a non-IFRS measure) and our adjusted EBITDA.



### OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiate us from our competitors.

#### **A major online intra-city logistics platform in Asia**

We are a major online intra-city logistics platform in Asia. Our platform has accumulated millions of shippers and drivers spanning over 340 cities in five countries and regions in Asia, namely mainland China, Hong Kong, Singapore, Korea and India. According to Frost & Sullivan, we are the third largest online intra-city logistics platform in mainland China with a market share of 3.2%, ranking after players with market share of 52.8% and 5.5%, and the market leader in Hong Kong with a market share of 50.9%, each in terms of GTV in 2021. According to the same source, mainland China and Hong Kong collectively accounted for approximately 71% of the online intra-city logistics market of Asia in terms of GTV in 2021.

We are an early mover in digitalizing the intra-city logistics industry in Asia, matching shippers and drivers with a few clicks on mobile apps or websites. With our highly-recognized brands, Kuaigou Dache in mainland China and GOGO X in overseas markets, we have established competitive edges in user base, operational efficiency and technologies.

As of December 31, 2018, 2019, 2020 and 2021, we had approximately 14.5 million, 19.8 million, 24.0 million and 27.6 million registered shippers and 1.3 million, 3.0 million, 4.2 million and 5.2 million registered drivers, respectively, who come to our platform to seek convenient, efficient and reliable intra-city logistics solutions. Our massive driver-shipper network has the potential to generate powerful flywheel effects, which will drive our long-term sustainable growth and enhance our brand recognition.

As we attract and retain a larger base of drivers, our platform makes more capacity available and can respond to shippers' demand more promptly. As a result, more shippers will choose to deliver their freight and goods via our platform due to shorter response time, higher order completion rate and better user satisfaction. The increased order volume will enhance vehicle utilization rate and improve drivers' earnings, which will in turn raise drivers' engagement with and loyalty to our platform.

We have received numerous awards in recognition of our innovative service offerings and contribution to the revolution of the intra-city logistics industry. In 2020, we were awarded the Tech for Social Good Enterprise by China Social Enterprise and Impact Investment Forum 2020 and Asia E-commerce Award 2020 – Silver in Best E-commerce Fulfillment Marketing Interactive. In 2019, we were awarded the Innovative SME Silver Award by HSBC and HKET Innovative Business Award Committee for our outstanding services to enterprise shippers.

### **Highly scalable business model with a focus on quality services and operational efficiency**

We operate under a technology-driven, asset-light business model. We primarily rely on drivers on our platform to provide logistics services, who bring their vehicles to serve shippers to our platform. This asset-light model enables us to establish our business and expand our market in a cost-efficient manner. When we enter into a new city, we deploy on-the-ground sales personnel to quickly build up our local resources. Our proven record in expanding the geographical boundaries of our services equips us with experiences and marketing strategies which can be applied to further our expansion in future.

We endeavor to improve the quality of our services to increase shippers' and drivers' satisfaction with our platform. We have multi-dimensional indicators in place to evaluate performance of drivers, including order completion rate, average time spent providing services via our platform per day, and average rating given by shippers. Drivers with a higher evaluation score may be dispatched or recommended for orders with higher financial rewards. During the Track Record Period, we had a monthly shipper retention rate of 45.9% in mainland China, Hong Kong and Singapore. We implement safety measures to safeguard users' personal safety and protect each freight from damage and theft. According to Frost & Sullivan, we have one of the highest user satisfaction rates among online intra-city logistics platforms in Asia.

We take a sustainable approach in our business expansion and focus on improving our service quality and operational efficiency. Instead of heavily relying on incentives in the form of subsidies and coupons, we acquire users through diverse channels, including word-of-mouth referrals by existing users and on-the-ground direct sales. In 2021, a majority of newly-registered users on our platform were referred by our existing users. In mainland China, we have developed a highly scalable and repeatable expansion model with a successful track record. When we enter into a new city, we deploy on-the-ground sales personnel to quickly build up our local user network. In overseas markets, we have collaborated with 48 local partners by the end of 2021, which are traditional logistics platforms with established customer network, domain knowledge and technical know-how. These partners rely on their in-house fleet to provide logistics services and outsource to us unforeseen demand that they cannot satisfy. They may also refer to us customers whose needs fluctuate significantly and are better met by a platform with flexible logistics capacity such as us.

We believe our scalable asset-light model, coupled with a focus on quality services and operational efficiency, creates substantial long-term value for shippers, drivers and other participants in our ecosystem. Our gross profit was RMB104.4 million, RMB173.1 million, RMB183.4 million and RMB241.7 million in 2018, 2019, 2020 and 2021, respectively, representing a gross profit margin of 23.0%, 31.6%, 34.6% and 36.6% in the same periods, respectively. Our adjusted net loss, which is a non-IFRS measure, was RMB784.0 million, RMB396.9 million, RMB185.4 million and RMB311.1 million in 2018, 2019, 2020 and 2021, respectively.

### **Advanced technological capabilities laying a solid foundation for long-term development**

We use advanced technology and AI-driven algorithms to create elastic logistics solutions that can quickly and efficiently respond to dynamic user needs. We are committed to investing in technological innovations and development, particularly in the fields of AI, big data analytics, machine learning and unmanned driving. As of December 31, 2021, we had a research and development team of 123 employees. As of the Latest Practicable Date, we had registered 16 patents and 22 software copyrights with respect to our core technologies and software system.

We believe that our advanced matching system and routing technologies help us optimize our service fees, shipping fares paid by shippers, driver's earnings and ultimately our financial performance.

- *Quick response.* Leveraging cutting-edge technologies, we are able to match drivers with shippers in an intelligent and efficient manner in a median of ten seconds after shippers place orders, creating an optimal user experience. The accumulation of massive market data reinforces the development of our technological system, allowing us to achieve incremental gains in efficiency and quality of service as we grow. For example, the median time used to match drivers with shippers on our platform decreased from 23 seconds to ten seconds during the Track Record Period.
- *Smart matching.* We use intelligent matching algorithms to track demand and order amount in real-time to predict the number of drivers with the capacity or intent to accept orders during a certain period of time in a day. If we detect insufficient driver capacity in certain regions or periods of time, our platform may offer drivers certain incentives to manage capacity.
- *Route optimization.* We developed route optimization technologies to help drivers plan an optimal driving route taking into account traffic, weather and parking conditions as well as vehicle types, thereby saving drivers' time and fuel costs.

We were recognized as High and New Technology Enterprise (高新技術企業) by relevant authorities of Tianjin in 2020 and were selected by the Ministry of Industry and Information Technology to participate in the Big Data Industry Development Trial Pilot Project (大數據產業發展試點示範項目) in 2020.

### **Established track record in serving enterprise customers**

Our extensive experience in providing services to enterprise customers differentiates us from our competitors. We target enterprise customers with recurring logistics needs, including supermarkets, restaurants, building materials suppliers, furniture retailers, community group purchasing platforms, e-commerce platforms and government organizations. As of December 31, 2018, 2019, 2020 and 2021, we had cumulatively served more than 16,000, 21,000, 30,000 and 39,000 SMEs and large enterprises in our enterprise services, respectively.

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We maintain a dedicated enterprise customer service team, comprised of 55 employees as of December 31, 2021, to provide tailor-made solutions for the needs of enterprise customers. With deep insights into customer demand, our experienced service team collaborates with our enterprise customers in designing standard operating procedures to tackle the complex supply chain challenges. Our extensive experience in providing services to cater to various needs of enterprises in different scenarios enables us to further improve efficiency of our logistics services and increase shippers' satisfaction with our platform.

We are able to seize the opportunities to expand our user base by providing tailored logistics services to meet ever-changing demands of enterprises in emerging industries, such as community group purchasing platforms. Intra-city logistics plays a mission-critical role for the success for fulfilment as customers of community group purchase have high requirements for on-time, next day, and even next morning delivery of products to predetermined pickup points. These orders are high-frequency and involve several logistics stages before reaching the customers. Only experienced and efficient intra-city logistics service providers such as us can fulfill such high demands. We have established cooperation relationships with major community group purchasing platforms and community e-commerce companies in mainland China.

We have developed capabilities to serve global and multi-national companies with high standards and sophisticated needs. Our experience in serving global and multi-national companies reinforce our ability to expand our presence across different countries and regions. For example, we provided logistics services to Nutrition Kitchen, a leading healthy meal subscription provider in Hong Kong and was engaged by their Singapore team when they expanded their footprint to Singapore.

Our extensive service network, large pool of experienced, loyal and dedicated drivers and diverse vehicle choices eliminate the hassle that comes with maintaining an in-house fleet and reduce costs of our enterprise shippers. Our extensive experience in providing services to cater to various needs of enterprises in different scenarios enables us to further improve efficiency of our logistics services and increase shippers' satisfaction with our platform.

### **A growing pool of loyal and dedicated drivers**

We believe a successful platform achieves growth in a sustainable manner while taking into account the interests of all stakeholders. We conduct our business by our motto "Customers First, Drivers Oriented." We empower drivers with technologies and offer them opportunities to increase earnings flexibly.

Our smart order dispatching system matches drivers with nearby orders and help them minimize deadhead miles and energy use. To maintain a healthy earnings level for drivers and avoid vicious competition, we closely monitor the number of available drivers in each geographic area and proactively balance our driver base and market demand by adjusting our marketing strategy. In mainland China, we recognize drivers with high shipper ratings as premium drivers and dispatch orders to them on a priority basis. Premium drivers generally make more stable earnings with improved quality of services, which in turn increase their engagement with our platform and their order completion rate. Improved satisfaction of shippers towards our registered drivers as well as our platform lead to a higher transaction

volume, which ultimately increases the earnings of drivers. In 2021, the average monthly orders fulfilled by our premium drivers were at least 1.7 times of the average monthly orders fulfilled by other drivers. Since we launched the premium driver program in November 2020, the percentage of orders completed by premium drivers in mainland China increased from 3.7% in November 2020 to 68.9% in December 2021. We also provide value-added services to drivers to cater to their needs and increase their loyalty to and engagement with our platform.

Our diversified acquisition channels enable us to expand our driver base rapidly in a cost-efficient manner. We attract drivers by word-of-mouth referrals and cooperation with automobile manufacturers and dealers. We also collaborate with human resource agencies and fleet operators by connecting their driver resources with orders from our online platform, which gives us access to much more capacity beyond owner-operators. As of December 31, 2021, we had entered into strategic cooperation relationships with 157 manufacturers and dealers of freight vehicles in mainland China, covering 15 freight vehicle brands. We cooperate with them to offer discounted prices for drivers who choose to join our platform and intend to purchase or rent vehicles.

With our driver-oriented approach and diversified acquisition channels, we have attracted a large number of drivers with loyalty and dedication to our platform. As of December 31, 2018, 2019, 2020 and 2021, we had approximately 1.3 million, 3.0 million, 4.2 million and 5.2 million registered drivers, respectively. During the Track Record Period, we had a monthly driver retention rate of 75.1% in mainland China, Hong Kong and Singapore.

### **Seasoned and experienced management team with global vision and entrepreneurship DNA**

We have a seasoned and experienced management team with global vision and entrepreneurship DNA. Our senior management team are entrepreneurs with an average of more than ten years of relevant industry experience in serving leading enterprises and startups, including online-to-offline commerce, logistics and internet technology companies. Their proficient industry background, deep expertise and diverse cultural experience enable us to create differentiated strategies in expanding our global footprint.

Mr. Chen, our chairman, has over 16 years of experience in the internet sector and has been instrumental in pioneering our business model with a global vision. Mr. Lam Hoi Yuen, our co-chief executive officer and the co-founder of GOGOX is a successful entrepreneur who launched GOGOX in 2013 with an initial investment of approximately HK\$20,000. Mr. He Song, our co-chief executive officer has more than 15 years of experience in the online-to-offline commerce sector. Our seasoned executive management team has been responsible for successfully expanding our business to the five countries and regions in which we operate today and in making us the leading intra-city logistics service providers. The diversified know-how and experience of our senior management team contributes to the synergy of our operations by exchanging and sharing their experiences in expanding platform services and enterprise services, which contributes to the execution of our expansion strategies and our long-term development.

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In addition, we have obtained strong support from our shareholders, including 58.com, Daojia Limited, Taobao China, and Cainiao and are able to benefit from the synergy between our business network by collaborating with our shareholders.

### **OUR GROWTH STRATEGIES**

We intend to pursue the following strategies to further grow our business.

#### **Expand our service network through our asset-light model**

We plan to grow our service network by expanding our scope of services and our geographical coverage through our asset-light model.

In mainland China, we plan to increase our market share in existing markets, and to unlock the market potentials of lower-tier cities. We plan to enter into new cities by deploying employees locally or by forming strategic partnerships with local individuals or entities. We aim to expand our network and enhance our brand image in mainland China in a cost-effective manner and we believe we can improve our leadership in the intra-city logistics industry.

Our overseas business had seen robust growth during the Track Record Period, despite the impact of the COVID-19 pandemic, and its revenue contribution increased steadily. The revenue generated from our overseas business accounts for 26.5%, 35.4%, 47.1% and 48.0% of our total revenue in 2018, 2019, 2020 and 2021. We plan to continue to further expand our existing market share in Hong Kong, Singapore, Korea and India, and to explore other potential markets in the Asia-Pacific region through strategic partnerships, investments and acquisitions. In particular, we believe there is huge market potential in Southeast Asia, which is one of the fastest-growing economic regions in the world. The trend of digitalization in the region is intensifying, while the intra-city logistics market remains highly fragmented with low but growing technological adoption. We plan to further extend our international footprint and take advantage of the growth potential in Southeast Asia, such as Vietnam and Indonesia. We have entered into a joint venture agreement with a reputable logistics company in Vietnam who has local market expertise and maintains its own fleet. The subsidiary in Vietnam was established in October 2021 and has obtained the enterprise registration certificate.

#### **Continue to broaden our enterprise customer base**

We plan to continue to focus on cultivating our enterprise customer base and to increase revenue contribution from enterprise customers. We will continue to provide technical support, cost-effective and high-quality services, and flexible capacity support to our enterprise customers to meet their logistics needs, to build up our competitive advantage and enhance entry barriers to the online logistics services market. Growing together with our enterprise customers, we believe we will be their preferred partner when they expand their footprint in Asia.

In addition, we will further explore the logistics needs of enterprise customers in emerging industries, such as social e-commerce, and community group purchasing services. By applying our experience of serving existing corporate customers, we are able to provide problem-solving oriented plans and develop platforms for these emerging enterprises. For example, we plan to provide small and medium-sized e-commerce companies with integrated logistics platform services including pickup, storage, packing and transportation. We also plan to provide more diversified services, including cold chain transportation, special transportation requirements and reverse logistics. We are dedicated to cultivating demands from our enterprise customers and provide advanced logistics solutions to improve their operational efficiency, scalability, cost-efficiency and customers' satisfaction.

### **Strengthen our technological capabilities to reinforce our competitive advantage**

We intend to continue to invest in cutting-edge technologies, including machine learning, and intelligent algorithms, to strengthen our dispatch methodology, improve user experience, achieve user-oriented marketing strategy, and improve our operational efficiency.

We plan to use the massive amount of data generated by our platform to improve our online platform and its irreplaceability, including to improve the accuracy of order demand prediction and customer preference forecasts, increase drivers' order acceptance rate and order completion rate and thus increase drivers' earnings. We plan to optimize our technology ecosystem to maximize the efficiency of our platform and network operations.

We plan to invest in procurement of industry-leading hardware and software of big data analytics, virtual servers and database technology. Data privacy and security is our key priority. We will continuously enhance our data protection and risk management system to safeguard our system.

In order to equip our platform with industry-leading technologies, we plan to continue to cultivate and attract top talents in the areas of machine learning, intelligent algorithms, big data analytics, data privacy and security and retain our talents by fostering a "Dare to Venture" and collegial corporate culture to lay a solid foundation for our long-term development.

### **Grow our driver base and increase driver engagement, while furthering our sustainability efforts**

We intend to implement our premium driver program on a broader scale in mainland China and help a larger number of drivers to obtain more predictable earnings. We will seek to cooperate with more automobile manufacturers and dealers to provide competitive prices for drivers who intend to purchase or rent vehicles and choose to join our platform. In particular, to further our sustainability efforts, we will include more NEV manufacturers and dealers in the collaboration and increase the percentage of NEVs available on our platform. To improve order completion rate and users' satisfaction level, we plan to upgrade our on-board and on-going training program to help drivers enhance their service process and quality. We believe these initiatives will differentiate us from our competitors and increase our attractiveness to drivers.

**Explore diversified monetization opportunities and grow our ecosystem**

We aim to become a one-stop logistics platform. To achieve this goal, we plan to introduce new services and products to enhance our monetization abilities. We intend to expand scope of value-added services provided to shippers, drivers and other participants in our ecosystem to accelerate flywheel effects, such as warehousing, inventory management, e-commerce integration, order management, pick and pack, and cross-border shipping services. We intend to collaborate with third-party partners in expanding our service offerings. We will continue to implement an asset light model and do not plan to make substantial investments in physical infrastructure. In mainland China, we plan to expand vehicle-related auxiliary services, including vehicle sales and rent, maintenance and repair and gas refills. We also plan to further expand our grid warehousing (網格倉) services for our enterprise customers, encompassing inventory management, sorting and delivery services. Such services mainly target community group purchasing platforms, who have high warehousing demand but generally do not have the capacity to operate warehousing services on their own. We believe that grid warehousing services will generate strong synergy with our existing businesses by providing customers with a more integrated solution, satisfying diverse customer demand and enhance our value proposition. In overseas markets, we will enhance our integration with e-commerce platforms so e-commerce merchants can connect their stores with our platform, store their inventory in our fulfillment network, automatically generate shipment orders when customers place orders, and complete the shipment process with one click. We also intend to supplement our service offerings and further grow our business ecosystem by introducing additional third-party service providers, such as automobile manufacturers and dealers and fuel station operators. We believe these initiatives will allow us to leverage our existing and expanding user base, improve user retention, while increasing our monetization channels.

**Pursue strategic partnerships, acquisitions and investments to expand our global footprint**

We plan to seek strategic investments, acquisitions or alliances in overseas markets which will help to reinforce our market position and expand our geographical coverage. We plan to focus on opportunities that will help to strengthen our online logistics platform with long-term sustainable development. For instance, we believe technology-driven trucking, freight hauling and delivery service providers in Southeast Asia may contribute to our business expansion in such markets. We may also consider investment opportunities in platforms which are able to address inefficiencies in the last mile logistics sector and transform the way goods are transported around cities to improve our logistics efficiency in big cities. We believe that suitable acquisitions and alliances will help us gain more market opportunities and increase our profitability. As of the Latest Practicable Date, we had not identified any potential investment or acquisition targets.



### VALUE PROPOSITIONS TO KEY STAKEHOLDERS

We offer the following value propositions to key stakeholders in the intra-city logistics industry, including to drivers, individual shippers, SMEs and large enterprises, as well as to the society.

#### Value Propositions to Drivers

- *Flexible schedule.* We offer drivers stable opportunities to make earnings in a flexible manner and provide training and support across Asia to better serve various kinds of shippers.
- *Improved earnings.* Drivers make improved and more stable earnings by having easy access to shipping demand in the driver's proximity, reducing empty backhauls and increasing vehicle utilization.
- *Lower operating costs.* We provide value-added services, such as fuel cards services and vehicle maintenance and repair services, to lower drivers' daily operating costs.

#### Value Propositions to Individual Shippers

- *Convenience and standardization.* Our platform allows individual shippers to access logistics services through a digital and standardized process to find drivers. They can place orders effortlessly via mobile phones or websites on demand or on a pre-planned schedule.
- *Fast response and delivery.* Our platform completes the matching of drivers with shippers who place on-demand orders within a median of ten seconds. In contrast, the amount of time it takes to find a driver under the traditional mode is highly unpredictable and fluctuates significantly.
- *Transparency.* Our transparent pricing mechanism eliminates the need to haggle with drivers or traditional middlemen.
- *Trust and safety.* Our comprehensive safety mechanism, real-time tracking system, in-app emergency button, and well-trained customer support team translate into elevated levels of trust and safety.

#### Value Propositions to SMEs

- *Flexibility and standardization.* We serve as a flexible fleet to accommodate both regular and seasonal needs of merchants and make budgeting easy with standardized service quality and transparent pricing.
- *Service capabilities.* We provide a wide selection of vehicles catering to diverse logistics moving needs.

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- *Record keeping.* We maintain records of shipments which enable merchants to track shipments and satisfy record-keeping requirements with ease.
- *Intelligent management.* We support real-time status tracking on an integrated interface and empower intelligent management through data analytical tools.

### Value Propositions to Large Enterprises

- *Standardized and tailored solutions.* Our customized solutions accommodate large enterprises' standard operating procedures.
- *Cost efficiency.* Our extensive service network, large pool of drivers and diverse vehicle choices eliminate the hassle that comes with maintaining an in-house fleet. Large enterprises reduce costs by paying for what they use only.
- *Intelligent management.* We provide user-friendly API integration with enterprises' internal systems which allow them to manage their logistics functions seamlessly in a single interface.

### Value Propositions to Society

- *Harmony and stability.* Through our value propositions to other key stakeholders in the ecosystem, we contribute to the harmony and stability of the society. We provide additional sources of earnings for millions of drivers and related personnel across Asia.
- *Efficiency.* Leveraging data and technology, our smart order dispatching system matches drivers to nearby orders, providing convenient and efficient services at a reduced cost to society. We unlock idle capacities and increase transportation supply without putting more vehicles on the road, thereby minimizing deadhead miles, energy use, carbon emissions, traffic congestion and parking infrastructure needs.
- *Transparency and safety.* We use technology to empower high-quality, safe and trustworthy intra-city logistics solutions with transparent pricing and well-trained drivers.
- *Sustainability.* We are a leader in promoting sustainable development of the intra-city logistics industry and the society in general. In mainland China, we have been pioneering the use of legally compliant NEVs for intra-city logistics services. In Singapore and Korea, we provide emission-free deliveries with NEVs for certain enterprise customers to fulfill their vision of sustainable expansion.

## OUR SERVICE OFFERINGS AND PLATFORM

We facilitate and provide intra-city logistics services through our intelligent online platform. Our services are accessible in more than 340 cities across five countries and regions in Asia, namely mainland China, Hong Kong, Singapore, Korea and India. We own and operate two brands: Kuaigou Dache (快狗打車) in mainland China and GOGO in overseas markets.

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We facilitate on-demand intra-city logistics by matching drivers with shippers in real time through our smart order dispatching system. Our enterprise services offer customized solutions to satisfy planned and on-demand logistics needs of large enterprises and SMEs. We also provide a range of value-added services for shippers, drivers and other participants in our ecosystem to increase their stickiness to our platform and diversify our revenue streams. In 2018, 2019, 2020 and 2021, approximately 4.5 million, 4.2 million, 3.2 million and 2.9 million shippers had their freight and goods delivered via our platform and more than 216,800, 272,400 and 232,900 and 213,500 drivers fulfilled orders via our platform, respectively.

### **Platform Services**

Our platform services digitalize the traditional shipping transaction process. We facilitate on-demand intra-city logistics by matching drivers with shippers in real time through our smart order dispatching system. Drivers using our platform can provide services to satisfy shippers' diverse needs, ranging from intra-city freight deliveries for bulk goods, same-hour or same-day courier services for lighter items, to household moving services.

In 2018, 2019, 2020 and 2021, we facilitated approximately 31.3 million, 32.1 million, 25.9 million and 26.8 million shipment orders, respectively, through our platform services, representing a total GTV of approximately RMB3,040.0 million, RMB3,007.0 million, RMB2,393.3 million and RMB2,301.4 million, respectively. During the same periods, the average GTV per order for our platform services was RMB94.6, RMB89.6, RMB88.0 and RMB79.9 in mainland China, and RMB109.6, RMB115.2, RMB114.4 and RMB112.3 in overseas markets, respectively.

We implement an automated order pricing mechanism to provide transparent pricing for shippers and drivers. In mainland China, shipping fares charged by drivers to shippers are primarily determined taking into account the type of vehicles used, the distance between the pickup and the drop-off location, the number of available drivers, the shipper demand at the time the order is placed, and the prevailing market price in the local logistics market. In overseas markets, we generally provide a fixed fee schedule based on the type of vehicles used and the distance between the pickup and the drop-off location, and shippers can choose to offer drivers extra cash incentives during peak time.

We charge service fees to drivers who provide intra-city logistics services by fulfilling shipment orders. Our service fees are either in the form of commission or membership fee. For the shipment orders on which we charge a commission to the driver, the commission is the difference between the amount paid by the shipper and the amount earned by the driver. We have maintained a membership program in mainland China since April 2019. Drivers who use our platform services may choose to subscribe for our memberships which are usually for 30 days or 60 days. During the membership period, we charge no commission on all or part of the shipment orders completed by the drivers, depending on the tier of their memberships. The membership fees we charge vary by locations, and we determine such fees taking into account the competition and the overall wage level in the local markets. We launched our membership program in April 2019 in selected cities as a pilot scheme and gradually scaled up on a national

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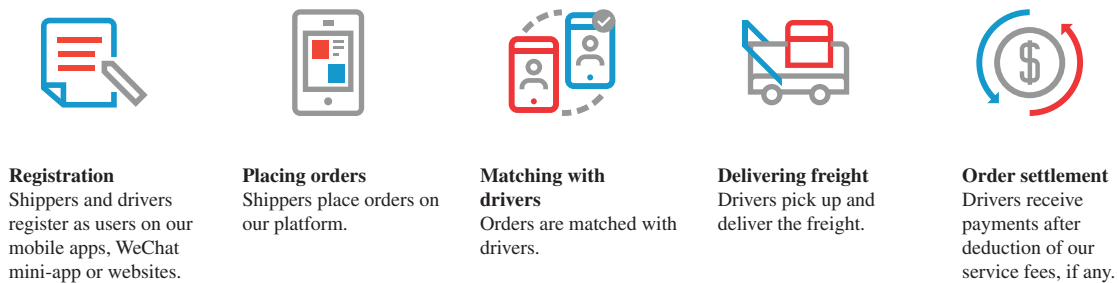
## BUSINESS

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level. In 2019, 2020 and 2021, we had 2,864, 60,559 and 38,202 drivers who participated in our membership program. The number of drivers who participated in our membership program increased from 2,864 in 2019 to 60,559 in 2020 as we only launched the membership program in April 2019 in selected cities and gradually scaled up in 2020. The number of drivers in our membership program decreased to 38,202 in 2021 as we strategically acquired new drivers to register on our platform through fleet operators since 2021, and such new drivers are automatically designated as premium drivers. Drivers registered as premium drivers through fleet operators cannot join the membership program concurrently.

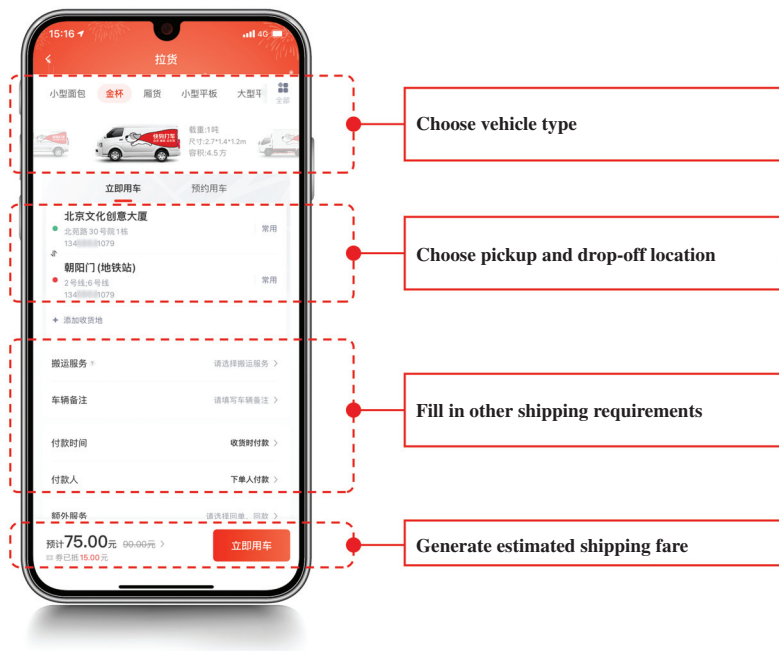
### *Service delivery process*

The following chart illustrates the key steps of our service delivery process, taking Kuaigou Dache as an example, starting from the registration of shippers and drivers to the settlement of orders.



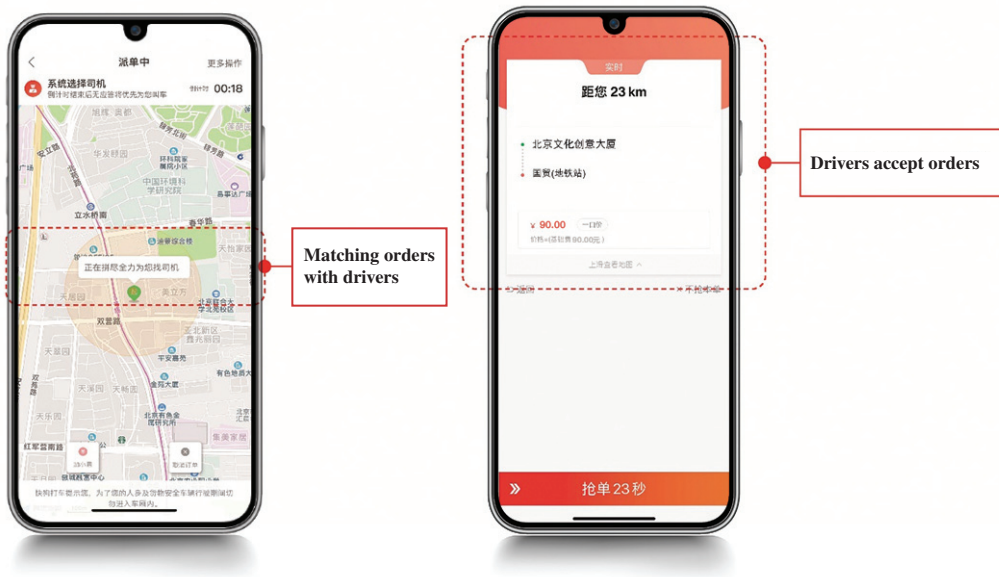
- *Registration.* Shippers and drivers register as users on our mobile apps or websites or, for mainland China, our WeChat mini-app. We require drivers to provide driver’s licenses and valid vehicle registration documents upon registration and review the uploaded documents and approve or reject the application in accordance with our internal policies before they can take orders on our platform. We may require additional documentation in accordance of applicable laws and regulations and to enhance safety requirements required in different jurisdictions. For more details, see “– Our Commitment to Trust and Safety – Driver Verifications” in this section.
- *Placing orders.* Shippers place orders on our platform by filling out information that enables us to efficiently match them with a driver most suitable for the task. Shippers may provide the freight’s location, destination, shipping requirements and type, size and weight of the goods. Based on specifications of goods to be delivered, distance, requested vehicle type and other factors, we provide an estimated shipping fare of an order up front. Our smart pricing capabilities enable us to predict the freight demand in the region and propose competitive fee quotes that attract shippers as well as maintain our profit margins. In mainland China, shippers can choose to make deposits in their user accounts or make payments for drivers’ services when the order is completed. In overseas markets, shippers make payments for drivers’ services with cash or through online payment via our platform upon completion of the order.

Screenshots of the order placement page of our Kuaigou Dache mobile app are set forth below.



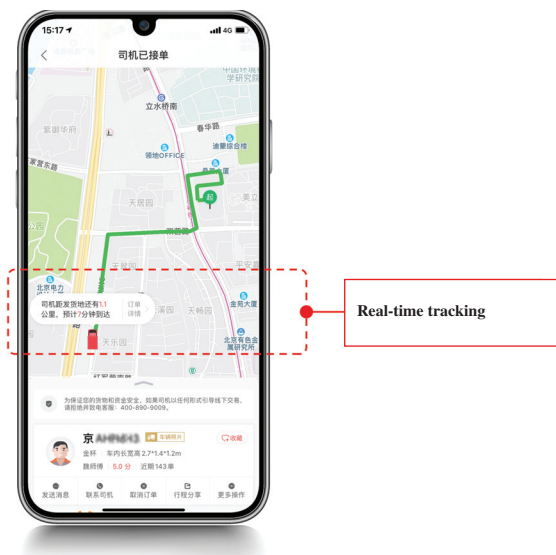
- *Matching with drivers.* Our matching algorithms identify available drivers and select the most suitable ones based on the distance between the current location of drivers and the freight, vehicle type, transaction records of both sides, rating of the driver, and the anticipated completion rate, among other factors.
  - o In mainland China, once the system identifies a small pool of suitable drivers, orders are dispatched in two modes. For premium drivers on our platform, we dispatch orders to them on a priority basis. For details of our arrangement with premium drivers, please see “– Our Asia-wide Network – Drivers” in this section. Other drivers bid for desired orders and are selected based on a number of factors, including their location, their average rating and their average order completion rate.
  - o In overseas markets, all drivers compete with each other for desired orders and are selected based on distance. In Hong Kong and Singapore, we offer an automatic order acceptance function which allows drivers to bid automatically on the next available order based on criteria set by the drivers.
  - o We offer a “favorite driver” feature that allows shippers to select specific drivers whom they would prefer to be matched with when requesting services in the future.

Screenshots illustrating the matching process on our Kuaigou Dache mobile app are set forth below.



- *Delivering freight.* The driver who accepts or is dispatched with the order will set out to pick up the freight and complete the delivery. The shipper can track the location of the driver and the freight via our real-time tracking system.

Screenshots illustrating the tracking system on our Kuaigou Dache mobile app are set forth below.



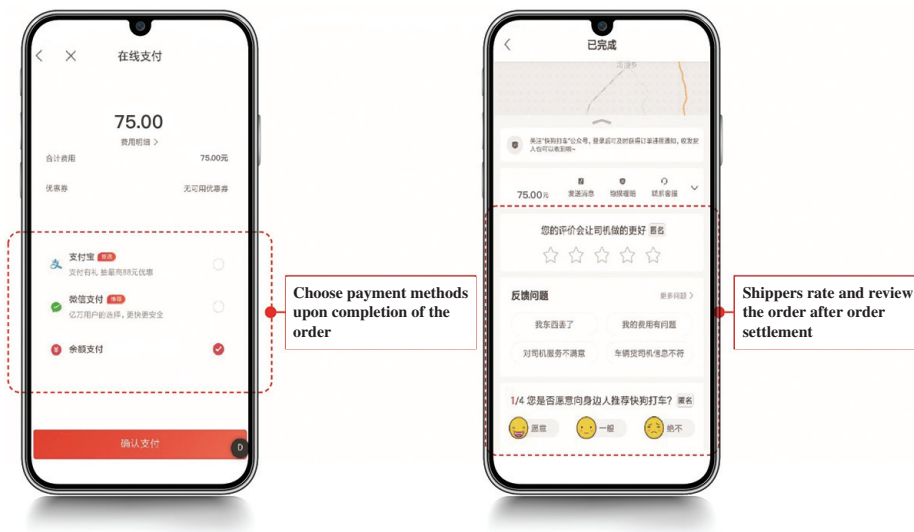
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- *Order settlement.* Upon completion of an order, shippers may rate and review the driver after order settlement. In mainland China, we credit the fare received from the shipper to the driver’s account, minus our service fee, if any. The driver may withdraw the funds upon receipt of the fare after one business day. In overseas markets, we charge service fee to drivers by deducting the driver’s “Go Coins,” a virtual credit that overseas drivers purchase to pay service fees we charge. The driver may withdraw the funds after receipt of the fare once a week.

Screenshots illustrating review and rating pages of our Kuaigou Dache mobile app are set forth below.



### Enterprise Services

Enterprises with recurring logistics needs prefer to work with large logistics platforms instead of individual drivers, in order to receive higher quality services, avoid time-consuming price negotiations and gain better protection from freight damage. We provide planned and on-demand intra-city logistics services for enterprise customers, ranging from SMEs to industry-leading and multinational companies.

As of December 31, 2018, 2019, 2020 and 2021, we had cumulatively served more than 16,000, 21,000, 30,000 and 39,000 SMEs and large enterprises through our enterprise services, respectively. In 2018, 2019, 2020 and 2021, we completed approximately 1.1 million, 1.3 million, 1.3 million and 1.6 million logistics deliveries for our enterprise customers, respectively, representing a GTV of approximately RMB316.9 million, RMB305.9 million, RMB301.1 million and RMB375.2 million, respectively. During the same periods, the average GTV per order for our enterprise services was RMB501.3, RMB406.4, RMB339.5 and RMB289.5 in mainland China and RMB151.3, RMB169.4, RMB207.8 and RMB218.2 in overseas markets, respectively.

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We generally enter into framework agreements with our enterprise customers and charge service fees for the logistics services we provide. We rely on drivers on our platform to fulfill the shipment orders for our enterprise services.

The framework agreements with enterprise customers typically include the following principal terms:

- *Responsibilities.* We will provide logistics services as a freight carrier in accordance with the agreed procedures, while the enterprise customers will pay the agreed fees for the services we provide.
- *Duration.* The term of the framework agreements ranges from one to three years.
- *Pricing.* We negotiate our service fees on a case-by-case basis, taking into account, among others, the specific services required and the expected order amount from the customer. We typically have a fee schedule in the framework agreements entered into with enterprise customers according to which the service fee for each order is determined, taking into account, among others, the type of vehicles used, the length of time needed for the delivery and the weight of the freight to be delivered.
- *Credit period.* We typically grant our enterprise customers a credit period of 30 to 60 days.
- *Settlement.* Our customers typically make payment via wire or bank transfers.
- *Termination.* Either party is entitled to terminate the agreement in case of a material breach or insolvency of the other party.

### *Service delivery process*

We provide logistics services for our enterprise customers tailored to their delivery schedules. We fulfill a majority of orders for our enterprise services according to their pre-planned delivery schedules provided by our enterprise customers. In mainland China, enterprise customers place orders through our proprietary order management system. Our dedicated service teams enter these orders in our online platform based on the requested delivery schedule and match these orders with appropriate drivers. In our overseas markets, enterprise customers place orders through our website, [business.gogox.com](http://business.gogox.com), the GOGOX mobile app, email, phone calls, fax, or other means they deem convenient. We then match their orders with suitable drivers on our platform and oversee the deliveries through our transportation management software system.

Our enterprise customers may also fulfill their ad-hoc shipment demands in real time by placing orders on the corporate version of our mobile apps and getting matched with drivers via our smart order dispatching system.



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To improve our operational efficiency, we integrate multiple orders from different customers and enable drivers to fulfill more than one order during one drive. This allows us to reduce shipping fares charged to enterprise customers and increase drivers' earnings, while at the same time generating higher profits.

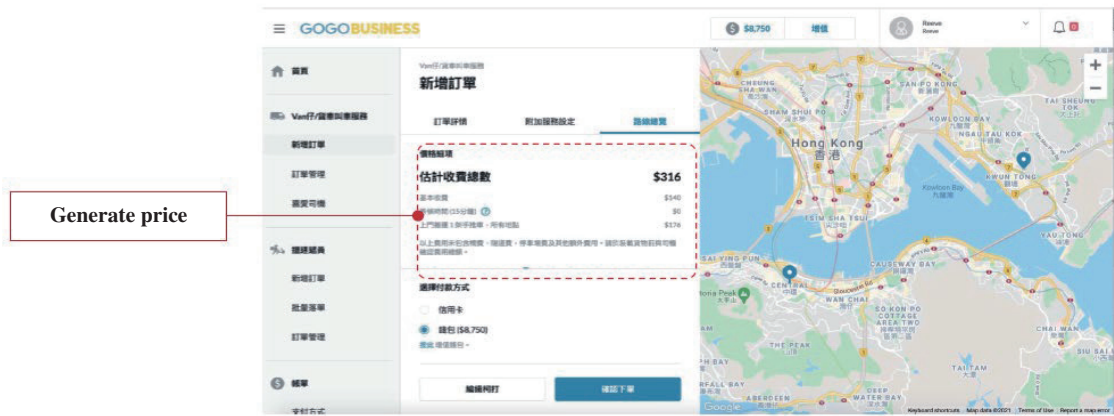
Screenshots of the enterprise service top-up page on our website are set forth below.



Screenshots of the enterprise service order placement page of our website are set forth below.



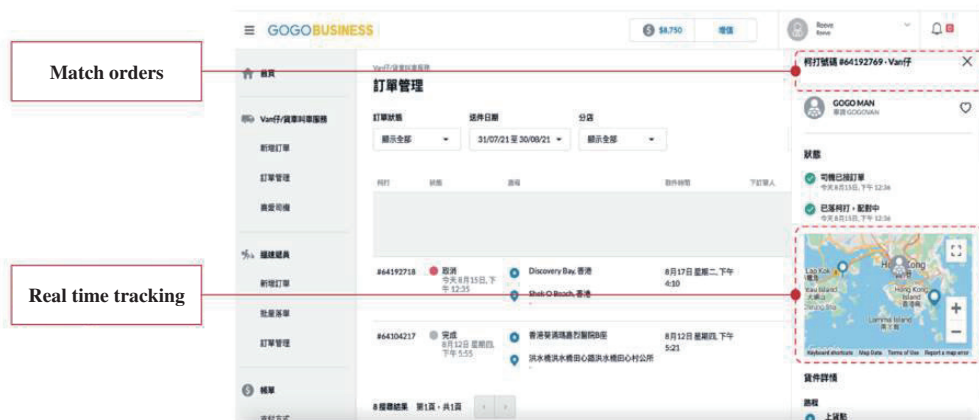
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Screenshot illustrating value-added services on our website is set forth below.



Screenshot illustrating matching process and tracking system on our website is set forth below.

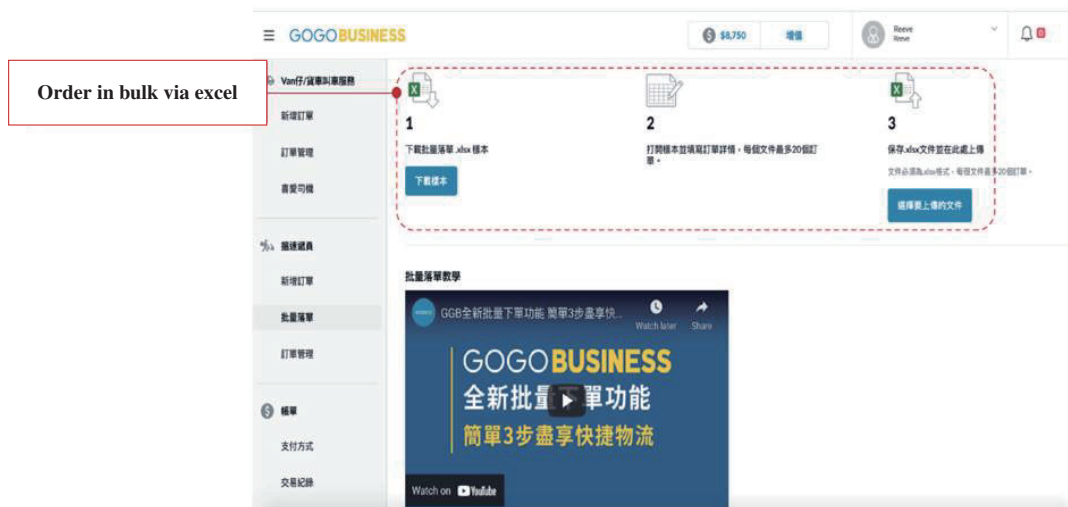


# BUSINESS

Screenshot illustrating the function to add favorite drivers on our website is set forth below.



Screenshot of order in bulk page on our website is set forth below.

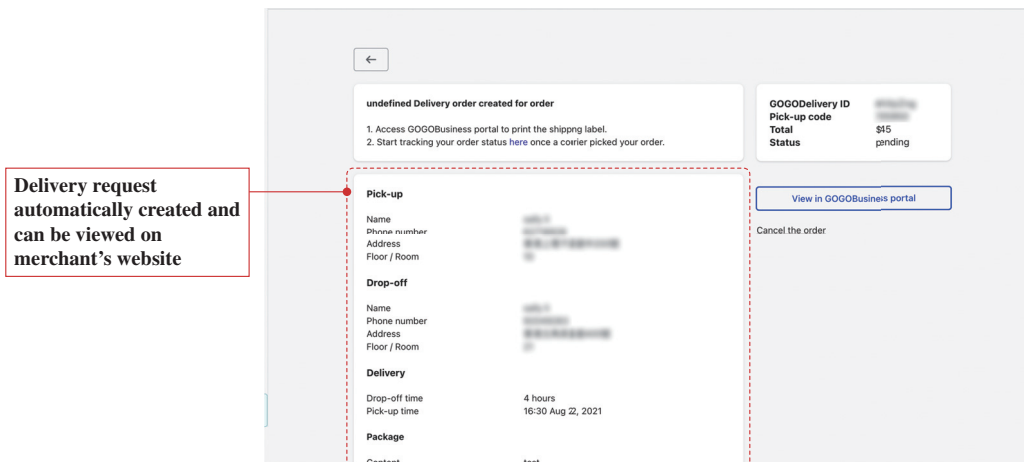
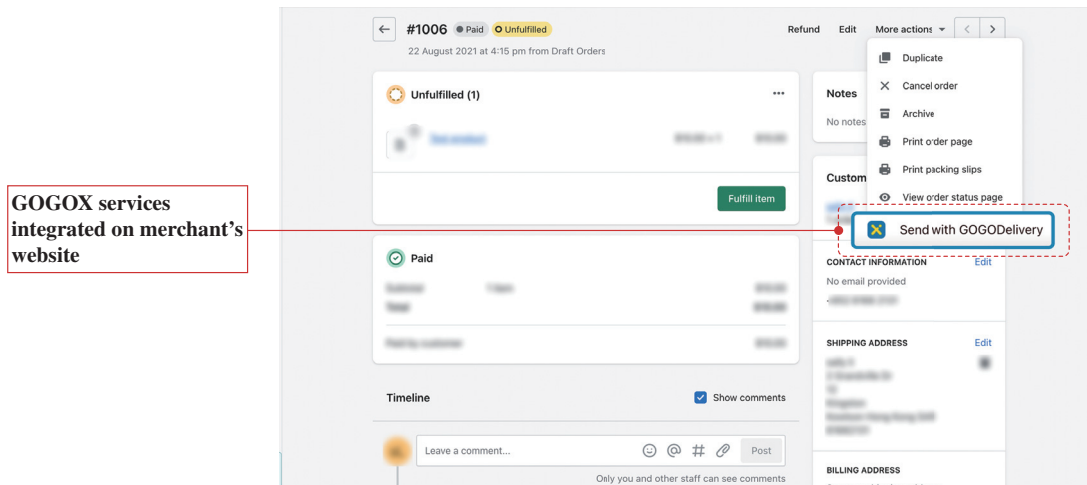


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We collaborate with a range of e-commerce companies by integrating our logistics solutions with their platforms. Through the integration, e-commerce merchants can directly initiate shipping requests on such e-commerce platforms without the need to separately log into our platform. Shipping requests are automatically filled in based on the order information, which substantially streamlines the logistics process. The following screenshots illustrate how e-commerce merchants may place orders on e-commerce platforms using our services.



### Case Study 1

We provide logistics services to Nutrition Kitchen, a leading healthy meal subscription provider. Nutrition Kitchen has a very specific delivery requirement: every order has to be delivered between 6 AM to 10 AM. Drivers arrive at their centralized kitchen at 4 AM to collect meal packages and deliver to their customers within a committed time frame, so Nutrition Kitchen's customers could enjoy fresh-made and healthy food delivered at their doorstep. In addition, we can accommodate substantial fluctuations in demand with sufficient drivers and vehicle resources on our platform.



*“GOGOx has provided a service that is punctual and professional. Our customer retention has seen a lift due to their amazing service.” Josh Li, the co-founder of Nutrition Kitchen, says: “What GOGOx has allowed us to do is scale without worrying about our delivery capabilities. There is a huge pool of dedicated drivers we can pull upon and depend on to execute deliveries in a highly professional manner. Without GOGOx, we would not have been able to grow to where we are today.”*

### Case Study 2

In Singapore, we are a strategic logistics partner for a global furniture manufacturer and retailer. Our partnership started with providing a kiosk service at a single store for their on-demand deliveries, allowing their customers to bring home their bulky purchases immediately. Through the years, we have expanded our services to include home furniture delivery and assembly services. Our extended offerings include providing manpower for warehouse operations and dedicated customer services.



### Value-added Services

We provide a growing range of value-added services for shippers, drivers and other participants in our ecosystem. For example, in mainland China, drivers can access information about nearby fuel stations and vehicle maintenance and repair centers through our mobile apps and book services of their choice at competitive prices. To diversify our driver acquisition channels, in mainland China, we cooperate with automobile manufacturers and dealers to offer discounted prices for drivers who intend to purchase or rent vehicles and choose to join our platform. We provide incentives for drivers who join our platform through such collaboration programs, such as waiving the service fees that we would have charged for matching shipment orders for them during the first month. In overseas markets, our value-added services include, among others, fuel cards services in Hong Kong and Singapore and vehicle maintenance and repair services at our proprietary service center in Hong Kong.

### OUR ASIA-WIDE NETWORK

We have established one of the largest online intra-city logistics networks in Asia with approximately 27.6 million registered shippers and 5.2 million registered drivers as of December 31, 2021. We facilitated or provided approximately 121.3 million logistics deliveries during the Track Record Period. Our services are accessible in over 340 cities in five countries and regions, namely mainland China, Hong Kong, Singapore, Korea and India.

Our logistics network in Asia enables us to achieve powerful network effects and creates high barrier to new entrants. As more shippers join our network, drivers have better options and fewer deadhead miles, which allow them to make more earnings per day. As more drivers join our platform, our capacity to facilitate or fulfill more logistics orders increases and shippers can enjoy more competitive prices and higher service quality as a result. Other industry participants, such as insurers, fuel station operators and vehicle manufacturers and dealers, are more attracted to our platform due to our large shippers and drivers base, increasing our ability to provide various value-added services to shippers, drivers and other participants in our ecosystem, which in return increase the engagement of shippers and drivers to our platform.

GOGOX (formerly known as “GOGO VAN”) was launched in 2013 by Mr. Lam Hoi Yuen and other co-founders as one of the first mobile app-based logistics platforms in Asia. GOGOX expanded its footprint to Singapore in 2014, Korea in 2014 and India in 2015. GOGOX merged with Kuaigou Dache in 2017 to create our Group.

Our overseas business achieved significant growth during the Track Record Period for the following reasons:

- Broaden our enterprise customers base with extension of industry coverage and service offerings. With good traction into our existing enterprise customers, we expanded our contract renewals both in contract value and service scope. As we focus on delivering best-in-class service quality and introduce advanced technologies, such as route optimization and enterprise workflow enhancement, we have been successful in retaining our existing enterprise customers and expand our enterprise customers base with penetration into other industries.

In addition, we witnessed an emerging trend by large enterprises to outsource their logistics and last-mile delivery needs to online-based solutions providers like us. We have been able to cater to their rising demands for logistics services and on-demand deliveries. With the changing consumer’s behavior for more real-time and instant deliveries, and hence the entire supply chain evolution, our asset light business model and ability to smooth demand peaks and troughs met our enterprise customers’ dynamic needs.

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- We have evolved our platform services to tailor to varying user demand, such as providing more affordable pricing options for less time sensitive orders. We offer SME shippers a prepaid option in our enterprise services to increase their stickiness. We also sell to drivers discounted fuel cards to increase their engagement with our platform.
- Online adoption and acceptance of the sharing economy has been the backbone of the growth of our overseas business. This change has been more evident since the onset of COVID-19, when our customers yearn for better efficiency, productivity and meeting the needs of the evolving consumers' consumption behavior.

### Shippers

We have an extensive shipper base in Asia. Our enterprise shippers range from SMEs to industry-leading companies, which are from a wide variety of industries with diverse shipping needs. Our typical shipper profiles include individuals who need household moving services, as well as supermarkets, restaurants, building materials suppliers, furniture retailers, community group purchasing platforms, e-commerce platforms and government organizations.

In mainland China, shippers who use our platform to find drivers make payments for the fulfilled shipment orders to our business accounts with online payment processors. Such payments are usually transferred to our designated account with a licensed commercial bank on the second day. We entered into an agreement with this commercial bank in November 2020, pursuant to which the commercial bank provides us with billing, payment and settlement services for the transactions conducted through our platform. Our designated account with this commercial bank where shippers' payments are deposited is maintained separately from our own bank accounts and is jointly administered by the commercial bank and us. After deducting our service fees charged to drivers for facilitating the shipment orders where applicable, we pay the rest of the payments from shippers to drivers who fulfilled the shipment orders.

### Drivers

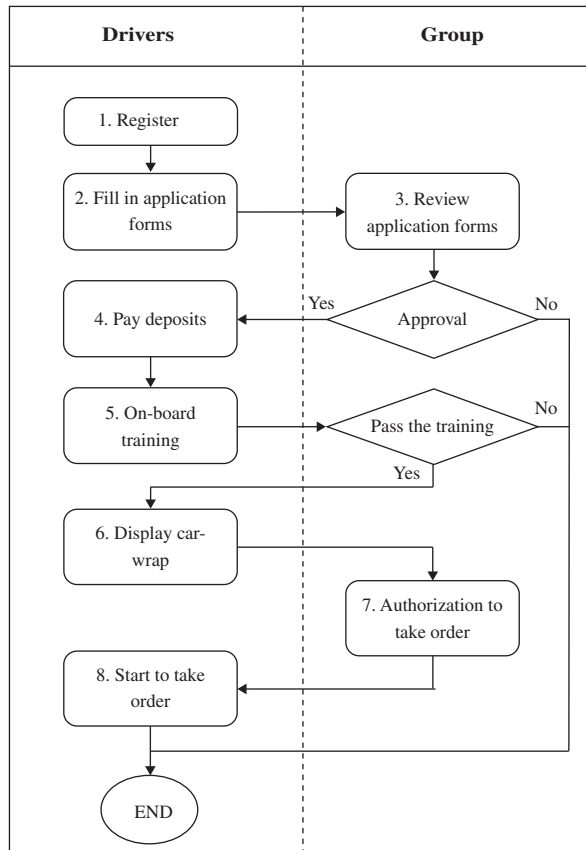
We have a large and growing pool of drivers. As of December 31, 2021, we had approximately 5.2 million registered drivers. We require drivers to accept our terms and conditions for drivers before we accept them to our platform, which include principal terms, such as data and personal information privacy, promise and guarantees and liability for breach of contract. We help drivers improve their service quality by offering trainings and formulating service standards and operating procedures. We provide drivers with resources and information with respect to timely delivery, safe driving, vehicle sanitization, freight preservation, and service etiquette. In 2018, 2019, 2020 and 2021, we had more than 216,800, 272,400, 232,900 and 213,500 active drivers, respectively, among which 57,529, 79,996, 70,487 and 71,959 drivers provided services under both our platform and enterprise services.

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The following flow chart illustrates the process a driver needs to go through before he starts to provide logistics and freight services via our platform.



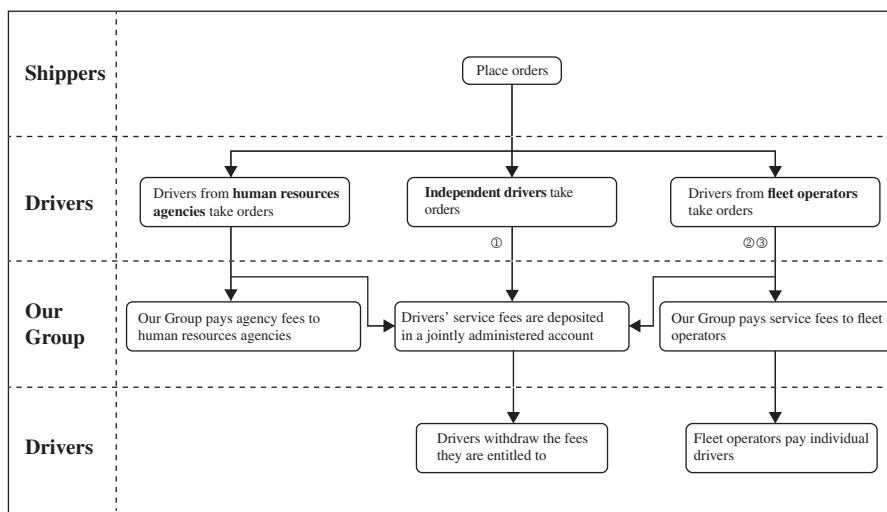
To diversify our driver acquisition channel, we also engage human resource agencies and fleet operators who provide drivers to fulfill orders on our platform. These entities can organize and manage drivers more closely and offer drivers supervision and assistance to enhance their service quality. They also constitute more stable logistics capacity. Some drivers choose to work with human resource agencies as such agencies may make social insurance contributions on their behalf if they enter into employment relationships with the agencies. Drivers who have no properly licenced freight vehicles may choose to work for fleet operators who can provide freight vehicles. In mainland China, according to the agreements between human resources agencies and us, the agencies are required to enter into service contracts with drivers. According to the agreements between fleet operators and us, fleet operators are required to enter into service contracts, employment contracts or other legitimate and valid contracts with drivers. For platform drivers who have established employment relationships with human resources agencies or fleet operators, these entities are responsible for making social insurance and housing provident funds contributions for drivers. To protect drivers' rights and interests, in the service agreements with human resources agencies and fleet operators, we require them to (i) enter into continuing, legal and valid contractual relationships with drivers to stipulate their respective rights and obligations, (ii) possess requisite licenses and approvals and review their licenses and approvals before we enter into agreements with human resources agencies and fleet operators, and (iii) provide trainings and supervision for drivers. Drivers may register with our platform independently without being affiliated with human resource agencies or fleet operators. Drivers from different sources go through the same procedures before they may take orders on our platform.



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Fleet operators may assign their drivers to provide traditional logistics services to their own customers. However, we believe that there is limited direct competition between fleet operators and us. The intra-city logistics industry is a massive market, with a total GTV of RMB1,319.9 billion in 2021, according to Frost & Sullivan. The online penetration rate of the intra-city logistics market was only 4.5% in 2021, according to the same source. Fleet operators provide services in the traditional logistics market, and face a number of challenges, including difficulty in responding to diversified demand from enterprise shippers and ineffectiveness in allocating drivers' capacity. In contrast, as an online logistics platform, we use technology to address these challenges. We operate under a different business model than traditional logistics providers as we also facilitate on-demand orders. In addition, fleet operators usually provide logistics services to individual and SMEs due to their limited size and scale, while we serve shippers ranging from individuals to SMEs and large enterprises and support enterprises that require national coverage. During the Track Record Period, the fleet operators we cooperated with are independent to our Directors, senior management and close associates.

The following flow chart illustrates the interactions and relationships among drivers, shippers, human resources agencies and fleet operators and our Group.



*Notes:*

1. Independent drivers take orders via platform services only.
2. Drivers from fleet operators take orders via platform services only.
3. For drivers from fleet operators, we may either (i) pay service fees to fleet operators and deposit drivers' service fees in a jointly administered account, or (ii) pay fleet operators the total services fees which include the services fees to be paid to individual drivers.

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The following table sets forth our total revenue and GTV attributable to drivers provided by human resource agencies and fleet operators during the Track Record Period.

	Year ended December 31,			
	2018	2019	2020	2021
GTV (RMB in millions)	167.6	143.0	97.4	347.8
Revenue (RMB in millions) (unaudited) <sup>(1)</sup>	167.5	142.7	88.0	135.5

*Note:*

(1) Based on our unaudited management accounts.

In mainland China, to improve drivers' service quality and loyalty, we launched a premium driver program in November 2020. Drivers who joined our platform through human resource agencies and fleet operators are automatically designated as premium drivers. We also promote owner-operators to premium drivers based on their order completion rate, average time spent providing services via our platform per day, and average rating given by shippers. We dispatch orders to the premium drivers on a priority basis, which provide them with a more stable income stream. This in turn encourages them to improve their service quality and enhance their loyalty to our platform. We believe that improved shipper satisfaction and increased driver capacity will lead to higher order volume, creating a flywheel effect. The service scope of premium drivers is the same with other drivers. The level of service fees charged to shippers is not affected by whether the driver is a premium driver or not. We set different take rates for independent premium drivers, premium drivers who joined our platform through human resources agencies and fleet operators and other drivers, which may vary in different cities depending on the local market conditions. We continuously monitor the service quality provided by premium drivers and may remove them from the list of premium drivers if they fail to meet the service standards. In 2021, the average monthly orders fulfilled by our premium drivers were at least 1.7 times of the average monthly orders fulfilled by other drivers. The following table sets forth certain operating metrics in mainland China attributable to our premium drivers and other drivers for the periods indicated.

	Year ended December 31,	
	2020	2021
<b>Premium drivers:</b>		
Number of drivers who completed at least one order	9,797	84,951
Number of shipment orders (million)	0.8	10.0
GTV (RMB in millions)	56.4	678.7
Average order completion rate <sup>(1)</sup>	77%	89%
<b>Other drivers:</b>		
Number of drivers who completed at least one order	212,048	174,205
Number of shipment orders (million)	20.9	12.4
GTV (RMB in millions)	1,928.4	1,202.8
Average order completion rate <sup>(1)</sup>	74%	79%

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*Note:*

- (1) Order completion rate is calculated by dividing (i) the number of orders successfully fulfilled by a driver by (ii) the number of orders dispatched to the same driver. Incomplete orders are mainly due to that (i) shippers change their plans and no longer need logistics services, (ii) the type of vehicle offered by the driver does not meet the shippers' requirements, (iii) traffic control, (iv) shippers are not contactable, and (v) we actively rejected orders for non-compliance with our service terms and conditions. For example, if shippers do not have freight to deliver, we will cancel such orders to prevent drivers from providing illegal passenger taxi services.





## Vehicle Selection

Drivers bring to our platform a broad selection of freight vehicles that can satisfy diverse shipping needs, ranging from minivans with a maximum load of 0.6 tons to box trucks with a maximum load of 13 tons.







The table below provides details of the typical types of vehicles that drivers bring to our platform in mainland China.

Type	Vehicle size <i>m</i>	Maximum cargo load <i>ton</i>	Maximum cargo space <i>m<sup>3</sup></i>
<b>Van</b>			
Mini van		0.6	2.6
Medium-size van		1.0	5.5
Iveco		1.5	6.0
<b>Flatbed truck</b>			
Mini flatbed truck		1	4.8
Medium-size flatbed truck		1.8	15.1
<b>Box truck</b>			
Mini box truck		1.8	15.1

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Type	Vehicle size <i>m</i>	Maximum cargo load <i>ton</i>	Maximum cargo space <i>m<sup>3</sup></i>
5.2-meter truck		4.5	21.8
6.8-meter truck		8	37.5
7.6-meter truck		10	43.7
9.6-meter truck		13	55.2

The table below provides details of the typical types of vehicles that drivers bring to our platform in overseas markets.

Type	Vehicle size	Maximum cargo load <i>(ton)</i>	Maximum cargo space <i>(m<sup>3</sup>)</i>
Mini flatbed truck		0.6	3.5
Flatbed truck		1.3	4.5
Van		0.7	2.7
5.5-ton truck		1.3	14
9-ton truck		3.5	29
13-ton truck		5.0	33

## **OUR TECHNOLOGY**

Technology is the foundation of our operations and supports our growing user base and superior user experience. Our proprietary data-driven technology manages dynamic, real-world interactions. We are committed to investing in technological innovation and development, and have built reliable, highly automated information technology systems. As of December 31, 2021, we had a research and development team of 123 professionals. Our research and development team consist of engineers who design, develop and implement our system and service offerings, those who maintain our database and develop our data technology including big data analytics, those who focus on improving the operational efficiency of our system, as well as those who focus on cybersecurity and maintain our system infrastructure and stability.

We have invested in our computing power to handle usage spikes in demand. We made significant investments in advanced technology, particularly in the areas of big data analytics, machine learning and unmanned driving. We believe that investment in technology will expand our capabilities and optimize our transaction funnel. As of the Latest Practicable Date, we had registered 16 patents and 22 software copyrights with respect to our core technologies and software system.

### **Our Technology Infrastructure**

Our technology infrastructure possesses the following features:

*Cloud native.* Our platform runs fully in the cloud, which brings scalability and resilience to our services. Relying on cloud-native technologies developed by leading cloud service providers, we are able to reduce costs relating to operating and maintaining physical servers and focus on enhancing our service offerings.

*Microservices.* Our core functional modules are decoupled into a group of microservices, which can evolve independently without having to recompile the underlying platform. Through such architecture, our system achieved high scalability, availability and concurrency. During the Track Record Period, our system honored a 99.9% uptime.

*Big data.* We collect and store user data in strict compliance with applicable laws and regulations and the terms and conditions consented by our users. On such premise, with data analytical tools, we generate valuable insights from analyzing user profiles and transaction records. This allows us to enhance demand prediction, order dispatching and heat map generation.

*AI.* We apply advanced AI technologies, such as reinforcement learning, in a wide range of scenarios, including order matching, intelligent marketing, automatic car-wrap verification, and automatic license plate recognition. Our algorithms are continuously optimized with the input of additional data.

**Our Technological Capabilities**

*Demand prediction.* The scale of our network enables us to predict demand and to proactively incentivize driver availability for shippers. This in turn allows us to optimize opportunities for drivers, increasing order frequency and ultimately improving user satisfaction. We use intelligent matching algorithms to track demand and orders in real-time to predict the number of drivers with the capacity or intent to pick up orders during a certain period of time in a day.

*Smart order dispatching.* Our smart dispatching system can analyze the available drivers nearby when a shipper places an order via our platform, and recommend or dispatch the most suitable driver. We also predict the response time of an order so that our operation system may act on potentially long response time orders to increase completion rate of orders on our platform.

*Automated order pricing.* In mainland China, with AI and machine learning technologies, our data-driven algorithms analyze our historical transaction data to automatically determine the appropriate price for an order in a real-time manner.

*Optimized route recommendations.* Our in-house route optimizer provides drivers with best possible route for a specific order. To achieve this, we keep track of the real-time locations of drivers and the orders they are currently delivering, minimizing deadhead miles.

*Digitalized driver assessment.* We implement an automated evaluation system for drivers based on a number of factors, including ratings provided by shippers, order pickup rate and order completion rate. Drivers with a higher evaluation rating may be dispatched or recommended for orders with higher financial rewards.

*Risk management.* We develop a proprietary risk management system to effectively address credit risks and significantly decrease the risk of fraudulent behaviors.

**OUR COMMITMENT TO TRUST AND SAFETY**

The safety of our shippers and drivers is our priority. We are committed to creating a safe environment during and after each logistics delivery in each market where we operate.

**Driver Verifications**

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

### **Driver Trainings and Assessment**

We provide our registered drivers with several types of training. All newly registered drivers are required to undergo a series of training programs that cover, among other things, standard of services, policies, and safety standards. In Hong Kong, to ensure the registered drivers fully understand and follow our policies, we send push notifications to our mobile applications to remind drivers to comply with laws, regulations and our policies and provide additional training to those drivers who breach our policies.

We are dedicated to improving the quality of services provided by our registered drivers and established protocols to better manage drivers' behaviors. Our system is able to evaluate the performance of our registered drivers automatically, based on numerous factors, including the performance evaluation provided by shippers, order pickup rate, order completion rate and service quality. Drivers with a higher evaluation rating may be dispatched or recommended for orders with higher financial rewards.

Further, we engage human resource agencies and fleet operators to provide drivers to fulfill orders on our platform. These professional entities manage drivers directly and contribute to enhanced service quality.

### **Safety Measures**

#### *Freight and Personal Safety*

To promote freight and personal safety, we have in place the following measures:

- We require new drivers to complete an online safety training and pass a safety test before they can take orders on our platform.
- We hold online and offline safety education sessions from time to time on topics including freight safety and anti-fraud awareness.
- The mobile app for drivers in mainland China has a dedicated “Driver’s School” (司機學堂) section that pushes safety knowledge to drivers from time to time, such as tips on safe driving in bad weather or on mountain roads, to improve their safety awareness.
- In our terms of use, we prohibit drivers from use our platform to engage in the transportation of dangerous goods identified in government regulations, and require the application of car-wrap to comply with applicable laws and regulations and not to affect safe driving. Words related to hazardous chemicals are blocked on our platform to ban such orders.

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- We protect each freight with comprehensive safety features, which enable drivers to make one-button emergency calls to the police and turn on recording protection during the entire route and shippers to track the goods using the real-time tracking function of our platform. Shippers can share the location of their freight while an order is in progress with their friends and families, who can then help them monitor the status of the freight. In mainland China, we also anonymize shippers' and drivers' phone number for privacy protection.
- We maintain adequate insurance coverage for goods and logistics delivered through our platform. In mainland China, we also maintain personal injury insurance while drivers provide logistics services via our platform.
- We established a procedure to respond to emergent public safety incidents.
- We adopted policies to restrict maximum driving hours, such as sending push notifications to remind drivers to take a break after a certain period of continuous driving.

To further improve safety management, we plan to implement the following initiatives either as our internal policy or as value-added services for drivers on various scale:

- We will encourage platform drivers to equip their vehicles with auxiliary safety devices and systems to monitor and avoid driving fatigue. We will collaborate with third-party equipment providers to provide such devices and systems to drivers at competitive prices. To motivate drivers to install such equipment, we plan to offer benefits such as priority order dispatch, lower take rate or incentives. We aim at a 80% completion rate by the end of 2023.
- We will continue to prohibit drivers who caused material accidents and complaints from taking orders on our platform.
- We plan to include safe driving as one of the assessment criteria for drivers by July 2022.

We currently maintain insurance coverage for freight and goods delivered through our platform and personal injury insurance while drivers provide logistics services via our platform in mainland China. We are exploring the option to purchase additional commercial insurance, such as insurance for critical illness and work absence, for platform drivers who use our platform as their main source of revenue. We do not expect that the implementation of the foregoing measures will materially affect our operations and financial performance in the future.



### ***Feedback Mechanism***

Our platform has a feedback mechanism which enables shippers to make ratings for drivers who fulfill the shipment orders and submit instant and anonymous feedback on their experience with our platform in a majority of the markets in which we operate. If a driver's rating falls below average, our user service department will contact the driver to address the issue. In mainland China, when dispatching orders, we give priority to drivers with a higher rating. Depending on the nature of the feedback received, a driver may be blocked from accepting shipments for a certain period of time. The feedback mechanism is bilateral. If a shipper has acted against our policies, the shipper will be required to place order with prepayment or they will not be able to place orders on our platform for a certain period of time or permanently.

### ***Complaint Handling***

We are committed to address user complaints in a prompt and fair manner. Our users can submit an inquiry or complaint through our mobile apps or by calling our user service hotline. We have established complaint handling policies and we have a dedicated user service center in mainland China and user service teams in Hong Kong, Singapore, and Korea, to be responsible for handling user inquiries, solving complaints and improving the overall user satisfaction of our platform.

We impose in our terms of use a general obligation on drivers to comply with all applicable laws and regulations when performing services through our platform. Where violations of laws and regulations by drivers come to our knowledge through user complaints or otherwise, we take further action to actively discourage any such behavior, such as through push notifications on our mobile applications to highlight the associated risks and penalties. After due investigation, we may mandate drivers to participate in additional training or ban them from using our platform.

In mainland China, we also proactively monitor the conduct of platform drivers. Our system continuously monitors whether drivers are not on the assigned route, driving too fast or too slow, whether the photos submitted by drivers recording the upload and unload of freight are abnormal, and whether there are other abnormal situations. Based on the specific situation, our customer service department will follow up with any abnormal incidents identified. In overseas markets, we monitor drivers for compliance with laws and regulations on a post-event basis. To the extent there are irregularities which trigger a complaint or feedback, the customer service team or driver management team will take appropriate action to investigate and resolve such issues.

### **COVID-19 Prevention Measures**

We take a variety of measures in response to the ongoing COVID-19 pandemic. All drivers registered on our platform are required to wear masks, and adhere to personal hygiene protocols, such as sanitization before each logistics delivery. In addition, the Hong Kong government contracted us to collect COVID-19 testing samples from persons under mandatory quarantine, aiding in its efforts in combatting the COVID-19 pandemic.

### DATA PRIVACY AND SECURITY

#### Data Privacy and Data Protection

We are committed to the protection of data privacy and data security and have implemented a comprehensive set of internal policies on network security, data security, data backup and recovery, data protection, security emergency plan, and information security incident management.

In order to effectively provide our services, we may collect and use basic user data. This information includes, from the shipper, the pickup location, destination address, phone number, and relevant information of the shipped goods, and, from the driver, vehicle information, phone number, driver's license and bank account information. We only collect the personal information and data necessary for the use of our platform.

Our data usage and privacy policy, which is provided to every user of our mobile apps, websites or, for mainland China, our WeChat mini-app, describes our data practices. Specifically, we undertake to manage and use the data collected from users in accordance with applicable laws and make reasonable efforts to prevent the unauthorized access, breach, tampering or loss of personal information. In mainland China, drivers and shippers would use cryptographic number to communicate via our platform. We will desensitize important data with encryption, masking or replacement techniques. In addition, we have provided users the option to clear their data on our platform.

We collect and use personal data for the stated purpose as authorized by the user, or with other legal bases as provided by laws and regulations. We do not share with, transfer or disclose personal data to any third-parties except for certain limited circumstances, including when it is expressly authorized by our users, necessary to fulfill our main services to our users, or in compliance with the applicable laws and regulations.

We use a variety of technologies to protect the data with which we are entrusted in providing all of our solutions. For example, we utilize a system of firewalls and maintain a perimeter network to segregate our internal databases and operating systems from our external-facing services and intercept unauthorized access.

In accordance with our data privacy and data security policy, we strictly limit our employees' access to personal information and data of our registered users. We require any access to or processing of personal information to undergo strict assessment and approval procedures, and all relevant personnel must sign confidentiality agreements. In mainland China, we classify the data we collect into two categories: sensitive data (including phone numbers and ID numbers of shippers and drivers) and other non-sensitive data. To access any sensitive data, employees are required to submit for approvals from our co-chief executive officers and explain the purpose and necessity of the request. In overseas markets, authorization of data access is granted to authorized personnel of specific job functions. Any request to access data beyond the pre-approved scope of authorization needs approval by a

director-level staff or equivalent at the relevant local operating entity or his or her superiors. In addition, no department or individual in our Group may directly publish sensitive personal information such as ID numbers, telephone numbers of both drivers and shippers or addresses of departure and destination of each shipment order.

Furthermore, we enter into confidentiality agreements with our employees who have access to user information. The confidentiality agreements provide that, among others, our employees are legally obligated not to share, distribute or sell confidential information, including user information in their possession, to any party, including other employees who otherwise have no access to the information. We provide regular data privacy and security trainings. Our employees are also legally obligated to surrender all confidential information in possession upon resignation, and to retain their confidential obligations thereafter. Our employees bear compensation liability upon a breach of their confidentiality obligations or if they otherwise commit misconduct resulting in a leakage of confidential information.

In mainland China, we have established a specialized cybersecurity department to formulate data protection strategy, assess data security risk, oversee data security matters and monitor data access and processing activities. Our internal audit and supervision department is designated to supervise the execution of our data security policies. In addition, we have engaged legal advisors to provide trainings relating to data privacy and protection and conduct compliance review to further improve our compliance policies and measures in connection with data privacy and protection. In overseas markets, we have designated specialized personnel in our technology team to implement and oversee data security policies. We will closely oversee the implementation of relevant policies and measures and monitor future regulatory developments.

During the Track Record Period and up to the Latest Practicable Date, we had not received any claim from any third party against us on the ground of infringement of such party's right to data protection as provided by the any applicable laws and regulations in the jurisdictions we operate.

### **Infrastructure Stability**

We have implemented a variety of protocols and procedures, such as regular system checks, password policy, server access logging, network access authentication, user authorization review and approval and data back-up, as well as data recovery test, to safeguard our data assets and prevent unauthorized access to our network. We have policies to provide response plans to deal with incidents related to data security. Our operation and maintenance team and data security team monitors the operation of our systems and conduct safety drill on a regular basis. We have installed genuine anti-virus software and firewalls into our computer database storing the personal information of our users and update the system regularly as needed. We also maintain a backup of our operating data to minimize the risk of data loss. In

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mainland China, our system is accredited the Multi-Layer Protection Scheme (MLPS) Level III Certification (“信息系統安全等級保護三級”) awarded by the local branch of the Ministry of Public Security of the PRC, which endorses our capability in system operation and information security.

We continue to improve and enhance our data and system security through routine checks and periodic upgrades to ensure the proper management of our operational data. Whenever an issue is discovered, we take prompt actions to upgrade our system and mitigate any potential problems that may undermine the security of our system. We believe our policies and practice with respect to data privacy and security are in compliance with applicable laws and with prevalent industry practice.

During the Track Record Period, we did not experience any cyber-attacks which may have a material adverse impact on our operations. See “Risk Factors – Risks Related to Our Business and Industry – Security breaches and attacks against our platform, and any potentially resulting breach or failure to otherwise protect confidential and proprietary information, could damage our reputation and negatively impact our business, as well as materially and adversely affect our financial condition and results of operations.”

### USER SERVICE

We strive to improve user satisfaction by offering high-quality user services. As of December 31, 2021, our user service team consisted of 135 personnel in mainland China, and 62 personnel in overseas markets. We maintain user service quality control to ensure that our users receive satisfactory care and that our brand image is not adversely impacted by substandard level of service. We regularly provide training programs to our user service staff. Our management team regularly evaluates user feedback and performs root cause analysis to identify the underlying reasons for user dissatisfaction. Once the root cause of an issue has been identified, we focus on improving until the issue has been resolved. Users’ satisfaction with our platform is a key tenet that guides our user service work.

### SALES AND MARKETING

Promoting public awareness of our services is important to our ability to attract new users and grow our business. Currently, we conduct our marketing activities primarily through a combination of word-of-mouth referrals, incentives provided to users, advertising through social media and application stores, search engine optimization and keyword search campaigns. We also deploy on-the-ground sales personnel to expand our shipper base. As of December 31, 2021, we had direct sales teams in 34 cities in Asia to better engage with our shippers. Our sales and marketing department, consisting of 431 personnel as of December 31, 2021, is responsible for developing and executing our sales and marketing strategies.

In addition, we cooperate with other internet-based platforms with large user bases and automobile manufacturers and dealers to conduct cross-selling campaigns. In mainland China, we also place offline advertisements in public areas, such as bus stations, elevators, and

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shopping malls, to expand our brand exposure. In overseas markets, we encourage drivers to participate in our car wrap advertising program which increases our brand exposure. We also hold webinars and seminars to share latest industry developments and build relationships with potential enterprise customers.

In 2020, as part of our strategy to expand our footprint in mainland China, we started to form partnerships with individuals and entities in lower-tier cities, who help us market and promote our platform and recruit shippers and drivers. We provide technical support and training to our regional partners while taking advantage of their local resources of shippers and drivers. As of December 31, 2021, we had 117 regional partners in 74 cities in mainland China.

### OUR CUSTOMERS

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

During the Track Record Period, our top five customers are all enterprises using our enterprise services, with revenue generated from our top five customers in each year during the Track Record Period accounting for 30.3%, 21.0%, 20.2% and 17.9% of our total revenue for the respective period and revenue generated from our single largest customer in each year during the Track Record Period accounting for 9.5%, 7.8%, 7.0% and 6.2% of our total revenue for the respective period. The following table sets forth certain information of our top five customers in each of the relevant year during the Track Record Period. See “– Our Service Offerings and Platform – Enterprise Services” in this section for more details.

Rank	Customer	Type of services rendered	Principal business	Commencement of business relationship	Revenue amount	Percentage of our total revenue
<i>RMB'000</i>						
<b>For the year ended December 31, 2018</b>						
1	Customer A	Intra-city logistics services	Bike-sharing	April 2017	42,905	9.5%
2	Customer B	Intra-city logistics services	Bike-sharing	May 2018	40,569	9.0%
3	Customer C	Intra-city logistics services	Bike-sharing	April 2017	19,304	4.3%
4	Customer D	Intra-city logistics services	Government organization	July 2016	18,246	4.0%
5	Customer E	Intra-city logistics services	Furniture manufacturer and retailer	January 2016	16,025	3.5%
<b>For the year ended December 31, 2019</b>						
1	Customer A	Intra-city logistics services	Bike-sharing	April 2017	42,958	7.8%
2	Customer E	Intra-city logistics services	Furniture manufacturer and retailer	January 2016	27,487	5.0%

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Rank	Customer	Type of services rendered	Principal business	Commencement of business relationship	Revenue amount	Percentage of our total revenue
					<i>RMB'000</i>	
3	Customer B	Intra-city logistics services	Bike-sharing	May 2018	16,323	3.0%
4	Customer D	Intra-city logistics services	Government organization	July 2016	15,901	2.9%
5	Customer F	Intra-city logistics services	Postal service	August 2015	12,601	2.3%
<b>For the year ended December 31, 2020</b>						
1	Customer E	Intra-city logistics services	Furniture manufacturer and retailer	January 2016	37,070	7.0%
2	Customer F	Intra-city logistics services	Postal service	August 2015	24,125	4.5%
3	Customer A	Intra-city logistics services	Bike-sharing	April 2017	19,071	3.6%
4	Customer B	Intra-city logistics services	Bike-sharing	May 2018	16,682	3.1%
5	Customer D	Intra-city logistics services	Government organization	July 2016	10,406	2.0%
<b>For the year ended December 31, 2021</b>						
1	Customer E	Intra-city logistics services	Furniture manufacturer and retailer	January 2016	41,047	6.2%
2	Customer G	Intra-city logistics services	Logistics services	September 2020	25,672	3.9%
3	Customer F	Intra-city logistics services	Postal service	August 2015	23,988	3.6%
4	Customer B	Intra-city logistics services	Bike-sharing	May 2018	13,814	2.1%
5	Customer H/ Supplier K	Intra-city logistics services	Community group purchasing services	October 2019	13,793	2.1%

*Notes:*

- (1) Customer A is a private company incorporated in the PRC and its subsidiaries with a registered capital of RMB5 million. Its principal activities include bike sharing, technology consulting and advertising.
- (2) Customer B is a listed Company on the Nasdaq and its subsidiaries with a registered capital of RMB50 million. Its principal activities include ride hailing, taxi hailing, chauffeur, hitch and other services.
- (3) Customer C is a private company incorporated in the PRC with a registered capital of US\$1.5 billion. Its principle activities include bike sharing, technology consulting, and advertising.
- (4) Customer D is a department of Hong Kong government. Its primary functions include food safety control, pest control, and licensing.
- (5) Customer E is a private company registered in Singapore and operates home furnishing stores.
- (6) Customer F is an entity owned by Hong Kong government, and its principal activities include postal delivery and logistics.
- (7) Customer G is a private company incorporated in the PRC with a registered capital of US\$1.5 million. Its principal activities include electronic commerce and logistics.
- (8) Customer H, which is also Supplier K, is a company listed on the Main Board of the Stock Exchange with a registered capital of US\$0.1 million, along with its subsidiaries. Its business includes e-commerce and logistics services.

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To the best of our knowledge, except for Customer H/Supplier K which are affiliates of Alibaba, during the Track Record Period and up to the Latest Practicable Date, our top five customers were all Independent Third Parties.

Except as described above, as of the Latest Practicable Date, none of our Directors, their close associates or any shareholders which, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five customers.

### OUR SUPPLIERS

Our suppliers primarily include human resource agencies and fleet operators who send drivers to our platform to fulfill shipment orders. Our suppliers also include server hosting, cloud computing, software service and other technology service providers, mapping service providers, third-party payment processors, insurance providers, sales and user service outsourcing vendors and marketing service providers. We select our suppliers based on their quality of services, prices and our business needs. Purchases from our top five suppliers in each year during the Track Record Period accounted for 47.4%, 38.8%, 25.0% and 22.2% of our total cost of revenue for the respective period and purchases from our single largest supplier in each year during the Track Record Period accounted for 21.5%, 17.8%, 13.0% and 8.7% of our total cost of revenue for the respective period. The following table sets forth certain information of our top five suppliers in each relevant year during the Track Record Period.

Rank	Supplier	Type of products/ services provided	Principal business	Commencement of business relationship	Purchase amount	Percentage of our total cost of revenue
<i>RMB'000</i>						
<b>For the year ended December 31, 2018</b>						
1	Supplier A	Human resources services	Human resources services	February 2018	74,947	21.5%
2	Supplier B	Human resources services	Human resources services	February 2018	49,580	14.2%
3	Supplier C	Human resources services	Human resources services	February 2018	30,559	8.8%
4	Supplier D	Human resources services	Human resources services	November 2017	5,136	1.5%
5	Supplier E	Human resources services	Human resources services	November 2017	5,037	1.4%
<b>For the year ended December 31, 2019</b>						
1	Supplier A	Human resources services	Human resources services	February 2018	66,665	17.8%
2	Supplier C	Human resources services	Human resources services	February 2018	43,202	11.5%
3	Supplier F	Human resources services	Human resources services	April 2019	17,182	4.6%
4	Supplier B	Human resources services	Human resources services	February 2018	10,788	2.9%
5	Supplier G	Delivery and assembly service	New energy vehicle rental service	September 2018	7,512	2.0%

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Rank	Supplier	Type of products/ services provided	Principal business	Commencement of business relationship	Purchase amount	Percentage of our total cost of revenue
					<i>RMB'000</i>	
<b>For the year ended December 31, 2020</b>						
1	Supplier C	Human resources services	Human resources services	February 2018	45,068	13.0%
2	Supplier F	Human resources services	Human resources services	April 2019	21,894	6.3%
3	Supplier A	Human resources services	Human resources services	February 2018	11,813	3.4%
4	Supplier H	Delivery and assembly service	Logistics services	May 2019	4,304	1.2%
5	Supplier I	Delivery and assembly service	Logistics services	January 2020	3,988	1.1%
<b>For the year ended December 31, 2021</b>						
1	Supplier B	Human resources services	Human resources services	February 2018	36,476	8.7%
2	Supplier C	Human resources services	Human resources services	February 2018	20,964	5.0%
3	Supplier J	Human resources services	Human resources services	February 2018	17,480	4.2%
4	Supplier F	Human resources services	Human resources services	April 2019	9,293	2.2%
5	Supplier K/ Customer H	Internet data center services	E-commerce and logistics services	March 2019	8,697	2.1%

*Notes:*

- (1) Supplier A is a private company incorporated in the PRC in 2018 and its affiliates. With a registered capital of RMB5 million, more than 50 employees and a network of more than 6,000 drivers, it mainly provides human resources services and human resources consulting services.
- (2) Supplier B is a private company incorporated in the PRC in 2018 and its affiliates. With a registered capital of RMB5 million, more than 500 employees and a network of more than 10,000 drivers, it provides human resources services and consulting services, among others.
- (3) Supplier C is a private company incorporated in the PRC in 2017, with more than 500 employees and a network of more than 10,000 drivers. It mainly provides human resources services.
- (4) Supplier D is an individual-owned business (個體工商戶) that provides human resource contracting services with a network of more than 3,000 drivers. According to Frost & Sullivan, due to the lack of platforms that integrate logistics capacity and demand, it was common for individually-owned businesses to provide human resource services including recruiting drivers as independent contractors and providing drivers to logistics service providers, particularly during or prior to 2018. As the industry evolves, this type of organization has become less common.
- (5) Supplier E is an individual-owned business that provides human resource contracting services with a network of more than 3,000 drivers.
- (6) Supplier F is a private company incorporated in the PRC in 2016 with more than 30 employees and a network of more than 100 drivers, which provides human resources services.
- (7) Supplier G is a private company incorporated in the PRC with less than 50 employees in 2017 and its businesses include delivery and assembly service.
- (8) Supplier H is a sole proprietor registered in Singapore in 2019 with more than ten employees and owns six trucks. It mainly provides logistics services.



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- (9) Supplier I is a sole proprietor registered in Singapore in 2019 with more than five part-time employees and owns four trucks. It mainly provides logistics services.
- (10) Supplier J is a private company incorporated in PRC in 2019 with more than 50 employees and a network of more than 5,000 drivers. It mainly provides human resources services.
- (11) Supplier K, which is also Customer H, is a company listed on the Main Board of the Stock Exchange with a registered capital of US\$0.1 million, along with its subsidiaries. Its business includes e-commerce and logistics services.

We generally enter into agreements with our suppliers, which typically include the following principal terms:

- *Duration.* We usually entered into agreements with our suppliers with a term of one year.
- *Rights and obligations of the parties.*
  - o For agreements with human resource agencies: The human resource agencies recruit drivers as their independent contractors and provide drivers to us to engage in freight deliveries for our enterprise services. We pay the human resource agencies for their service fees and the service fees of the drivers.
  - o For agreements with fleet owners: The fleet owners provide resources of drivers and vehicles to provide intra-city logistics services via our platform. We pay fleet owners for their service fees and the service fees of the drivers.
- *Payment method.* We usually are required to pay a deposit for the services/products we purchased. We usually make payments at the conclusion of the services or the delivery of the products provided by our suppliers.
- *Credit period.* We are usually granted a credit period within 30 days by our suppliers.
- *Termination.* Either party is entitled to terminate the agreement in case of a material breach or insolvency of the other party.

To the best of our knowledge, except for Customer H/Supplier K which are affiliates of Alibaba, during the Track Record Period and up to the Latest Practicable Date, our top five suppliers were all Independent Third Parties.

Except as described above, as of the Latest Practicable Date, none of our Directors, their close associates or any shareholders which, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five suppliers.

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### **Overlap between Customers and Suppliers**

During the Track Record Period, Supplier K, which is also Customer H, was one of our five largest suppliers and one of our top five customers in 2021. During the Track Record Period, we purchased internet data center services from Supplier K and provided it with intra-city logistics services. In 2021, our purchase from Supplier K amounted to approximately RMB8.7 million, representing 2.1% of our total cost of revenue. Our revenue derived from Supplier K in 2021 amounted to approximately RMB13.8 million, representing 2.1% of our total revenue.

To the best knowledge of our Directors, during the Track Record Period, there were no other overlap between our major suppliers and our customers. Our Directors confirm that the sales to, and the purchases from, Customer H/Supplier K were conducted in the ordinary course of business under normal commercial terms and on an arm's length basis, and the sales and purchases with these entities were neither inter-connected nor inter-conditional with each other.

### **SEASONALITY**

We have experienced, and we expect to continue to experience, seasonality in our business. We typically have lower revenue during the first quarter of each year in mainland China and Hong Kong, primarily due to fewer shipment orders attributable to our users' travelling and vacation plans and business closures during the Chinese New Year holidays. We have seen a significant increase in business volume during the third quarter of each year around major Chinese holidays. In the fourth quarter of each year, our performance is typically affected by the combination of the reduced business volume in mainland China during the National Day holidays and the increased business volume around Christmas and internet shopping festivals. We expect our revenue to continue to fluctuate based on seasonal factors that affect the intra-city logistics industry. For details, see "Risk Factors – Risks Related to Our Business and Industry – Our results of operations are subject to seasonal fluctuations" in this prospectus.

### **COMPETITION**

The intra-city logistics markets in jurisdictions in which we operate, including our serviceable addressable markets, are intensely competitive and characterized by rapid changes in technology, shifting user preferences and frequent introduction of new services and products. We expect competition to continue, both from current competitors, who may be well-established and enjoy greater resources or other strategic advantages, as well as from new entrants into the market, some of which may become significant players in the future.

The online intra-city logistics market in mainland China is highly concentrated, with the top five market players contributing to an aggregate market share of approximately 64.9% in terms of GTV in 2021, among which we ranked third with a market share of 3.2% for the same

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period. For details of the industry and the competitive landscape in mainland China, see “Industry Overview – Overview of Mainland China’s Intra-city Logistics Market – Competitive Landscape of Online Intra-city Logistics Market in Mainland China.”

The economic conditions vary in each country and region in Asia, and the major market players in each country and region are different. In Hong Kong, we occupy over half of the online intra-city logistics market in terms of GTV in both 2020 and 2021. The online intra-city logistics industry in Singapore, Korea, India and other regions in Asia are still in an early stage and the penetration rate is relatively low. For details of the industry and the competitive landscape in Asia, see “Industry Overview – Overview of Asia’s Intra-city Logistics Market (excluding mainland China) – Competitive Landscape of Online Intra-city Logistics Market in Asia (excluding mainland China).”

We believe that our ability to compete effectively depends upon many factors within or beyond our control, including, among others:

- our ability to attract and retain shippers and drivers;
- our ability to provide superior user experience;
- the popularity, price, utility, ease of use, performance and reliability of our offerings compared to those of our competitors;
- our ability to expand our services offering;
- our ability, and the ability of our competitors, to develop new offerings;
- our reputation and brand strength relative to our competitors;
- our ability to maintain and expand cooperative relationships or strategic partnerships with our key partners;
- our ability to expand our network and launch services in new cities and regions;
- our ability to maintain business integrity;
- changes mandated by, or that we elect to make to address, evolving legislations and requirements by regulatory authorities;
- our ability to fully comply with relevant laws, regulations, rules, policies and guidelines, as well as address disputes, proceedings, settlements, judgments, injunctions and consent decrees;
- our ability to further improve our technologies;

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- our ability to attract, retain and motivate talented employees;
- our ability to maintain and improve our safety mechanism;
- our ability to raise additional capital; and
- acquisitions or consolidation within our industry.

We believe we compete favorably across these factors. However, many of our current and potential competitors are larger and may have greater brand name recognition, a longer operating history, a larger marketing budget and better-established marketing relationships, a larger user base and significantly greater resources. See “Risk Factors – Risks Related to Our Business and Industry – The markets in which we participate are highly competitive, and if we do not compete effectively, our business, results of operations and financial condition could be harmed.”

### INTELLECTUAL PROPERTY

We protect our intellectual property rights through a combination of patents, copyright, trademarks, and other intellectual property laws, as well as confidential policies and license agreements with our local agents, employees, suppliers, shippers and other parties.

As of the Latest Practicable Date, we held 31 copyrights and 324 trademarks registered with the relevant authorities in the jurisdictions in which we operate. As of the same date, we had 16 patents and 87 pending patents applications in mainland China.

As of the Latest Practicable Date, we owned 85 registered domain names. We generally renew our domain name registrations every year and applications for their renewal are usually made approximately one to three months prior to their expiration. Under normal circumstances, domain name registrations take effect immediately after the payment of renewal fees. As of the Latest Practicable Date, all of our registered domain names remained in effect. If any of our domain name registrations cannot be renewed for any reason, we will be forced to find an alternative domain name, and the traffic to our websites may be negatively affected.

For details of our material intellectual property rights, see “Statutory and General Information – B. Further Information about Our Business – 2. Intellectual Property Rights of Our Group” in Appendix IV to this prospectus.

In general, our employees must enter into a standard intellectual properties protection agreement or confidentiality agreement acknowledging that all inventions, trade secrets, developments and other processes generated by them on our behalf are our property, while assigning to us any ownership rights that they may claim in those works. Despite our precautions, however, third parties may obtain and use intellectual property that we own or license without our consent. During the Track Record Period, we did not find any of such breaches of our intellectual property rights. However, unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights

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from such unauthorized use may adversely affect our business and results of operations. In addition, from time to time, third parties may initiate litigation against us alleging infringement of their proprietary rights or declaring their non-infringement of our intellectual property rights. See “Risk Factors – Risks Related to Our Business and Industry – We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from any unauthorized use of our technologies, and are exposed to risks related to the license of intellectual property rights to third parties” and “– We may be subject to claims by third parties for intellectual property infringement.”

We did not have any material disputes or any other pending legal proceedings of intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date.

### **Licensing of IP Rights in Taiwan**

We ceased our operations in Taiwan in April 2020. For details, see “Risk Factors – Risks Related to Our Business and Industry – We have in the past, and may in the future, be blocked from or limited in providing our offerings in certain jurisdictions.” To maintain the “GOGOX” brand in Taiwan, we entered into a licensing agreement with DeFa Logistics Ltd. (德發貨運有限公司) (the “Licensee”), a Taiwanese logistics company, with a licensing period from April 17, 2020 to April 30, 2025. Pursuant to the licensing agreement:

- (a) We agree to grant the Licensee the license to use certain IP rights in Taiwan only during the licensing period, including a number of our registered trademarks (including “GOGOX”) and domain names, websites and mobile applications.
- (b) The Licensee is independently responsible for its business, including logistics business, conducted using the licensed IP rights, and we take no responsibility for the Licensee’s business operations.
- (c) The licensed IP rights remain our property, while any user data generated by the Licensee using the licensed IP rights belongs to the Licensee.
- (d) The Licensee is required to pay a licensing fee for the licensed trademarks and domain names and a licensing fee for the licensed websites and mobile applications, each calculated as 5% of the Licensee’s annual pre-tax profit. The total of the two items is capped at NT\$100,000 per year.

As of the Latest Practicable Date, we had not received any licensing fee from the Licensee.

Prior to the cessation of our operations in Taiwan, the Licensee was one of our business partners. We entered into a cooperation agreement with the Licensee on July 1, 2017. The cooperation agreement was entered into in relation to a specific client of the Licensee and gave the Licensee direct access to our then Taiwan platform in order for them to provide drivers and vehicles to fulfill its logistical obligations with the client. Under the cooperation agreement, we charged a fee based on platform setup costs, maintenance costs, and their usage. During the

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cooperation period we remained the operator of the GOGO platform and brand in Taiwan. In contrast, under the licensing agreement, we are no longer the operator of the GOGO platform and brand in Taiwan and merely derive economic benefit in the form of a licensing fee unrelated to the usage of the brand or platform. The Licensee also used our then Taiwan platform to fulfill services for other clients of its own. In 2018, 2019 and 2020, based on our unaudited internal records, our discontinued operation in Taiwan derived a total income of approximately NTD53.3 million, NTD68.9 million and NTD24.2 million from the Licensee, respectively, which were not included in our revenue in the consolidated statements of comprehensive income.

The Licensee is an Independent Third Party. Other than the licensing agreement and the cooperation agreement discussed above, as of the Latest Practicable Date, the Licensee had no past or present relationships (including business, trust, family, employment, financial or otherwise) with us, our subsidiaries, or our or their shareholders, directors, senior management, or associates.

### EMPLOYEES

As of December 31, 2021, we had 1,169 full-time employees located in the various jurisdictions in which we operate.

The following table sets forth the number of our employees by function as of December 31, 2021:

<u>Functional Area</u>	<u>Number of Employees</u>	<u>% of Total</u>
Sales and marketing	431	36.9
User services and operations	473	40.5
Research and development	123	10.5
Management and administration	142	12.1
<b>Total</b>	<b>1,169</b>	<b>100.0</b>

The following table sets forth the number of our employees by geographical location as of December 31, 2021:

<u>Geographical Location</u>	<u>Number of Employees</u>	<u>% of Total</u>
Mainland China	875	74.9
Hong Kong	178	15.2
Singapore	71	6.1
Korea	32	2.7
India	13	1.1
<b>Total</b>	<b>1,169</b>	<b>100.0</b>

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Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive salaries, performance-based cash bonuses and other incentives. Bonus payments are generally discretionary and based in part on employee performance and on the overall performance of our business. We have adopted a training protocol in mainland China, pursuant to which we provide pre-employment and ongoing management and technical training to our employees.

As required under PRC regulations, we participate in various employee social security plans organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans. We are required under PRC laws to make contributions to employee benefit plans at specific percentages of employee salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time. We participate in and make contributions to those social security plans and employee benefit plans. The Company also makes payments to other defined contribution plans and defined benefit plans for the benefit of employees employed by subsidiaries outside of the PRC as required by the applicable laws. During the Track Record Period and up to the Latest Practicable Date, we believe that we maintain a good working relationship with our employees and we have not experienced any material labor disputes or any difficulty in recruiting staff for our operations.

### INSURANCE

Our insurance policy varies in the different markets in which we operate, depending on local laws and regulations, prevailing industry practices and our scale of operations. We consider our insurance coverage to be adequate since we have all the mandatory insurance policies required by laws and regulations in the jurisdictions in which we operate and in accordance with the commercial practices in our industry in place. For example, we maintain major insurance coverage for goods and logistics delivered through our platform. In mainland China, we purchase insurance from insurance companies to cover risks of personal injury for our registered drivers and property damage during the fulfillment of shipment orders. We are also gradually implementing a program to provide drivers with a higher order volume personal injury insurance that cover incidents regardless of whether they are related to our services. Further, we require drivers registered with our platform to purchase compulsory automobile liability insurance to cover personal injury and property damage caused in road traffic accidents to third parties. We also plan to participate in the pilot program of occupational injury insurance led by the Ministry of Human Resources and Social Security of the PRC to provide further protection for drivers.

However, in line with general market practice, we do not maintain any business interruption insurance since this type of insurance is not mandatory in the markets in which we operate. We also do not maintain keyman life insurance, insurance policies covering damages to our technical infrastructure or insurance policies for our properties. We also do not maintain insurance policies against risks relating to the Contractual Arrangements. During the Track Record Period, we did not make any material insurance claims in relation to our business. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations. See “Risk Factors – Risks Related to Our Business and Industry – We may not have adequate insurance coverage to protect us from potential losses.”

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### PROPERTIES

We have adopted an asset-light business model and do not own any real estate properties. As of the Latest Practicable Date, we leased 70 properties with an aggregate gross floor area of approximately 25,811 square meters. The gross floor area of each leased property ranges from approximately 16 square meters to 1,942 square meters. Some of the lessors of our leased properties have not provided us with their property ownership certificates or other documentation proving their right to lease those properties to us. In addition, as of the Latest Practicable Date, 48 lease agreements for our leased properties had not been registered with the relevant PRC government authorities as required by PRC laws and regulations. Pursuant to relevant PRC laws and regulations, failure to complete such registration may subject us to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. For related risks, see “Risk Factors – Risks Related to Our Business and Industry – Our use of some leased properties could be challenged by third parties or government authorities, which may cause interruptions to our business operations. Failure to renew our current leases or locate desirable alternatives for our facilities could materially and adversely affect our business.”

Our leased properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are principally used as office premises for our business operations. We believe that there is sufficient supply of properties in the jurisdictions in which we operate. Furthermore, even if we experience a temporary interruption in our usage of any of our leased office space, we believe that our employees can continue to perform the material aspects of their duties remotely considering that no production, manufacturing or physical retail activities are performed in our offices. Our offices in other locations can adequately support our ongoing business operations in areas where we may experience a temporary office space interruption thanks to our technology infrastructure. Therefore, we do not rely on existing leases for our business operations, and we do not believe a contingency relocation plan is required.

### LICENSES, PERMITS AND APPROVALS

Our business is subject to rigorous and evolving regulation, and we are required to obtain and maintain applicable licenses, permits and approvals to conduct our business. For related risks, see “Risk Factors – Risks Related to Our Business and Industry – Any lack of, or failure to keep, requisite approvals, licenses or permits or to make registration and filings applicable to our business operations, including the internet-based road transportation business license, may harm our business.”

As confirmed by our legal advisors as to PRC, Hong Kong, Singapore, Korean and Indian laws, during the Track Record Period and up to the Latest Practicable Date, except as otherwise disclosed in this prospectus, we had obtained all licenses, permits, approvals and certificates necessary to conduct our operations in all material respects from the relevant government authorities, and such licenses, permits, approvals and certificates remained in full effect.



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As confirmed by our legal advisors as to Hong Kong, Singapore and Indian laws, no licenses, permits, approvals and certificates are required to operate online intra-city logistics platforms in Hong Kong, Singapore or India, respectively. The following table sets out details of the material licenses held by us for our operations as of the Latest Practicable Date in mainland China and Korea:

License/Permit	Holder	Grant date	Expiry date
<b>Mainland China</b>			
Value-added Telecommunications Business Operating License for Online Data Processing and Transaction Processing Business (Operational E-commerce) and Internet Information Service (增值電信業務經營許可證)	Tianjin Kuaigou Freight	February 28, 2022	February 28, 2027
High and New Technology Enterprise (高新技術企業證書)	Tianjin 58 Freight	December 1, 2020	November 30, 2023
Value-added Telecommunications Business Operating License for Online Data Processing and Transaction Processing Business (Operational E-commerce) and Internet Information Service (增值電信業務經營許可證)	Tianjin 58 Freight	June 24, 2021	March 12, 2023
Road Transportation Operation Permit (道路運輸經營許可證)	Hainan 58 Supply Chain	March 26, 2021	November 3, 2024
Value-added Telecommunications Business Operating License for Call Center (呼叫中心許可證)	Zhenjiang 58 Supply Chain	December 24, 2020	March 18, 2024
Value-added Telecommunications Business Operating License for Online Data Processing and Transaction Processing Business (Operational E-commerce) and Internet Information Service (增值電信業務經營許可證)	Zhenjiang 58 Supply Chain	December 10, 2020	May 28, 2023
Value-added Telecommunications Business Operating License for Online Data Processing and Transaction Processing Business (Operational E-commerce) and Internet Information Service (增值電信業務經營許可證)	Hainan 58 Supply Chain	July 8, 2020	July 8, 2025
Telecommunications Code Resources Usage Permit (電信網碼號資源使用證書)	Zhenjiang 58 Supply Chain	March 25, 2022	March 18, 2024
Road Transportation Operation Permit (道路運輸經營許可證)	Tianjin 58 Freight	September 3, 2019	September 2, 2023
<b>Korea</b>			
On-line (mail-ordering) Business Registration	GOGOX Korea	May 5, 2015	N/A
Trucking Transportation Agency Business License	GOGOX Korea	July 10, 2015	N/A
Certificate on Location-Based Service Business Report	GOGOX Korea	December 7, 2017	N/A

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### AWARDS AND RECOGNITION

During the Track Record Period and up to the Latest Practicable Date, we have received numerous awards and recognitions for our innovative technologies and contribution to the intra-city logistics industry. Some of the significant awards and recognitions that we have received are set forth below.

Awarding year	Award/Recognition	Issuing authority or organization	Recipient
2021	Annual Pioneer Enterprise	China.com.cn	Kuaigou Dache
2021	Annual Logistics Enterprise for Promotion Green Intra-city Logistics	Evpartner.com; Chengdu New Energy Vehicle Industry Promotion Association	Kuaigou Dache
2021	Model Case of Caring for Workers as Platform Enterprises	Internet Society of China	Kuaigou Dache
2021	TOP 50 Logistics and Supply Chain Solutions (China) 2021	<i>China Logistics Times</i> ; Global Trade and International Logistics Summit Forum	Kuaigou Dache
2021	Top 50 Logistics and Supply Chain Solutions 2021	36KR	Kuaigou Dache
2021	Smart Logistics/Delivery System Award	the Korea Press Association and the National Assembly 4th Industrial Revolution Forum	GOGOX Korea
2021, 2020	The Most Influential Innovative Company in the Smart Logistics Industry Top 10	Lieyunwang.com	Kuaigou Dache
2020	New Energy Logistics Vehicle Industry Golden Panda Award – Green Delivery Vehicle Application Enterprise of the Year	m.evpartner.com	Kuaigou Dache
2020	Outstanding Anti- Epidemic with Science and Technology Award	2020 International Science Technology Fair	Kuaigou Dache
2020	For Good Awards-Certificate of For Good Enterprise	China Social Enterprise and Impact Investing Forum	Kuaigou Dache
2020	China Unicorn Enterprise of 2020	Greatwall Strategic Consultants	Kuaigou Dache
2020	HKRTIA Adversity Award	Hong Kong Retail Technology Industry Association	GOGOX Hong Kong
2020	Best SME Partner Award 2020	Economic Digest	GOGOX Hong Kong
2020	Asia E-commerce Award 2020 – Silver in Best E-commerce Fulfillment	Marketing Interactive	GOGOX Singapore
2020	Asia E-commerce Award 2020 – Bronze in Best E-commerce Fulfillment	Marketing Interactive	GOGOX Singapore
2019	HSBC x HKET Innovative Business Award 2019 – Innovative SME Silver Award	HSBC & Hong Kong Economic Times	GOGOX Hong Kong
2019	Top 100 New Commerce Leader	36KR	Kuaigou Dache
2019	Golden Bull Award-Innovative Enterprise Award	China (Shenzhen) International Logistics and Supply Chain Fair	Kuaigou Dache
2018	Unicorn in New Consumption Industry	iheima.com	Kuaigou Dache
2018	Innovative Enterprise of the Year in Logistics Industry	The 4th Yi'ou Innovative Award Forum	Kuaigou Dache
2018	Top 10 Best Start Ups in Transport Aggregators	Siliconindia Startupcity	GOGOX India
2018	Excellence in KOL Partnership	Marketing Interactive	GOGOX Hong Kong

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### LITIGATION AND OTHER INCIDENTS

We are subject to legal proceedings, investigations and claims arising in the ordinary course of our business from time to time. “Risk Factors – Risks Related to Our Business and Industry – We have in the past and may in the future be subject to disputes, legal proceedings or arbitration claims in the ordinary course of our business, and the court ruling or arbitration award may not be favorable to us.”

During the Track Record Period and up to the Latest Practicable Date, our Directors confirmed that we were not involved in any litigation, arbitration proceedings or administrative proceedings, nor was any litigation, arbitration or administrative proceeding pending or, to the best knowledge of our Directors, threatened against us or any of our Directors that could have a material adverse effect on our business, results of operations or financial condition.

During the Track Record Period, certain incidents occurred in connection with our business, including (i) accidents involving platform drivers which occurred during the process of fulfilling shipment orders via our platform and resulted in damage to or loss of cargo and/or personal injury or casualties; (ii) incidents where, explicitly violating our policy, users placed order via platform without possessing any goods to be transported, in which case drivers may be considered to have provided illegal taxi services; (iii) accidents involving platform drivers that were unrelated to the fulfillment of shipment orders via our platform. We were also subject to complaints from shippers against platform drivers regarding unsatisfactory services, and additional fees charged or demanded by drivers in violation of our policy, and complaints from drivers against us regarding our services. We consider none of the incidents and complaints involving us or our platform drivers during the Track Record Period to be material to us.

During the Track Record Period and up to the Latest Practicable Date, we have not been held by any government authorities or court to be liable for any such accidents and/or complaints. We have voluntarily made compassionate payments in some instances to parties who suffered injury in relation to such incidents.

### COMPLIANCE WITH LAWS AND REGULATIONS

We are subject to various regulatory requirements and guidelines issued by the regulatory authorities in the jurisdictions in which we operate. We require our employees to follow our employee manual and code of business conduct and ethics. We also carry out regular on-the-job compliance training to our management and employees to maintain a healthy corporate culture and enhance their compliance perception and responsibility. During the Track Record Period and up to the Latest Practicable Date, we did not commit any non-compliance of laws and regulations which individually or in the aggregate, in the opinion of our Directors, would have a material and adverse effect on our business, financial condition or results of operations. As advised by our legal advisors as to PRC, Hong Kong, Singapore, Korean and Indian laws, during the Track Record Period and up to the Latest Practicable Date, save as set out below, we had complied with the relevant laws and regulations in all material respects.

## **Compliance Matters**

### ***Non-compliance in relation to social insurance fund and housing provident fund contributions***

PRC laws and regulations require us to pay statutory social welfare benefits for our employees, including social insurance premium and housing provident fund. During the Track Record Period, we had not made adequate contributions to the social insurance plan and housing provident fund for our employees as required under the applicable PRC law. We have made full provisions in respect of the outstanding amount of the social insurance fund and housing provident fund contributions. As of December 31, 2021, the carrying amount of our aggregate provisions in respect of the social insurance fund and housing provident fund contributions amounted to RMB38.5 million. See “Risk Factors – Risks Related to Our Business and Industry – Failure to make adequate contributions to various government-sponsored employee benefits plans as required by PRC regulations may subject us to penalties.”

As advised by our PRC Legal Advisor, pursuant to relevant PRC laws and regulations, if we fail to make the full contribution of social insurance premiums as required, the local social insurance agencies may require us to pay the outstanding amount within a prescribed period and may impose an overdue fine equivalent to 0.05% of the overdue payment per day from the date on which the payment is payable. If such payment is not made within the prescribed period, the competent authority may further impose a fine from one to three times the amount of the overdue payment. As advised by our PRC Legal Advisor, pursuant to relevant PRC laws and regulations, if we do not pay the full amount of housing provident fund as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed period; if the payment is not made within the prescribed period, an application may be made to the PRC courts for compulsory enforcement.

On September 21, 2018, the Ministry of Human Resources and Social Security of the PRC issued the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilization the Levy of Social Insurance Payment (關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知), which promotes the reduction in the amount of social insurance contributions by companies to avoid overburdening enterprises, and prohibits local authorities from requiring enterprises to make up for historically underpaid or unpaid social insurance contributions in one go.

As of the Latest Practicable Date, we had not received any order of correction or any fines or penalties from the competent authority and also have not received any material complaint or labor arbitration application from our employees as a result. We undertake that, in the event that competent social insurance or housing provident fund authorities require relevant entities of us in PRC to make contributions within a prescribed time period or make supplementary contributions and overdue fine (if any), we will ensure our PRC entities to duly comply on a timely manner. Based on the above, our PRC Legal Advisor is of the view that the risk that such PRC entities would be subject to material administrative penalties due to failure to make full contributions is relatively low.

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We have, however, made provisions based on our best estimation for the social insurance premium and housing provident fund contributions which were unpaid so that we will be able to meet the competent authorities' request for payments in the event that any of them requests so. For the reasons set out above, our Directors are of the view that the non-compliance will not have a material adverse impact on our business operations or financial condition as a whole.

We have been actively communicating with the relevant local government authorities and will be paying the outstanding amounts for all of our employees as soon as practicable once we receive the notification of approval from the relevant PRC authorities. As of the Latest Practicable Date, we had started to make adequate contributions to the social insurance plan and housing provident fund for our employees as required under the applicable PRC law. In order to enhance our corporate governance and to prevent future potential non-compliance incidents, we have established an internal control policy that requires full compliance with the relevant laws and regulations on the social insurance fund and the housing provident fund. We have assigned designated personnel to continuously monitor the status of payments of social insurance premiums and housing provident fund in order to ensure that we have made these payments in full for our employees on time in accordance with the applicable laws and regulations. Written records with respect to the payment status for the social insurance premiums and housing provident fund are properly prepared, maintained and reviewed by our remuneration and finance director on a regular basis. We also plan to engage a third-party consultancy company to provide training programs to the responsible personnel. If relevant authorities order us to pay the full amount of social insurance premiums and/or housing provident fund, we undertake to make such payments promptly within the specified period.

### *Compliance with Road Transportation Regulation*

According to Article 34 of the Road Transportation Regulation of the PRC 《中華人民共和國道路運輸條例》, passenger transport motor vehicles shall not carry freight in violation of applicable regulations. Passenger transport motor vehicle in violation is subject to a fine of no less than RMB500 and no more than RMB2,000. During the Track Record Period and up to the Latest Practicable Date, all deliveries completed through our platform in mainland China were fulfilled by drivers who are not employed by us. We do not employ any driver and do not own any vehicle used by the drivers to deliver freight and goods in mainland China. In mainland China, in our terms of use with drivers, we require drivers to use vehicles that satisfy the national requirements for transportation services and possess the relevant licenses. However, certain platform drivers, at their own discretion, use passenger transport motor vehicles instead of freight vehicles to deliver freight, and therefore may violate Article 34 of the Road Transportation Regulation. See “Risk Factors – Risks Related to Our Business and Industry – Certain drivers on our platform use passenger transport motor vehicles instead of freight vehicles to deliver freight.”

In 2018, 2019, 2020 and 2021, passenger transport motor vehicles contributed to 27.6%, 22.6%, 20.0% and 17.0% of our total number of shipment orders in mainland China, respectively. During the same periods, passenger transport motor vehicles contributed to 22.0%, 17.8%, 15.5% and 13.4% of our GTV generated from mainland China, respectively. We

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verify the vehicle licenses submitted by drivers during account application. We identify passenger transport motor vehicles as vehicles which license does not list freight vehicle as its vehicle type, with a vehicle length of less than 4.2 meters.

According to Frost & Sullivan, in mainland China, the use of freight vehicles in urban areas are subject to substantial economic, environmental and regulatory constraints. As a result, it is common for drivers to use passenger transport motor vehicles in freight delivery in mainland China. The maximum allowable weight of low-speed freight vehicles ranges between 2 to 4.5 tons, that of two-axle freight vehicles ranges between 4.5 to 17 tons and that of three-axle freight vehicles ranges between 17 to 25 tons. In contrast, the average weight of freight delivered in urban areas falls between the range of 1.05 to 1.5 tons, which could be carried by passenger transport motor vehicles at much lower cost. In addition, freight vehicles on average emit significantly more air pollutants than passenger cars. Therefore, traditional freight vehicles are neither cost effective nor environmentally friendly for intra-city freight delivery. Further, municipal and district-level governments in mainland China, particularly those in tier-1 and tier-2 cities, have imposed strict restrictions on the use of freight vehicles in urban areas. For example, in Beijing, all freight vehicles are prohibited to enter within the inner circle within the 6th Ring Road between 6:00 and 24:00 every day. Many districts in Beijing imposed additional restrictions on freight transport. Also, in Shanghai, Shenzhen and Guangzhou, the municipal and district-level governments established extensive restrictions on freight transport across various areas of the city, which restrictions vary depending on the specific time in a day, the type of freight vehicles used and other factors. For the foregoing reasons, Frost & Sullivan advises that the intra-city logistics industry in mainland China has witnessed a shortage of freight service supply. Due to the supply shortage and the practical constraints in using freight vehicles, it is common for drivers to use passenger transport motor vehicles in freight delivery in mainland China. For example, minivans, the most common type of passenger transport motor vehicles used in intra-city freight deliveries, account for approximately 20% of vehicles available on online intra-city logistics platforms in mainland China.

Our PRC Legal Advisor has conducted an interview with the national-level MOT of the PRC regarding our liability under Article 34 of the Road Transportation Regulation. Article 7 of the Road Transportation Regulation provides that the MOT is responsible for the nationwide administration of road transportation. As advised by our PRC Legal Advisor, based on the Road Transportation Regulation and the internal organizational structure and functions of the MOT, the Ministry of Transport and the officer attending the interview have competent authority to address the inquiries.

The PRC Legal Advisor explained to the officer our business model as an online logistics platform, including our business of facilitating or providing logistics services by matching drivers with shippers on our platform. Drivers' use of passenger transport motor vehicles in delivering freight on our platform necessarily entails that we assign or facilitate shipment orders for them. The authority confirmed in the interview that we are not liable for platform drivers' use of passenger transport motor vehicles to deliver freight in violation of Article 34 of the Road Transportation Regulation because we are not the vehicle owner. Further, the

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authority confirmed that the MOT had not imposed any penalty, sanction or reprimand against us, nor are there any administrative penalties against us in contemplation. Given the foregoing confirmations, the MOT confirmed that we are allowed to continue to carry out our current business model without attracting legal liabilities or consequences in this regard. Our PRC Legal Advisor confirmed that they had taken appropriate measures to examine and verify the identity of the officer interviewed. As of the Latest Practicable Date, we had not been subject to any penalty or sanction by the regulatory authorities as a result of drivers' use of passenger transport motor vehicles in freight services or for assigning shipment orders to passenger transport motor vehicles or facilitating freight services to be provided by passenger transport motor vehicles. Based on above and the interview with the relevant authority, our PRC Legal Advisor is of the view that we shall not be penalized for platform drivers' use of passenger transport motor vehicles to deliver freight in violation of Article 34 of the Road Transportation Regulation or for assigning shipment orders to passenger transport motor vehicles or facilitating freight services to be provided by passenger transport motor vehicles in violation of Article 34 of the Road Transportation Regulation.

In addition, as advised by Frost & Sullivan, it is an industry norm for drivers on online intra-city logistics platforms to use passenger transport motor vehicles in freight delivery in mainland China. According to Frost & Sullivan, drivers on other major online intra-city logistics platforms in mainland China also use passenger transport motor vehicles in freight delivery and none of these platforms had been subject to penalty or sanction by the regulatory authorities as a result as of the Latest Practicable Date.

Given the circumstances and the interview with relevant regulatory authority, our Directors believe, with the advice from our PRC Legal Advisor, that the issue does not have and is not expected to have any material adverse impact on our business operations or financial condition as a whole.

We will continue to reduce the ratio of passenger transport motor vehicles used by drivers on our platform through the following measures:

- We have designed our smart order dispatching system to dispatch orders to legally compliant freight vehicles on a priority basis. By changing the algorithms, we only dispatch orders to passenger transport motor vehicles when there are no compliant vehicles available to pick up the order. This will gradually increase the percentage of orders completed by compliant vehicles via our platform.
- According to Frost & Sullivan, various levels of governments in mainland China have adopted policies to promote the use of NEVs in intra-city logistics, which are subject to less access restrictions in urban areas than fuel vehicles and enjoy subsidies and other favorable policies. As one of our key value-added services, we cooperate with automobile manufacturers and dealers to offer discounted prices for drivers who intend to purchase or rent vehicles. In our referral services, we have in the past and will continue in the future to only recommend to drivers legally compliant freight vehicles, especially NEVs.

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Our Directors believe that the foregoing measures are adequate and effective in gradually reducing the ratio of passenger transport motor vehicles used by drivers on our platform. We expect the ratio of passenger transport motor vehicles on our platform to reduce to 10% by the end of 2022 and that platform drivers will in principle use freight vehicles only by the end of 2023. We believe that the expected reduction in the ratio of passenger transport motor vehicles will not have a material adverse effect on our financial condition or results of operations. We expect that our cooperation with third-party car manufacturers, dealers and freight operators will provide sufficient freight vehicles for platform drivers as passenger vehicles gradually phase out.

### *Compliance in relation to road transport business license*

During the Track Record Period and up to the Latest Practicable Date, we provided our enterprise services through Zhenjiang 58 Supply Chain and Hainan 58 Supply Chain. On September 6, 2019, the MOT and the State Taxation Administration of the PRC jointly issued the Interim Measures for the Operation and Administration of Road Freight Transport based on Internet Platforms (《網絡平台道路貨物運輸經營管理暫行辦法》) (the “Interim Measures”), which went into effect on January 1, 2020, with a validity period of four years. The Interim Measures provide that enterprises which engage in the operation of internet-based freight transport may apply for road transport business licenses with an approved business scope of “internet-based freight transport.” Hainan 58 Supply Chain commenced to provide enterprise services in August 2020 and obtained a road transport business license with an approved business scope of “internet-based freight transport,” with a validity period of four years on November 3, 2020. Based on our unaudited management accounts, Hainan 58 Supply Chain generated a revenue of approximately RMB1.7 million and a gross profit of approximately RMB0.1 million from August 2020 to October 2020. Based on our unaudited management accounts, it generated a revenue of approximately RMB7.1 million and RMB85.0 million in 2020 and 2021, respectively.

Zhenjiang 58 Supply Chain obtained a road transport business license with an approved business scope of “general road freight transport” in April 2017 but did not obtain an approved business scope of “internet-based freight transport” as required under the Interim Measures. The following table sets forth certain financial and operating metrics attributable to Zhenjiang 58 Supply Chain for the periods indicated:

	<b>Year ended December 31,</b>	
	<b>2020</b>	<b>2021</b>
Gross profit (RMB in millions) <sup>(1)</sup>	3.3	1.5
Revenue (RMB in millions) <sup>(1)</sup>	83.3	38.1
GTV (RMB in millions)	92.1	39.4
Number of shipment orders	245,135	85,062

*Note:*

(1) Based on our unaudited management accounts.



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If Zhenjiang 58 Supply Chain is deemed to have in the past engaged in road freight transport business beyond the approved scope, it may be subject to confiscation of relevant gains and a fine from two to ten times the amount of the relevant gains. See “Risk Factors – Risks Related to Our Business and Industry – Any lack of, or failure to keep, requisite approvals, licenses or permits or to make registration and filings applicable to our business operations, including the internet-based road transportation business license, may harm our business.”

Our PRC Legal Advisor has conducted interviews with a director-level officer at the general transportation division at the transportation bureau of Zhenjiang City, who confirmed in the interviews that (i) the Interim Measures do not explicitly provide that it is a violation of laws for enterprises without a road transport business license with an approved business scope of “internet-based freight transport” to engage in the business of “internet-based freight transport”; (ii) while Zhenjiang 58 Supply Chain’s road transport business license does not include an approved business scope of “internet-based freight transport”, the authority does not consider it a violation of laws and will not impose any penalties; (iii) with the road transport business license with an approved business scope of “general road freight transport”, Zhenjiang 58 Supply Chain is allowed to continue to carry out enterprise services as currently conducted, provided that it complies with other relevant laws and regulations; and (iv) to the best knowledge of the officer, Zhenjiang 58 Supply Chain is not in violation of any related laws and regulations.

Our PRC Legal Advisor confirmed that based on the Interim Measures and the bureau’s internal organizational structure and functions, the general transportation division at the transportation bureau of Zhenjiang City has competent authority to address the inquiries. The PRC Legal Advisor and the Joint Sponsors’ PRC legal advisor conducted telephone consultations with the MOT and the transportation bureau of the Jiangsu Province, respectively, which are higher-level authorities of the transportation bureau of Zhenjiang City, through their official hotlines for addressing public inquiries. Both higher-level authorities confirmed that, regarding specific inquiries on the implementation of the Interim Measures within a specific region, enterprises shall rely on the interpretation of the local transportation administration departments. Therefore, the PRC Legal Advisor is of the view that, regarding the specific inquiries on implementation of the Interim Measures within Zhenjiang City, we may rely on the interpretation of the general transportation division of the transportation bureau of Zhenjiang City.

Based on applicable laws and regulations as well as the interviews with the relevant regulatory authorities, our PRC Legal Advisor is of the view that the likelihood that Zhenjiang 58 Supply Chain would be subject to penalties for engaging in enterprise services without including “internet-based freight transport” in the business scope of its road transport business license in the past is remote. Up to the Latest Practicable Date, we had never been subject to any warning, penalty, sanction or reprimand by the regulatory authorities as a result of its road transport business license not including a business scope of “internet-based freighted transport” historically.

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After entering into an agreement with the Management Committee of Haikou National Hi-Tech Industrial Development Zone in April 2020, we decided to transfer business operations of Zhenjiang 58 Supply Chain to Hainan 58 Supply Chain to take advantage of the favorable tax policies and governmental support available in Haikou. Based on the agreement, from 2020 to 2024, Hainan 58 Supply Chain will receive a percentage of its tax contribution to the local government as incentives and will also receive incentives for listings and other financing activities, among other incentives. As of the Latest Practicable Date, Zhenjiang 58 Supply Chain had transferred business relationships with all of its customers to Hainan 58 Supply Chain on substantially the same contractual terms. The transfer process primarily involved re-signing of service agreements and we did not incur any material costs as a result. As of the same date, Zhenjiang 58 Supply Chain had ceased to engage in the internet-based freight transport business.

Given the circumstances, the interviews with relevant regulatory authorities, and the legal advice from the PRC Legal Advisor, our Directors believe that the issue does not have and is not expected to have any material adverse impact on our business operations or financial condition as a whole.

To ensure our compliance with license requirements in the future, we have implemented several internal control measures. In particular, we designated personnel to regularly monitor changes in laws, regulations and policies issued by the relevant government authorities in the jurisdictions we operate, to ensure we obtain requisite licenses to operate our business and we have the up-to-date understanding with the applicable requirements. In addition, we require our legal department to review the status of our licenses and permits on a regular basis.

### **Meetings with Regulatory Authorities**

Relevant PRC authorities may from time to time provide administrative guidance for participants in the industries under their supervision. They may hold meetings where administrative guidance is provided and invite leading market players to join as representatives of the relevant industry. During the Track Record Period, we had been invited to several such meetings with PRC authorities as one of the representatives of the online intra-city logistics industry.

In August 2018, the Law Enforcement Division of the Shanghai City Urban Management Bureau, the Shanghai Traffic Police General Team and the Law Enforcement Division of the Shanghai Municipal Transportation Commission jointly met with us and another online logistics platform to discuss the operations of online logistics platforms in a law-abiding manner. Following the meeting, in light of the authorities' guidance, we further strengthened our measures in, among others, prohibiting the use of our platform for the transportation of dangerous freight, and requiring the application of car-wrap to comply with applicable laws and regulations and not to affect safe driving. We had implemented relevant measures long before the meeting and had continued to improve such measures during the course of our

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operations. The strengthening of the measures was not a result of any non-compliances prior to the meeting. We were not subject to any penalty, sanction or reprimand by the regulatory authorities in connection with the meeting. For details, see “– Our Commitment to Trust and Safety.”

On April 1, 2021, the Law Enforcement Division of the Shanghai Municipal Transportation Commission, the Shanghai Traffic Police General Team, the Law Enforcement Division of the Shanghai City Urban Management Bureau, the Shanghai Emergency Management Bureau, and the Shanghai Market Supervision Bureau jointly met with several online logistics platforms, including us. During the meeting, the obligations of online logistics platforms to safeguard public safety were emphasized. Online logistics platforms were urged not to transport hazardous chemicals and other dangerous goods. Following the meeting, we reviewed and further enhanced our measures in protecting public safety. For details, see “– Our Commitment to Trust and Safety.”

On May 14, 2021, the Inter-ministerial Joint Committee for the Coordination and Supervision of New Forms of Transportation met with ten companies engaged in transportation platform business, including us. During the meeting, the authorities provided guidance on the protection of the legitimate rights and interests of drivers and other persons engaged in providing services in ride-hailing platforms. In addition, platforms were urged to reasonably determine their take rate and information service fees, continue to enhance platform rules, and protect the legitimate rights and interests of drivers. We also pledge to fulfill our social responsibilities by adopting the measures detailed in “– Environmental, Social and Governance – Driver Welfare.”

On September 10, 2021, the Ministry of Human Resources and Social Security, the MOT, the State Administration for Market Regulation and the All-China Federation of Trade Unions jointly met with ten online platforms, including us, to provide administrative guidance on the protection of workers’ rights. Leading online platforms were asked to take an exemplary role in complying with labor and other relevant laws. The meeting discussed the pilot program on occupational injury insurance. We will actively participate in such pilot program once officially launched and have already initiated preparatory work in cooperation of relevant authorities. We also pledge to fulfill our social responsibilities by adopting the measures detailed in “– Environmental, Social and Governance – Driver Welfare.”

On January 20, 2022, the Inter-ministerial Joint Committee for the Coordination and Supervision of New Forms of Transportation met with four online freight platforms and four ride-hailing platforms, including us. During the meeting, the authorities asked online freight platforms to facilitate transportation services and contribute to social stability during significant events, including the Chinese New Year holiday and the Winter Olympic Games. The authorities also re-emphasized the previous guidance on the protection of drivers’ rights and interests. We will continue to fulfill our social responsibilities and improve driver welfare in accordance with the regulatory guidance.

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On January 24, 2022, we, together with other two online freight platforms, attended a meeting (the “Meeting”) with the Law Enforcement Division of the Shanghai Municipal Transportation Commission and the Traffic Police Division of the Shanghai Public Security Commission (together, the “Shanghai Transportation Authorities”). During the Meeting, Shanghai Transportation Authorities (i) reported the statistics of illegal incidents using online freight platforms; (ii) required online freight platforms to tighten the examination of drivers’ and vehicles’ qualifications, and ban the transportation of illegal goods on their platforms; (iii) stated that they will continue to carry out inspections on unqualified vehicles which are used to provide illegal freight services and take strict actions against non-compliant vehicles that take freight orders through online platforms; and (iv) required online freight platforms to prohibit non-compliant vehicles from receiving freight orders through their platforms. On February 23, 2022, we received a notice from the Shanghai Municipal Transportation Commission, which mandates us to re-examine platform vehicles in Shanghai to ensure the authenticity of driver information; and to prohibit unqualified vehicles and personnel from using the platform. We have formulated rectification plans in accordance with the notice, including to stop dispatching orders to passenger transport motor vehicles in Shanghai in due course. As of the Latest Practicable Date, no administrative penalty was imposed on us as a result.

According to Article 34 of the Road Transportation Regulation, passenger transport motor vehicles shall not carry freight in violation of applicable regulations. During our interview with the national-level MOT, the MOT confirmed that we are not liable for platform drivers’ use of passenger transport motor vehicles to deliver freight in violation of Article 34 of the Road Transportation Regulation because we are not the vehicle owner. For details, see “– Compliance Matters – Compliance with Road Transportation Regulation.” During the Meeting, Shanghai Transportation Authorities did not state that they will impose penalty on online freight platforms for drivers’ use of passenger transport motor vehicles. Further, none of the illegal incidents reported during the Meeting involved us being subject to penalty for platform drivers’ use of passenger transport motor vehicles. Therefore, with respect to Article 34 of the Road Transportation Regulation, our PRC Legal Advisor is of the view that the Shanghai Transportation Authorities’ position does not contradict the confirmations provided by the MOT.

In the meeting with certain Shanghai authorities in August 2018 described above, the authorities announced the plan to strengthen the enforcement of Article 34 of the Road Transportation Regulation. As of the Latest Practicable Date, we had not been subject to any penalty, sanction or reprimand by any government authorities as a result of platform drivers’ use of passenger transport motor vehicles in freight services or for assigning shipment orders to passenger transport motor vehicles based on Article 34 of the Road Transportation Regulation. According to Frost & Sullivan, as of the Latest Practicable Date, none of the other major online intra-city logistics platforms in mainland China had been subject to penalty, sanction or reprimand by government authorities as a result of the foregoing.

Our PRC Legal Advisor advises that the Shanghai Transportation Authorities only possess authority to oversee road transportation matters within Shanghai. Our operations in Shanghai are not material to our Group as a whole. Based on our unaudited internal records, in 2021,

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revenue derived from our operations in Shanghai accounted for approximately 0.5% of our total revenue. To the best knowledge of our Directors and our PRC Legal Advisor, up to the Latest Practicable Date, other than the Shanghai Transportation Authorities, no other authorities in the PRC have or plan to strictly prohibit passenger transport motor vehicles from taking freight orders through online platforms in their respective jurisdictions. Save for the regulatory meetings disclosed above in this prospectus, as of the Latest Practicable Date, we had not received notice or invitation to attend any other meetings with PRC authorities in respect of illegal freight services provided by unqualified or non-compliant vehicles.

Based on the foregoing, we believe that the Meeting will not have a material adverse effect on our business operations and financial performance.

On March 8, 2022, the Sichuan department of transportation, together with other relevant authorities in Sichuan Province, met with several online logistics platforms, including us. During the meeting, the authorities provided guidance for online platforms to reasonably determine take rates and information service fees, engage in fair competition, improve drivers' work environment, and safeguard public safety. We will continue to implement measures in line with the regulatory guidance.

As of the Latest Practicable Date, other than disclosed above, we had not been subject to any penalty, sanction or reprimand by the regulatory authorities as a result of the foregoing meetings with regulatory authorities.

### OCCUPATIONAL SAFETY

We place emphasis on occupational health and work safety in the operation of our business. We have adopted a preventive approach with an emphasis on hazard management and risk assessment. To aid this approach, we have established safety plans and in-house rules to provide our employees with a safe and healthy working environment by specifying various safety measures. We have an occupational safety management system for the purpose of risk identification. We have adopted a code of practice for enforcing fire and operational safety guidelines and to make it possible for employees to comply with reporting accident handling requirements. During the Track Record Period and up to the Latest Practicable Date, we did not experience any major workplace accident, nor did we encounter a material non-compliance issue with respect to applicable safety laws and regulations.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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

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Our Board has a collective and overall responsibility for establishing, adopting and reviewing the ESG vision, policy and target of our Group, and evaluating, determining and addressing our ESG-related risks at least once a year. Our logistics business department is currently responsible for the management of ESG issues, such as the promotion of NEVs. We plan to set up a sub-committee of our Board of Directors, to be led by our co-chief executive officers, Mr. He Song and Mr. Lam Hoi Yuen, to ensure that our operations are in line with our ESG commitment. The ESG sub-committee will be responsible for monitoring and assessing material ESG issues, such as climate-related risks and opportunities. The ESG sub-committee will report the assessment results to the Board of Directors, which will then review the results and formulate key ESG strategies.

Our ESG sub-committee also plans to hold quarterly meetings to review and discuss ESG-related issues and report findings to the Board of Directors on an annual basis. Our Board may assess or engage one or more independent third parties after Listing to evaluate ESG risks and review our existing strategy, target and internal controls. We will continuously implement and monitor our ESG strategies to comply with the recommendations and requirements in applicable laws, regulations and guidances.

We monitor environmental, social and climate-related risks and opportunities that may impact on our business, strategy and financial performance and evaluate the magnitude of resulting impact over the short, medium and long-term horizon. The demand for our services depends on a stable natural and social environment. Epidemics, extreme weathers, earthquakes, and other natural disasters will negatively impact on the operations of us and our users. Climate change may result in weather pattern changes, which may increase the frequency of extreme weather conditions. In the medium to long term, governments may change existing or enact new environmental, social and climate-related laws and regulations, which may affect our business, operations and financial position directly or indirectly. For example, such changes may strengthen climate-related requirements, affect vehicle ownership cost, increase labor cost, and change user preference and demand. We take these issues into account when developing our business strategy and may adjust our strategy in a particular country, region or city in response to changing environmental, social and climate-related landscape.

### **Environmental Sustainability**

The E-Commerce Law of the PRC requires online platforms to fulfill their obligations regarding environmental protection and provide services that comply with environmental protection requirements. As a technology company operating under an asset-light model, we believe that we are not currently subject to any material environment-related risks. Nevertheless, we regard environment protection as an important corporate responsibility. We leverage data and technology to build efficient supply chains, lower costs for shippers, increase earnings for drivers, and minimize environmental impact. We offer millions of drivers opportunities to make improved, more stable earnings in a flexible manner by providing easy access to shipping demand in their proximity, reducing empty backhauls and increasing vehicle utilization. We have launched a premium driver program in mainland China with an aim to improving drivers' earnings stability. We assign shipment orders to premium drivers, so they

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can obtain a more predictable number of orders without the need of bidding for orders. In addition, through our smart order dispatching system, we unlock idle capacities and increase transportation supply without putting more vehicles on the road, thereby minimizing deadhead miles, energy use and carbon emissions. Leveraging our enhanced technologies, the rate of deadhead, which is calculated by dividing transportation miles with deadhead miles to pick-up orders in each month, decreased from 25% in 2018 to 22% in 2020 and further decrease to 20% in 2021, which ultimately contributed to saving energy and decreasing carbon emissions, and we will continue to decrease the rate of deadhead with our improved technologies and target to decrease to 17% by end of 2023.

In mainland China, we are dedicated to promoting the use of NEVs in logistics services which are not only environment-friendly but also legally compliant pursuant to recent regulatory requirements and have implemented internal policies in this regard. According to Frost & Sullivan, various levels of governments in mainland China have adopted policies to promote the use of NEVs in intra-city logistics, which are subject to less access restrictions in urban areas than internal combustion engine vehicles (ICEVs) and enjoy subsidies and other favorable policies. As of December 31, 2021, we had entered into strategic cooperation relationships with 157 manufacturers and dealers of freight vehicles in mainland China, among which 84 carry NEVs. We cooperate with them to offer discounted prices for drivers who choose to join our platform and intend to purchase or rent vehicles. In 2018, 2019, 2020 and 2021, approximately 2.3%, 6.1%, 13.4% and 30.4% of orders in mainland China on our platform were completed by NEVs. In particular, in Shenzhen, the percentage of orders completed by NEVs via our platform increased from 54.7% in January 2021 to 85.8% in December 2021. In September 2021, we jointly established the Green Logistics Industry Alliance (綠色貨運產業聯盟) to further promote the use of NEVs and digitalization of the logistics industry. We and the Green Logistics Industry Alliance were awarded the Top 50 Solutions for Logistics and Supply Chain Industry in 2021 by China Logistics Times and Global Commerce and International Logistics Summit Forum.

We expect the promotion of NEVs contributes to saving gas for millions of liters and decrease of carbon emissions for thousands of tonnes each year. We plan to further promote the use of NEVs going forward that more than 80% of the orders will be completed by NEVs via our platform by the end of 2023. In Singapore and Korea, we provide emission-free deliveries with NEVs for certain enterprise customers to facilitate their vision of sustainable expansion.

We have also implemented internal policies to reduce our environmental impact and carbon footprint. For example, we encourage our procurement team to purchase recyclable materials for office use. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material fines, claims or administrative penalties arising from non-compliance with applicable environmental laws and regulations.

### Driver Welfare

We strive to improve the welfare of drivers through the following initiatives:

- We help drivers enhance their service quality by offering trainings and formulating service standards and procedures.
- We have established Home of Drivers (司機之家) in 11 cities in mainland China, which are dedicated facilities for drivers to take a rest, receive trainings and socialize.
- We have established a drivers' committee, which provides a channel for the drivers to participate in important decisions regarding our platform rules and operations.
- In mainland China, we also maintain personal injury insurance while drivers provide logistics services via our platform.
- In September 2021, Kuaigou Dache Freight Union (快狗打車貨運工會) was established in Tianjin, which is the first union for workers engaged in online freight deliveries. Drivers in mainland China may voluntarily participate in the union by applying through our mobile application. Drivers who belong to the union enjoy a number of benefits, including assistance in cases of critical illness and disasters, medical expense subsidies, trainings, psychological counseling and legal aid.
- After the outbreak of COVID-19, we exempted drivers' take rate in 37 cities for a certain period to alleviate the negative impact of the pandemic on drivers' earning.

On July 16, 2021, the Ministry of Human Resources and Social Security of the PRC, the MOT together with certain other PRC government authorities jointly promulgated the Labor Protection Opinions to protect workers' rights with respect to remuneration, rest, and labor safety. The Labor Protection Opinions calls for pilot programs for occupational injury protection for flexible employment personnel, with a focus on platform enterprises in industries such as travel, food delivery, instant delivery and intra-city freight. Furthermore, the Labor Protection Opinions requires enterprises to formulate and revise platform rules and algorithms directly related to workers' rights and interests, and fully listen to the opinions and suggestions of labor unions or workers' representatives, and publicize and inform workers of the results. The Labor Protection Opinions also requires authorities to guide enterprises in establishing a complaint mechanism for workers to appeal, and ensure that workers' complaints are responded to promptly and handled fairly.

On October 11, 2021, 16 governmental departments in the PRC jointly issued the Freight Drivers Opinion, which provides, among others, that the authorities will strengthen the regulation of online freight platforms and urge online platforms to listen to the opinions of platform drivers, reasonably determine and adjust platform rules, and disclose such rules publicly, and urge online platforms not to induce shippers to unreasonably force prices down



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or overload freight vehicles, nor shall they induce drivers to viciously compete by underpricing or work overtime. The Freight Drivers Opinion further encourages freight drivers to participate in social insurance schemes and supports intra-city freight platforms to join occupational injury insurance pilot schemes.

On November 17, 2021, the MOT together with certain other PRC government authorities jointly promulgated the Opinion on Strengthening the Protection of the Rights and Interests of New Forms of Transportation (《關於加強交通運輸新業態從業人員權益保障工作的意見》) (the “New Forms of Transportation Opinion”), which mainly applies to entities engaged in online ride hailing services. With respect to other enterprises of new forms of transportation, the New Forms of Transportation Opinion encourages them to strengthen humanistic care for workers and establish a reward system for excellent workers and to clearly inform workers of relevant rights and obligations and relevant laws and policies on labor security. In addition, the New Forms of Transportation Opinion provides that illegal practices such as dumping at low prices, “big data-enabled price discrimination against existing customers” and induced fraud shall be subject to vigorous investigation.

We have not engaged in any activity which is prohibited by the above opinions. Further, to protect the rights and interests of the platform drivers in mainland China, we have adopted the above initiatives, and intend to adopt the following initiatives in the future:

- We will further improve our communication with drivers through the driver service committee, listen to drivers’ feedback, resolve drivers’ complaints and optimize the platform rules and their transparency.
- We will continue to offer drivers a choice between commissions and membership fees and provide a transparent, easy-to-understand pricing mechanism. We will further improve its pricing mechanism and keep a reasonable take rate. We will not attempt to compete by reducing drivers’ service fees and will instead develop its competitive strengths through technology innovation, operations optimization and service quality. Change of rules regarding pricing mechanism, take rate, order dispatch and membership fees will need to pass an internal risk evaluation mechanism.
- We will actively participate in the occupational injury insurance pilot scheme once officially launched and have already initiated preparatory work in cooperation of relevant authorities. We will closely monitor relevant regulatory development and encourage platform drivers to participate in social insurance scheme.

Based on the above, our PRC Legal Advisor is of the view that our business complies with the Labor Protection Opinion, the Freight Drivers Opinion and the New Forms of Transportation Opinion in all material respects. We will closely monitor relevant regulatory developments and regularly consult legal counsel on our compliance status.

### Personal and Property Safety

Our business faces risks inherent in the logistics industry, including personal injury and transportation-related incidents. According to Article 38 of the E-commerce Law of the PRC (《中華人民共和國電子商務法》), an ‘e-commerce platform operator’ like us shall bear joint liabilities with the drivers using our platform if we fail to adopt requisite measures when we are or should be aware that the services provided by drivers using our platform do not comply with the requirements for the protection of personal and property safety, or have infringed upon the legitimate rights and interests of consumers. If we fail to perform our duty to verify the qualification of drivers and our logistics services are deemed to be related to the life and health of consumers, we may be ordered to rectify any non-compliance, be subject to a fine ranging from RMB50,000 to RMB500,000 and, under serious circumstances, be ordered to suspend our operations and be subject to a fine ranging from RMB500,000 to RMB2,000,000. Our PRC Legal Advisor advises that Article 38 of the E-commerce Law does not explicitly provide the extent to which an ‘e-commerce platform operator’ shall bear joint liabilities with its users and no implementation rules have been promulgated so far to provide a clear guidance.

During the Track Record Period and up to the Latest Practicable Date, there had been no historical incidents or accidents where we were required to bear joint liabilities with platform drivers because such drivers failed to comply with the requirements for the protection of personal and property safety, or infringed upon the legitimate rights and interests of consumers. As of the Latest Practicable Date, our PRC Legal Advisor is of the view that we had been in compliance with Article 38 of the E-commerce Law in all material aspects based on the following facts:

- During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or penalties in connection with Article 38 of the E-commerce Law.
- During the Track Record Period and up to the Latest Practicable Date, we had never been penalized for non-compliance with the Road Traffic Safety Law of the PRC, the Road Transportation Regulation of the PRC and other relevant PRC laws and regulations.
- We have adopted a series of safety measures and policies, details of which are set out in “– Our Commitment to Trust and Safety.” In particular, in mainland China, we had conducted review of the qualifications of platform drivers and established procedures to review the qualifications of newly registered drivers in accordance with relevant PRC laws and regulations.
- In our terms of use with drivers, we require drivers to comply with relevant PRC laws and regulations, including those related to road transportation and traffic safety.

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- To our best knowledge, during the Track Record Period and up to the Latest Practicable Date, no safety accident had occurred in connection with our services that would have a material and adverse impact on us.

While we believe we have adopted requisite safety measures in connection with our services, we do not have complete control over the conduct of platform drivers. For related risks, see “Risk Factors – Risks Related to Our Business and Industry – We rely on drivers who are independent contractors to provide quality services for shippers. Their illegal actions or misconduct, or any failure by them to provide satisfactory services or maintain their service levels, could materially and adversely affect our business, reputation, financial condition and results of operations” and “– We face risks associated with the freight and goods we deliver and risks inherent in the logistics industry, including personal injury and transportation-related incidents.”

### **Employee Care**

We continuously invest in the training and career development of our employees. We have established a comprehensive training and development system covering corporate culture, employee rights and responsibilities, job performance, technical skills and safety management. We also support the health and well-being of our employees. We provide various welfare and benefits to our employees, such as free dinner, free body check-up opportunities each year, team building activities, gifts on holidays and employees’ birthdays, among others.

### **RISK MANAGEMENT AND INTERNAL CONTROL**

We have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems.

We have adopted and implemented comprehensive risk management policies in various aspects of our business operations, such as financial reporting, information system, internal control, human resources and investment management.

### **Financial Reporting Risk Management**

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

### **Information System Risk Management**

Sufficient maintenance, security and protection of our data and other related information are critical to our business. We have implemented various internal procedures and controls to ensure that our data are protected and that leakage and loss of any information is avoided. Our operations team and data security team are responsible for monitoring the operation of our information system in real time. They regularly perform data recovery tests and use cyber attack simulations to improve our data protection capability.

### **Human Resources Risk Management**

We have in place an employee handbook and a code of conduct which have been distributed to all of our employees. The handbook contains internal rules and guidelines regarding anti-corruption, conflicts of interests, confidentiality and intellectual property protection, work ethics, and fraud prevention mechanisms. We provide employees with regular training as well as guidance on the requirements contained in the employee handbook.

We have in place an anti-bribery and corruption policy to safeguard against any corruption within our Company. The policy explains potential bribery and corruption conduct and our anti-bribery and corruption measures. We make our internal reporting channel open and available for our employees to report any bribery and corruption acts to the head of internal audit on an anonymous basis.

### **Regulatory Compliance Risk Management**

We are subject to evolving regulatory requirements across multiple jurisdictions, including requirements to obtain and renew certain licenses, permits, approvals and certificates for our business operations in various jurisdictions. In order to manage our ongoing compliance with the laws and regulations applicable to our business effectively, we have implemented several internal control measures. In particular, we designated personnel to regularly monitor changes in laws, regulations and policies issued by the relevant government authorities in the jurisdictions we operate, to ensure we obtain requisite licenses to operate our business and we have the up-to-date understanding with the applicable requirements. In addition, we require our legal department to review the status of our licenses and permits on a regular basis.

We continually improve our internal policies according to changes in laws, regulations and industry standards, and update internal protocols for legal documents. Our CFO continually review the implementation of our regulatory compliance risk management policies and measures to ensure our policies and implementation are effective and sufficient.

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### **Internal Audit**

We maintain an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting to the audit committee and senior management on any issues identified. Our internal audit department members hold regular meetings with management to discuss any internal control issues we face and the corresponding measures to solve such issues. The internal audit department reports to the audit committee to ensure that any major issues identified are channeled to the committee on a timely basis. The audit committee then discusses the issues with, and reports to, the board of directors, if necessary.

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## CONTRACTUAL ARRANGEMENTS

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### BACKGROUND

Our Group facilitates and provides intra-city logistics services through our intelligent online platforms in the PRC (the “Relevant Businesses”) under the brand Kuaigou Dache (快狗打車). We have operated the Relevant Businesses through our Consolidated Affiliated Entities.

Under the PRC laws and regulations, carrying out the Relevant Businesses through our mobile apps involves provision of value-added telecommunication service in the PRC (the “VATS Business”), which is subject to foreign investment restrictions and license requirements.

In particular, the Relevant Businesses fall under the scope of Internet information services, a sub-category of VATS Business, which are the restricted businesses under the 2021 Negative List (外商投資准入特別管理措施(負面清單)(2021年版)), and foreign investors are restricted from holding more than 50% equity interests in companies providing such business and must obtain approval from the MIIT. See “Regulations – Laws and Regulations in Relation to Our Business in the PRC – Regulations on Value-added Telecommunications Services and Foreign Investment Restrictions” for details. The operation of the Relevant Businesses requires value-added telecommunication business operating licenses covering Internet information service (the “ICP License”). We conducted the Relevant Businesses through our Consolidated Affiliated Entities, which hold the ICP License as required for the operation of the Relevant Businesses.

To comply with applicable laws and regulations and in line with common practice in companies conducting the VATS Business, we had established the contractual arrangements through a series of agreements among Tianjin WFOE, Tianjin 58 Freight, shareholders of Tianjin 58 Freight and certain other parties thereto in July 2017, which was replaced by a series of agreements among Hainan WFOE, the Consolidated Affiliated Entities, the Registered Shareholders and certain other parties thereto in August 2021 and January 2022 (the “Contractual Arrangements”). Pursuant to the Contractual Arrangements, all substantial and material business decisions of our Consolidated Affiliated Entities will be instructed and supervised by our Group through Hainan WFOE, and all risks arising from the business of Consolidated Affiliated Entities are also effectively borne by our Group as a result of it being treated as our wholly-owned subsidiaries. Our Directors consider that it is fair and reasonable for Hainan WFOE to exercise control over and enjoy all the economic benefits derived from the operations of the Consolidated Affiliated Entities through the Contractual Arrangements as a whole.

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## CONTRACTUAL ARRANGEMENTS

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### VATS Business

On December 11, 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (外商投資電信企業管理規定) (the “FITE Regulations”), which were amended on September 10, 2008, February 6, 2016 and May 1, 2022, respectively. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests of a company engaged in VATS Business, unless otherwise provided by relevant laws and regulations. For our Relevant Business which falls under the scope of Internet information services, foreign investors are not allowed to hold more than 50% of the equity interests. In addition, a foreign-invested enterprise must be approved by the MIIT to engage in VATS Business.

Based on the consultation with an officer of Industry Department of Communication Administration Bureau of the MIIT on July 9, 2021 (the “Consultation”), in the case of the Group’s Relevant Business, the MIIT would not issue an ICP License to our Consolidated Affiliated Entities if foreign investors hold any interest in them. As advised by our PRC Legal Advisor, (i) the interview was made with the competent officer who has the appropriate authority, and (ii) MIIT is the competent and ultimate authority to confirm matters relating to the operations of VATS Business and application for ICP License.

As such, our PRC Legal Advisor advised us that, (i) the foreign investment in the VATS Business is restricted under current PRC laws and regulations; and (ii) the Contractual Arrangements have been narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations, as it is not viable for our Company to hold the Consolidated Affiliated Entities directly or indirectly through equity ownership given that there are substantial uncertainties for a Sino-foreign equity joint venture to obtain the ICP License as compared to domestic companies.

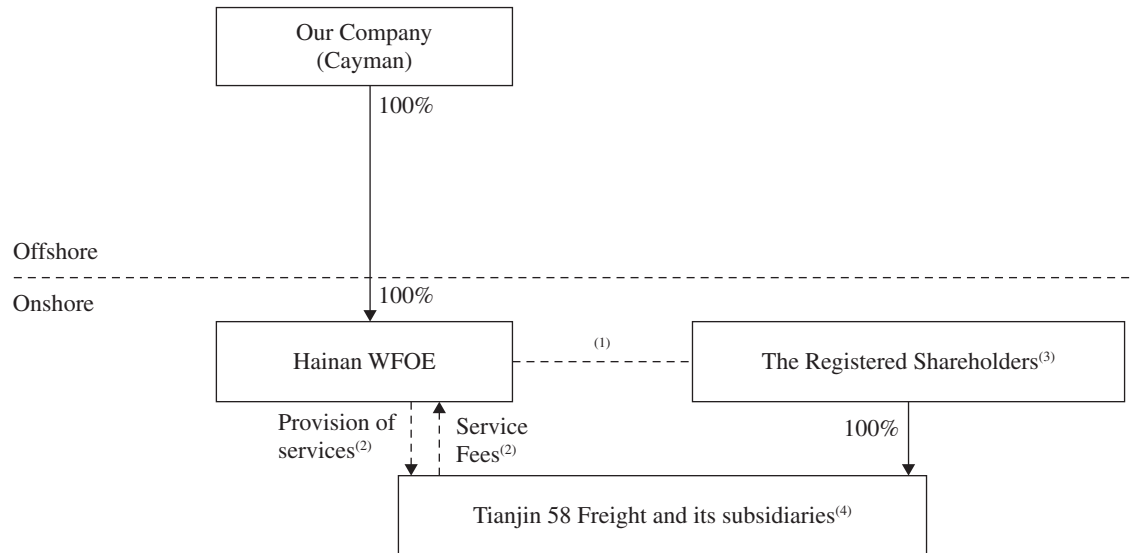
Accordingly, the Directors are of the view that the Contractual Arrangements have been narrowly tailored to achieve our business purpose and minimize the potential conflict with relevant PRC laws and regulations. Nevertheless, we will terminate the Contractual Arrangements to the extent permissible and directly hold the maximum percentage of ownership interest permissible under applicable laws and regulations if the relevant government authority grants the ICP License to the Sino-foreign equity joint venture established by us.

# CONTRACTUAL ARRANGEMENTS

## OUR CONTRACTUAL ARRANGEMENTS

### Overview

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



————> Beneficial ownership in equity interests

-----> Beneficial ownership through the Contractual Arrangements

- (1) Control of Hainan WFOE over the equity interests of Consolidated Affiliated Entities through agreements with the Registered Shareholders: (i) Exclusive Option Agreement, (ii) Equity Pledge Agreement, and (iii) Powers of Attorney.
- (2) Control of Hainan WFOE over the business of Consolidated Affiliated Entities through Exclusive Management Services and Business Cooperation Agreement.
- (3) As of the Latest Practicable Date, Tianjin 58 Freight was owned as to 50% by Mr. Chen (our Chairman of the Board and an executive Director) and 50% by Mr. Yao, who were the Registered Shareholders.
- (4) To streamline the structure of the Group and also ensure that our Contractual Arrangement is narrowly tailored, on August 6, 2021, the Group disposed of GoGo Information Technology (Shanghai) Co., Ltd., previously a Consolidated Affiliated Entity of the Company, which has no substantive operations since 2019, to a merchant named Mr. Zhao Yongjiang (趙永江). The disposal was completed on 10 August 2021 for nil consideration. A company controlled by the buyer currently supplies car sticker products to the Group. Save for the acquisition and the supply of car sticker products, the buyer does not have any past or present relationships (including business, family, employment, financial or otherwise) with the Company or its subsidiaries, their shareholders, directors or senior management, or any of their respective associates. For the years ended December 31, 2018, 2019, 2020 and 2021, GoGo Information Technology (Shanghai) Co., Ltd. generated revenue in the amount of RMB37,939, nil, nil and nil, respectively, and recorded net loss before tax throughout the Track Record Period. During the Track Record Period (up to the completion of the disposal), to the best knowledge of the Directors, GoGo Information Technology (Shanghai) Co., Ltd. has not been subject to any material disputes, legal proceedings or claims.



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## CONTRACTUAL ARRANGEMENTS

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Pursuant to the Contractual Arrangements, all substantial and material business decisions of the Consolidated Affiliated Entities will be instructed and supervised by our Group through Hainan WFOE, and all risks arising from the business of the Consolidated Affiliated Entities are also effectively borne by our Group as a result of such Consolidated Affiliated Entity being treated as our wholly-owned subsidiaries. Accordingly, our Directors believe that it is fair and reasonable for Hainan WFOE to be entitled to all economic benefits generated by the business operated by the Consolidated Affiliated Entities through the Contractual Arrangements as a whole.

The revenue (unaudited) generated by our Consolidated Affiliated Entities and by excluding inter-group transactions was approximately RMB333.0 million, RMB354.3 million, RMB280.4 million and RMB343.4 million, representing approximately 73.5%, 64.6%, 52.9% and 52.0% of the consolidated revenue of our Group, for the years ended December 31, 2018, 2019, 2020 and 2021, respectively. The corresponding net loss (unaudited) incurred by our Consolidated Affiliated Entities for the years ended December 31, 2018, 2019, 2020 and 2021 were approximately RMB311.1 million, RMB56.7 million, RMB71.0 million and RMB162.3 million, respectively.

Our Directors are of the view that the Contractual Arrangements are fair and reasonable because: (i) the Contractual Arrangements were freely negotiated and entered into among the parties thereto; (ii) by entering into the Exclusive Management Services and Business Cooperation Agreement with Hainan WFOE, our Consolidated Affiliated Entities will enjoy better economic and technical support from us, as well as a better market reputation after Listing; and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

### **Exclusive Management Services and Business Cooperation Agreement**

Pursuant to the exclusive management services and business cooperation agreement dated August 16, 2021 entered into by and among Tianjin 58 Freight, Hainan 58 Supply Chain, Zhenjiang 58 Supply Chain, Hainan 58 Freight, Registered Shareholders and Hainan WFOE (the “Exclusive Management Services and Business Cooperation Agreement”), and the letter of acceptance of rights and obligations dated December 25, 2021 signed by Tianjin Kuaigou Freight as a supplemental agreement to the Exclusive Management Services and Business Cooperation Agreement, Hainan WFOE was appointed as the exclusive technology and service provider to Consolidated Affiliate Entities of comprehensive corporate management consulting, intellectual property licensing, technical support and business support services, which are specified by Hainan WFOE in accordance with scope of its business.

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## CONTRACTUAL ARRANGEMENTS

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

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

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

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

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

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## CONTRACTUAL ARRANGEMENTS

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### Exclusive Option Agreements

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

- Hainan WFOE or the third party designated by it is permitted to hold any or all of the Equity Interest under the PRC laws; or
- Subject to the PRC laws, any situation as Hainan WFOE thinks is appropriate or necessary.

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

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

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

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## CONTRACTUAL ARRANGEMENTS

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

- During the term of the Exclusive Option Agreement, except the pledge provided in the Equity Pledge Agreement (as defined below) or with Hainan WFOE's prior written consent, the respective registered shareholder of the Consolidated Affiliated Entities shall not transfer any Equity Interest to any third party, and shall not create any pledge, mortgage, guarantee, or any other right in the benefit of any third party in the Equity Interest held by the respective registered shareholder of the Consolidated Affiliated Entities, and shall ensure that the Equity Interest is free from any claim of any third party;
- Without Hainan WFOE's prior written consent, they will not supplement, change or amend the Articles of Association and bylaws of the Consolidated Affiliated Entities in any manner, increase or reduce registered capital or change structure of registered capital of the Consolidated Affiliated Entities in any other manner;
- They will not enter into any material contract or change the scope of business of the respective Consolidated Affiliated Entity;
- Subject to the PRC laws and regulations, they shall extend the operation period of the Consolidated Affiliated Entities based on the operation period of Hainan WFOE and cause the operation period of the Consolidated Affiliated Entities the same as that of Hainan WFOE or adjust the operation period of the Consolidated Affiliated Entities based on the requirements of Hainan WFOE;
- They shall operate the Consolidated Affiliated Entities' corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs, and shall obtain all governmental permits and licenses that are necessary for the business of the Consolidated Affiliated Entities;
- They shall use their best efforts to maintain and increase the asset value of the respective Consolidated Affiliated Entity, and shall not terminate any material contract to which the respective Consolidated Affiliated Entity is a party or entered into any agreement that affect the respective Consolidated Affiliated Entity's financial status and asset value;
- They shall not create, succeed, warrant or allow any debt except the account payable occurred in ordinary course, provided however, such account payable shall not be created by loan from any other person without the prior written consent of Hainan WFOE;

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## CONTRACTUAL ARRANGEMENTS

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- They shall inform Hainan WFOE immediately of any litigation, arbitration or administrative proceeding that will occur or may occur related to the assets, businesses, revenues of the Consolidated Affiliated Entities;
- They shall not announce or pay any dividend to the shareholders without prior written consent of Hainan WFOE;
- They shall appoint persons designated by Hainan WFOE as directors, supervisors and/or senior management of the Consolidated Affiliated Entities, and/or remove the incumbent directors, supervisors and/or senior management of the Consolidated Affiliated Entities at Hainan WFOE's request and complete all relevant filing procedures. Hainan WFOE also has the right to request them to replace the aforesaid persons;
- Without the prior written consent of Hainan WFOE, they shall not at any time following the date of the execution sell, transfer, license or dispose in any manner any asset of the Consolidated Affiliated Entities, or allow the encumbrance hereon of any asset of the Consolidated Affiliated Entities, unless the Consolidated Affiliated Entities is able to prove that the such sale, transfer, license, deposition or encumbrance is necessary for the business of the Consolidated Affiliated Entities in ordinary course and the transaction amount of one single transaction shall not higher than RMB100,000;
- In the event that during the term of the Exclusive Option Agreement the respective Consolidated Affiliated Entity liquidates or dissolves, subject to the PRC laws and regulations, they shall designate person recommended by Hainan WFOE to constitute the liquidation group and manage the asset of the Consolidated Affiliated Entities. The respective registered shareholder of the Consolidated Affiliated Entities hereby confirm that in the event of liquidation or dissolution of the Consolidated Affiliated Entities, they shall deliver all the asset distribute in the liquidation and dissolution to Hainan WFOE or its designated party in the manner that is permitted by the PRC law; and
- In the event of death, incapacity, marriage, divorce or other circumstances that may affect the exercise of the equity interest in the Consolidated Affiliated Entities held directly or indirectly by the respective registered shareholder of the Consolidated Affiliated Entities, successors of the respective registered shareholder of the Consolidated Affiliated Entities (including their spouse, children, parents, siblings and grandparents) shall be deemed to be a party to the Exclusive Option Agreement and shall succeed to and assume all of the respective registered shareholder of the Consolidated Affiliated Entities' rights and obligations thereunder and transfer the relevant Equity Interest to Hainan WFOE or its designated party in accordance with the then applicable laws and the Exclusive Option Agreement.

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### **Powers of Attorney**

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

- (a) proposing the shareholders’ meeting according to articles of association of the Consolidated Affiliated Entities, participating in the shareholders’ meeting of the Consolidated Affiliated Entities and executing relevant resolutions;
- (b) exercising all the rights of shareholder of the Consolidated Affiliated Entities on shareholders’ meetings according to relevant laws and regulations and the articles of association of the Consolidated Affiliated Entities, including but not limited to the right to nominate, the right to vote and the right to appoint;
- (c) representing the Registered Shareholders or Tianjin 58 Freight, in the case of its subsidiaries to submit documents which shall be submitted by the shareholder of the Consolidated Affiliated Entities to relevant competent governmental authorities;
- (d) exercising the right of dividend, the right to sell, transfer or assign, pledge or dispose all or part of Equity Interest owned by the Registered Shareholders or Tianjin 58 Freight, in the case of its subsidiaries, the right of distribution of residual properties after the liquidation of the Consolidated Affiliated Entities provided under the laws and articles of association of the Consolidated Affiliated Entities;
- (e) constituting the liquidation group and exercising the authorities of liquidation group during the liquidation in the event of liquidation or dissolution of the Consolidated Affiliated Entities, including but not limited to the management of the Consolidated Affiliated Entities’ assets;
- (f) reviewing the resolutions of shareholders’ meeting and the resolutions of the board meeting of the Consolidated Affiliated Entities, recording the financial statements and report of the Consolidated Affiliated Entities; and
- (g) any other rights as a shareholder of the Consolidated Affiliated Entities.

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## CONTRACTUAL ARRANGEMENTS

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

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

### **Equity Pledge Agreement**

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

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

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

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

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## CONTRACTUAL ARRANGEMENTS

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- (b) The Consolidated Affiliated Entities and the Registered Shareholders violate any of their obligations or covenants and warranties under the Master Agreements, or any covenants and warranties made by them in the Master Agreements are seriously untrue;
- (c) Any obligation of the Consolidated Affiliated Entities or the Registered Shareholders under the Equity Pledge Agreement is regarded as illegal or void;
- (d) The termination of business, dissolution or bankruptcy of the Consolidated Affiliated Entities;
- (e) The Consolidated Affiliated Entities and/or the Registered Shareholders are involved in any disputes, litigations, arbitrations, administrative procedures or any other legal procedures or administrative query, actions or investigations that deemed reasonably by Hainan WFOE to have material adverse effect on the following events: (i) the capacity of the Registered Shareholders to perform its obligations under the Equity Pledge Agreement or the Master Agreements, or (ii) the capacity of the Consolidated Affiliated Entities to perform its obligations under the Equity Pledge Agreement or the Master Agreements;
- (f) Any other events of the disposal of the Pledged Equity Interest according to applicable laws and regulations.

The equity pledge registration by the Registered Shareholders with the relevant PRC authorities as required by the relevant PRC laws and regulations has been completed on August 24, 2021.

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

### **Succession**

#### ***Spouse Consent Letters***

On August 16, 2021, the spouse of each of the Registered Shareholders, as applicable, signed a consent letter (collectively, the “Spouse Consent Letters”) to the effect, among others, that:

- each spouse confirms that she is aware of and consents to the execution of the Exclusive Management Services and Business Cooperation Agreement, the Exclusive Option Agreement, the Powers of Attorney and the Equity Pledge Agreement (collectively, the “Transaction Documents”) by their spouse, and agrees



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## CONTRACTUAL ARRANGEMENTS

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the disposal of the Equity Interests in accordance with the provisions of the Transaction Documents. They will not take any action at any time to hinder the disposal arrangement of the Equity Interest, including but not limited to claiming that the said Equity Interest belongs to her joint property with her spouse.

- each spouse confirms that her spouse may further amend or terminate the Transaction Documents without the need for authorization or consent by the spouse;
- each spouse undertakes to execute all documents and take all actions necessary to ensure that the Transaction Documents (as amended from time to time) are properly performed; and
- each spouse undertakes to unconditionally and irrevocably waive any rights or interests in the equity and corresponding assets of Tianjin 58 Freight that may be granted to her, she will be bound by Transaction Documents as amended from time to time if she has obtained any equity interests, directly or indirectly, in Tianjin 58 Freight for whatever reasons.

### *Confirmation and Undertakings from the Registered Shareholders*

Each of the Registered Shareholders has confirmed and undertaken to the effect that in the event of his death, incapacity, marriage, divorce or any other event which causes his inability to exercise his rights as a shareholder of Tianjin 58 Freight, his successors (including his spouse, children, parents, siblings and grandparents) will success his rights and obligations under the respective Contractual Arrangements as if they were a party to relevant agreements.

Based on the above, our PRC Legal Advisor has advised that: (i) the Contractual Arrangements provide protection to the Group even in the event of loss of capacity, death, marriage or divorce (if applicable) of the Registered Shareholders; and (ii) loss of capacity, death, marriage or divorce (if applicable) of the Registered Shareholders would not affect the validity of the Contractual Arrangements, and Hainan WFOE can enforce its rights under the Contractual Arrangements against the successors of such shareholders.

### **Dispute Resolution**

Each of the agreements under the Contractual Arrangements contains a dispute resolution provision. Pursuant to such provision, all disputes arising in the course of the performance of the agreements under the Contractual Arrangements shall be settled by the parties through friendly consultation; if consultation fails, either party may submit the dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with the arbitration rules of such arbitration institution then in effect. The place of arbitration shall be Beijing and the language of arbitration shall be Chinese, and the arbitral award shall be final and binding on the parties. All parts of the agreements under the Contractual Arrangements shall remain in effect except for the part being submitted to arbitration.

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Subject to the provisions of PRC laws, the arbitral institutions shall, if necessary, have the right to award the defaulting party to immediately cease the default or to award the defaulting party not to engage in the conduct that may result in further damages to Hainan WFOE before making a final decision on the dispute between the parties, for example, the arbitral tribunal may award remedies over the equity interest and assets (including any property interest) of the Consolidated Affiliated Entities, injunctive relief or order the winding up of the Consolidated Affiliated Entities.

A court in Hong Kong, the Cayman Islands or other courts of competent jurisdictions (including a court at the Consolidated Affiliated Entities' domicile or where Hainan WFOE or the Consolidated Affiliated Entities have their principal shall be deemed to have jurisdiction) shall have the power to enforce an award of the arbitral tribunal, and upon the request by any party, the courts of competent jurisdictions shall have the power to grant interim remedies pending formation of the arbitral tribunal or in other appropriate cases as permitted by laws over the equity interests or assets of the Consolidated Affiliated Entities.

However, our PRC Legal Advisor has advised that although the above dispute resolution provisions in the agreements under the Contractual Arrangements have been agreed to by the relevant signatories, in practice, such dispute resolution provisions may not be enforceable under PRC laws and regulations. For instance, the arbitral tribunal has no power to grant such injunctive relief, nor will it be able to order the winding up of our Consolidated Affiliated Entities pursuant to the current PRC laws. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC.

As a result of the above, in the event that the Consolidated Affiliated Entities or the Registered Shareholders breach any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over Consolidated Affiliated Entities and conduct our business could be materially and adversely affected. See "Risk Factors – Risks Related to Our Contractual Arrangements."

### **Conflict of Interest**

To address the potential conflicts of interest between our Company and the Registered Shareholders, namely Mr. Yao (a Controlling Shareholder) and Mr. Chen (our Chairman of the Board, an executive Director and a Controlling Shareholder), each of the Registered Shareholders has given their irrevocable undertakings in the Powers of Attorney which address potential conflicts of interests that may arise in connection with the Contractual Arrangements. For further details, see "– Powers of Attorney" above.

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### **Loss Sharing**

Under the relevant PRC laws and regulations, none of our Company and Hainan WFOE is expressly legally required to share the losses of, or provide financial support to, Consolidated Affiliated Entities. Further, Consolidated Affiliated Entities are limited liability companies and shall be solely liable for their own debts and losses with assets and properties owned by them. Hainan WFOE intends to continuously provide to or assist Consolidated Affiliated Entities in obtaining financial support when deemed necessary. In addition, given that our Group conducts all its business operations in the PRC through Consolidated Affiliated Entities, which hold the requisite PRC operational licenses and approvals, and that their financial position and results of operations are consolidated into our Group's financial statements under the applicable accounting principles, our Company's business, financial position and results of operations would be adversely affected if Consolidated Affiliated Entities suffer losses.

However, as provided in the Exclusive Option Agreement, without the prior written consent of Hainan WFOE, the Consolidated Affiliated Entities and their respective registered shareholders shall not, among others, dispose of any equity interests, assets of the Consolidated Affiliated Entities, execute any material contracts, provide any loan or guarantee to third parties or create any incumbrance on any asset of it, or distribute any dividend. See "– Exclusive Option Agreement" for details. Therefore, due to the relevant restrictive provisions in the agreements, the potential adverse effect on Hainan WFOE and our Company in the event of any loss suffered from the Consolidated Affiliated Entities can be limited to a certain extent.

### **Liquidation**

Pursuant to the Exclusive Option Agreement, in the event of liquidation or dissolution of the Consolidated Affiliated Entities, the Consolidated Affiliated Entities and their respective registered shareholders shall, subject to the PRC laws and regulations, designate person recommended by Hainan WFOE to constitute the liquidation group and manage the assets of the Consolidated Affiliated Entities, and the respective registered shareholder of the Consolidated Affiliated Entities shall give the proceeds they received from liquidation as a gift to Hainan WFOE or its designee(s) to the extent permitted by the PRC laws and regulations.

### **Insurance**

There are certain risks involved in our operations, in particular, those relating to our corporate structure and the Contractual Arrangements. A detailed discussion of material risks relating to our Contractual Arrangements is set forth in "Risk Factors – Risks Related to Our Contractual Arrangements." We have considered the costs and difficulties of acquiring insurance on commercially reasonable terms and considered it impractical for us to have insurance to cover these risks. Accordingly, we have not purchased insurance to cover the risks relating to the Contractual Arrangements. For further details, see "Risk Factors – Risks Related to Our Business and Industry – We may not have adequate insurance coverage to protect us from potential losses."

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### **Confirmation from our Company**

As of the Latest Practicable Date, our Company had not encountered any interference or encumbrance from any PRC governing bodies in operating its businesses through Consolidated Affiliated Entities under the Contractual Arrangements.

### **Circumstances under which we will adjust or unwind the Contractual Arrangements**

We will adjust or unwind (as the case maybe) the Contractual Arrangements as soon as practicable in respect of the operation of the Relevant Businesses to the extent permissible and we will directly hold the maximum percentage of ownership interests permissible under relevant PRC laws and regulations.

### **LEGALITY OF THE CONTRACTUAL ARRANGEMENTS**

Based on the above, our PRC Legal Advisor is of the opinion that:

- (a) All parties to the agreements under the Contractual Arrangements have obtained the necessary authorizations and approvals to execute these agreements and perform their respective obligations thereunder.
- (b) pursuant to Articles 144, 146, 153 and 154 of the PRC Civil Code, a contract is void if the civil juristic act: (i) is performed by a person with no civil capacity; (ii) is performed by a person and another person based on a false expression of intent; (iii) is in violation of the mandatory provisions of laws or administrative regulations, unless such mandatory provisions do not lead to invalidity of such a civil juristic act; (iv) offends the public order or good morals; or (v) is conducted through malicious collusion between a person who performs the act and a counterparty thereof and thus harms the lawful rights and interests of another person. The execution and performance of the Contractual Arrangements does not fall within any of the circumstances under which a contract may become null and void pursuant to the PRC Civil Code.
- (c) the Contractual Arrangements do not require any approvals from the PRC governmental authorities, except in the following circumstances: (i) the equity pledges contemplated under the Equity Pledge Agreements are subject to the registration with the relevant SAMR; (ii) under the Exclusive Option Agreement, any transfer of Equity Interest by the Registered Shareholders to Hainan WFOE or a third party designated by it is subject to the approvals of, consent of, filing with and/or registrations with the relevant government authorities; (iii) under the Exclusive Management Services and Business Cooperation Agreement, the purchase of any part or all of the assets and business by Hainan WFOE from Consolidated Affiliated Entities may involve the approvals of, consent of, filing with and/or

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## CONTRACTUAL ARRANGEMENTS

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registrations with the relevant government authorities; (iv) the arbitration awards/interim remedies provided under the dispute resolution provision of the Contractual Arrangements shall be recognized by the PRC courts before compulsory enforcement.

- (d) Each of the agreements under the Contractual Arrangements is valid, legal and binding under the PRC laws, except for the following provisions regarding dispute resolution and the liquidation committee (i) the Contractual Arrangements provide that the arbitral tribunal may award remedies over the equity interest and assets (including any property interest) of the Consolidated Affiliated Entities, injunctive relief or order the winding up of the Consolidated Affiliated Entities, and that court in Hong Kong and the Cayman Islands and other court of competent jurisdiction have the power to grant interim remedies over the equity interests and/or assets of the Consolidated Affiliated Entities, while under PRC laws, an arbitral tribunal has no power to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of or equity interests in the Consolidated Affiliated Entities in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in China; (ii) under PRC law, in the event of compulsory liquidation or bankruptcy liquidation, the composition of the liquidation team will be determined by the court. Therefore, the provisions in the agreements under the Contractual Arrangements, which state that “in the event of liquidation or dissolution of Consolidated Affiliated Entities, to the extent permitted by PRC laws and regulations, the Consolidated Affiliated Entities and its shareholders will appoint a liquidation team of persons recommended by Hainan WFOE to manage the property of the Consolidated Affiliated Entities, may not be enforceable in China.

Further, during the consultation with the MIIT, it has been confirmed by the MIIT that the Contractual Arrangement will not be subject to challenge from or penalties imposed by the MIIT. Based on the above analysis and advice from our PRC Legal Advisor, our Directors are of the view that the adoption of the Contractual Arrangements is unlikely to be ineffective or invalid under the applicable PRC laws and regulations. However, our PRC Legal Advisor also advised that as there are substantial uncertainties regarding the interpretation and application of the PRC laws, rules and regulations, there can be no assurance that the relevant PRC government would ultimately take a view that is consistent with the above opinion of our PRC Legal Advisor. See “Risk Factors – Risks Related to Our Contractual Arrangements.”

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### ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS

Under the Exclusive Management Services and Business Cooperation Agreement, it was agreed that, in consideration of the services provided by Hainan WFOE, Consolidated Affiliated Entities shall pay service fees to Hainan WFOE. The service fees shall equal to the balance of general income deducting costs, taxes and other reserved fees stipulated by laws and regulations. Hainan WFOE has the right to periodically receive or inspect the accounts of the Consolidated Affiliated Entities.

In addition, under the Exclusive Option Agreement, Hainan WFOE has absolute contractual control over the distribution of dividends or any other amounts to the Registered Shareholders, as Hainan WFOE's prior written consent is required before any distribution can be made. If the Registered Shareholders receive any income, profit distribution or dividend, they shall promptly transfer or pay, as part of the service fees under the Exclusive Management Services and Business Cooperation Agreement, such income, profit distribution or dividend to Hainan WFOE or any other person designated by Hainan WFOE to the extent permitted under applicable PRC laws and regulations.

As a result of the Contractual Arrangements between Hainan WFOE, Consolidated Affiliated Entities and the Registered Shareholders, Hainan WFOE is able to effectively control, recognize and receive all the economic benefit (after deduction of costs, taxes and other reserved fees stipulated by laws and regulations) of the business and operations of the Consolidated Affiliated Entities. Accordingly, the Consolidated Affiliated Entities are treated as controlled structured entities of our Company and consolidated by our Company.

### DEVELOPMENT IN THE PRC LEGISLATION ON FOREIGN INVESTMENT

#### Background of the FIL

On March 15, 2019, the second meeting of the 13th National People's Congress of PRC approved the PRC Foreign Investment Law (中華人民共和國外商投資法) (the "FIL") which became effective on January 1, 2020. On December 26, 2019, the State Council promulgated the Implementation Rules of the PRC Foreign Investment Law (中華人民共和國外商投資法實施條例), which came into effect on January 1, 2020. The FIL replaced the PRC Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC and the Wholly Foreign-invested Enterprise Law of the PRC to become the legal foundation for foreign investment in the PRC. The FIL stipulates three specific forms of foreign investment but does not explicitly stipulate the contractual arrangements as a form of foreign investment.

#### The Potential Impact of the FIL on the Contractual Arrangements

The FIL specifically stipulates three specific forms of foreign investment, namely, (1) establishment of a foreign invested enterprise in the PRC by a foreign investor, either individually or collectively with any other investor; (2) obtaining shares, equity interests, assets, interests or any other similar rights or interests of an enterprise in the PRC by a foreign investor; and (3) investment in any new construction project in the PRC by a foreign investor, either individually or collectively with any other investor.

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## CONTRACTUAL ARRANGEMENTS

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Conducting operations through contractual arrangements has been adopted by many PRC-based companies, including us, to obtain and maintain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions or prohibitions in the PRC. The FIL, unlike the discussion draft of the proposed Foreign Investment Law of the People's Republic of China (《中華人民共和國外國投資法(草案徵求意見稿)》) published in January 2015 by the MOFCOM, does not explicitly stipulate the contractual arrangements as a form of foreign investment. Notwithstanding the above, the FIL stipulates that foreign investment includes “foreign investors invest through any other methods under laws, administrative regulations or provisions prescribed by the State Council.” Therefore, there remains uncertainty regarding whether future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, whether our Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled. In the event that such measures are not complied with, the Stock Exchange may take enforcement actions against us which may have a material adverse effect on the Listing. See “Risk Factors – Risks Relating to Our Contractual Arrangements.” Our Company will disclose, as soon as possible, updates of changes to the FIL that will materially and adversely affect our Company as and when occur.

### COMPLIANCE WITH THE CONTRACTUAL ARRANGEMENTS

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

- (a) major issues arising from the implementation of and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;
- (b) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (c) our Company will disclose the overall performance of and compliance with the Contractual Arrangements in its annual reports; and
- (d) our Company will engage external legal advisors or other professional advisers, if necessary, to assist the Board with reviewing the implementation of the Contractual Arrangements, and review the legal compliance of Hainan WFOE and the Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

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The following summarizes the key laws and regulations in our major markets which we believe are material to our operations. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to our business and operations and/or which may be important to potential investors. Potential investors should also note that the following summary is based on the laws and regulations in force as of the Latest Practicable Date and may be subject to change (possibly with retrospective effects).

### **LAWS AND REGULATIONS IN RELATION TO OUR BUSINESS IN THE PRC**

#### **Regulations on Value-Added Telecommunications Services and Foreign Investment Restrictions**

##### *Regulations on Foreign Investment*

On March 15, 2019, the National People's Congress promulgated the PRC Foreign Investment Law (中華人民共和國外商投資法) (the "FIL") which became effective on January 1, 2020 and replaced the Wholly Foreign-Owned Enterprise Law (中華人民共和國外資企業法). The FIL, by means of legislation, establishes the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection and fair competition.

According to the FIL, foreign investment shall enjoy pre-entry national treatment, except for those foreign invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the "negative list". The FIL provides that foreign invested entities operating in foreign "restricted" or "prohibited" industries will require entry clearance and other approvals. The FIL does not comment on the concept of "de facto control" or contractual arrangements with variable interest entities, however, it has a catch-all provision under definition of "foreign investment" to include investments made by foreign investors in China through means stipulated by laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions to provide for contractual arrangements as a form of foreign investment.

The FIL also provides several protective rules and principles for foreign investors and their investments in the PRC, including, among others, that local governments shall abide by their commitments to the foreign investors; foreign-invested enterprises are allowed to issue stocks and corporate bonds; except for special circumstances, in which case statutory procedures shall be followed and fair and reasonable compensation shall be made in a timely manner, expropriate or requisition the investment of foreign investors is prohibited; mandatory technology transfer is prohibited; foreign investors' funds are allowed to be freely transferred out and into the territory of PRC, which run through the entire lifecycle from the entry to the exit of foreign investment, and the FIL provides an all-around and multi-angle system to guarantee fair competition of foreign-invested enterprises in the market economy. In addition, foreign investors or the foreign investment enterprise should be imposed legal liabilities for failing to report investment information in accordance with the requirements. Furthermore, the FIL provides that foreign invested enterprises established according to the existing laws



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regulating foreign investment may maintain their structure and corporate governance within five years after the implementing of the FIL, which means that foreign invested enterprises may be required to adjust the structure and corporate governance in accordance with the current PRC Company Law (中華人民共和國公司法) (the “Company Law”) and other laws and regulations governing the corporate governance.

On December 26, 2019, the State Council promulgated the Implementation Rules of the PRC Foreign Investment Law (中華人民共和國外商投資法實施條例) (the “Implementation Rules”) which became effective on January 1, 2020. The Implementation Rules further clarified that the state encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment, and advances a higher-level opening.

On December 27, 2020, Ministry of Commerce of the PRC (中華人民共和國商務部) (the “MOFCOM”) and the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會) (the “NDRC”), released the Catalog of Industries for Encouraging Foreign Investment (2020 Version) (鼓勵外商投資產業目錄(2020年版) (the “Encouraging Catalog”) which became effective on January 27, 2021, to replace the previous encouraging catalog. On December 27, 2021, MOFCOM and the NDRC released the Special Management Measures (Negative List) for the Access of Foreign Investment (2021 Version) (外商投資准入特別管理措施(負面清單)(2021年版)) (the “2021 Negative List”) which became effective on January 1, 2022, to replace the Special Management Measures (Negative List) for the Access of Foreign Investment (2020 Version) (外商投資准入特別管理措施 (負面清單)(2020年版)), which was promulgated on June 23, 2020. The Encouraging Catalog and the 2021 Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: “encouraged”, “restricted” and “prohibited.” Industries not listed in the Encouraging Catalog or the 2021 Negative List are generally deemed as falling into a fourth category “permitted” unless specifically restricted by other PRC laws. The 2021 Negative List further provides that domestic companies engaged in foreign investment prohibited business and intend to offer and list securities in overseas markets shall obtain approval from relevant government authorities. The PRC Legal Advisor is of the view that as of the Latest Practicable Date, the business operated by our Consolidated Affiliated Entities and PRC-incorporated subsidiaries does not fall within any foreign investment prohibited business listed in the 2021 Negative List. Therefore, our PRC Legal Advisor is of the view that the foregoing provision in the 2021 Negative List shall not apply to us.

On December 30, 2019, MOFCOM and the State Administration for Market Regulation (國家市場監督管理總局) (the “SAMR”) jointly promulgated the Measures for Information Reporting on Foreign Investment (外商投資信息報告辦法), which became effective on January 1, 2020. Pursuant to the Measures for Information Reporting on Foreign Investment, where a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit the investment information to the competent commerce department.

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### *Regulations on Foreign Investment in Value-Added Telecommunications Businesses*

The Telecommunications Regulations of the People's Republic of China (中華人民共和國電信條例) (the "Telecommunications Regulations") promulgated by the State Council on September 25, 2000, as amended on July 29, 2014 and February 6, 2016, provides a regulatory framework for telecommunications services providers in the PRC. The Telecommunications Regulations categorize telecommunications services into basic telecommunications services and value-added telecommunications services. The Telecommunications Regulations require that telecommunication service providers shall obtain the operating license prior to the commencement of operations. According to the Catalog of Telecommunications Businesses (電信業務分類目錄), attached to the Telecommunications Regulations on September 25, 2000, as amended by the Ministry of Information Industry of the PRC (the "MII") which is the predecessor of MIIT on June 11, 2001 and February 21, 2003, and by MIIT on December 28, 2015 and June 6, 2019, both the online data processing and transaction processing services and information services are value-added telecommunications services. According to the Administrative Measures for Telecommunications Businesses Operating Licensing (電信業務經營許可管理辦法) (the "Telecommunications Measures") which were promulgated by MIIT on July 3, 2017 and became effective on September 1, 2017, a commercial operator of value-added telecommunications services must obtain a value-added telecommunications business operating license from MIIT or its provincial level counterparts. Moreover, a telecommunication service operator holding the value-added telecommunications business operating license shall be subject to annual inspection within the first quarter of each year. The Administrative Provisions on Mobile Internet Application Information Services (移動互聯網應用程序信息服務管理規定) (the "Mobile Application Administrative Provisions") which were promulgated by the CAC on June 28, 2016 and became effective on August 1, 2016, also require application information service providers to obtain the relevant qualifications prescribed by laws and regulations.

The Administrative Measures on Internet Information Services (互聯網信息服務管理辦法) (the "Internet Measures"), which were promulgated by the State Council on September 25, 2000 and amended on January 8, 2011, set out guidelines on the provision of internet information services. The Internet Measures classified internet information services into commercial internet information services and non-commercial internet information services. A commercial internet information services provider shall obtain a license for operating value-added telecommunications business in online information services (the "ICP License") from the competent telecommunications authorities.

According to the 2021 Negative List, the foreign share ratio for value-add telecommunications services (except for e-commerce, domestic multi-party communications, storage-forwarding and call centers) shall not exceed 50%. Moreover, foreign direct investment in telecommunications companies in China is governed by the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (外商投資電信企業管理規定), which was promulgated by the State Council on December 11, 2001 and amended on September 10, 2008, February 6, 2016 and May 1, 2022. The regulations require foreign-invested value-added telecommunications enterprises in China to be established as Sino-foreign equity joint ventures, which the foreign investors are prohibited from holding more

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than 50% of the equity interests of such enterprise unless otherwise provided by relevant laws and regulations. Moreover, foreign-invested enterprises must obtain approvals from MIIT, which retain considerable discretion in granting approvals, for its commencement of value-added telecommunication business in China.

On July 13, 2006, the MII released the Notice on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business (信息產業部關於加強外商投資經營增值電信業務管理的通知) (the “MII Notice”), pursuant to which, if any foreign investor intends to invest in telecommunications business in China, a foreign-invested telecommunications enterprise must be established and such enterprise must apply for the relevant telecommunications business operation licenses. Furthermore, under the MII Notice, domestic telecommunications enterprises may not rent, transfer or sell a telecommunications business operation license to foreign investors in any form, nor may they provide any resources, premises, facilities and other assistance in any form to foreign investors for their illegal operation of any telecommunications business in China. In addition, under the MII Notice, the Internet domain names and registered trademarks used by a foreign-invested value-added telecommunication service operator shall be legally owned by that operator (or its shareholders). If a license holder fails to comply with the relevant requirements and rectify such non-compliance beyond the time limited, the MII or its local counterparts may revoke its license subject to relevant laws.

### **Regulations on Road Traffic and Road Transport**

#### ***Regulations on Road Transport***

On April 30, 2004, State Council issued the Regulations on Road Transport of the PRC (中華人民共和國道路運輸條例) (the “Road Transport Regulations”), which became effective on July 1, 2004 and was last amended March 2, 2019. The Road Transport Regulations provide, among others, that an operator applying for engaging in the freight transport business operations shall obtain a road transport business operation license, except for those operators that use any general freight transport vehicle with a total mass of 4.5 tons or below to engage in the general freight transport business operations; a vehicle used by the freight transport business operators for transportation shall obtain a vehicle operation certificate, except for those vehicles with a total mass of 4.5 tons or below; a driver engaging in the freight transport business operations shall pass the examinations on relevant freight transport laws and regulations, motor vehicle maintenance and repair, and basic knowledge on loading and preservation of goods as held by the competent road transport departments, excluding drivers who use general freight transport vehicles with a total mass of 4.5 tons or below. The Road Transport Regulations further provide that a road transport vehicle for transport of passengers shall not be used for the transport of goods in violation of the relevant provisions and a road transport vehicle for the transport of goods cannot be used to carry passengers.

On June 16, 2005, the MOT promulgated the Administrative Provisions on Road Freight Transport and Stations (道路貨物運輸及站場管理規定)(the “Provisions on Road Freight Transport”), which became effective on August 1, 2005 and was last amended on June 20,

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2019. The Provisions on Road Freight Transport reiterate that an operator that uses any general freight transport vehicle with a total mass more than 4.5 tons to engage in the general freight transport business operations shall obtain a Road Transport Operation License; a vehicle with a total mass more than 4.5 tons used by the freight transport business operators for transportation shall obtain a Road Transport Certificate; a driver using a vehicle with a total mass more than 4.5 tons to engage in the freight transport business operations shall obtain a practice qualification certificate. According to the Provisions on Road Freight Transport, an operator of road freight transport shall engage in business operations of road freight transport within the business scope as specified in the Operation License for Road Transport and shall hire drivers with practice qualification certificates as required by the relevant provisions. If an operator intends to establish a branch, it shall file with the competent road transport department of the place where the branch is to be established for archival purposes.

### *Regulations on Online Freight Transport Services*

On August 26, 2016, the MOT promulgated the Opinions on Promoting the Pilot Reform and Accelerating the Innovative Development of Carless Carriage (關於推進改革試點加快無車承運物流創新發展的意見) to launch the carless carrier pilot program nationwide. The qualified enterprise shall, after being examined and approved by the local competent transport department, apply to the provincial competent transport department for the pilot project. Provincial competent transport department shall determine the list of local carless carrier pilot enterprises. Since November 2017, a series of regulations regarding the operation of carless carriers, including the Notice on Further Promoting the Carless Carrier Pilot Program (關於進一步做好無車承運人試點工作的通知) in November 2017 and the Notice on Deeply Promoting Pilot Work for Carless Carriers (關於深入推進無車承運人試點工作的通知) in April 2018 were promulgated by the MOT.

On September 6, 2019, the MOT and State Administration of Taxation (國家稅務總局) (the “SAT”) jointly promulgated the Interim Measures for Administration of the Road Freight Transport Business on Online Platforms (網絡平台道路貨物運輸經營管理暫行辦法) (the “Interim Measures for Online Freight Transport”), which became effective on January 1, 2020 and remain valid for four years, to regulate the business activities of online freight transport services. Under the Interim Measures for Online Freight Transport, “online freight transport business” refers to the road freight transport business activities in which an operator integrates and allocates transport resources on an online platform, enters into a transport contract with the shipper as a carrier and assumes the responsibility of a carrier, and entrusts an actual carrier to complete the road freight transport; online freight transport business does not include the activities of only providing information intermediary and transaction matching services for the shipper and the actual carrier. According to the Interim Measures for Online Freight Transport, the carless carrier pilot program launched by the MOT ended on December 31, 2019 and from January 1, 2020, pilot enterprises may, in accordance with the requirements of the Interim Measures for Online Freight Transport, apply for a road transport business operation license with the business scope of “online freight transport”; the competent road transport supervision and administration authority shall renew the road transport business operation license for pilot enterprises meeting the relevant conditions in accordance with the Interim Measures for Online

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Freight Transport. Operators that are not included in the scope of carless carrier pilot program launched by MOT may apply for business licenses in accordance with the Interim Measures for Online Freight Transport and engage in the online freight transport business in accordance with relevant laws and regulations. The Interim Measures for Online Freight Transport provides, among others, that an online freight transport business operator shall engage in business activities within the approved business scopes and shall examine the qualification of the vehicles and drivers actually engaged in the transport to ensure that the vehicles providing transport services have a lawful and valid operation certificate (except for general freight vehicles that engage in general cargo transport operation with a total mass of 4.5 tons or less) and that the drivers have a lawful and valid qualification certificate (except for drivers using general freight vehicles with a total mass of 4.5 tons or less); an online freight transport business operator shall upload waybill data to the provincial online freight transport information monitoring system as required by the relevant technical specifications; an online freight business operator shall record the user registration information, identity authentication information, service information and transaction information of the actual carrier and the shipper, keep relevant tax-related materials according to relevant laws, regulations and rules, and the information shall be retained for not less than three years from the date of completion of the transaction, and the relevant tax-related materials (including the relevant information pertaining to tax-related materials) shall be retained for ten years; an online freight transport business operator shall take effective measures to strengthen the confidentiality management of relevant information on drivers, vehicles and shippers. Pursuant to the Interim Measures for Online Freight Transport, where an online freight transport business operator commits any of the following acts, causing a serious liability accident, the competent road transport supervision and administration authority shall investigate the case and impose penalties according to relevant laws, and include the operator in the list of enterprises subject to joint penalties due to dishonesty in road freight transport to impose joint penalties: (i) entrusting an unqualified actual carrier to undertake the transportation; (ii) carrying goods prohibited by any law, regulation or rule of the State; or (iii) instigating or forcing an actual carrier to transport goods exceeding the limits or loading capacity.

On September 24, 2019, the MOT promulgated three guidelines on online freight transport business, including the Service Guidelines on the Road Freight Transport Business on Online Platform (網絡平台道路貨物運輸經營服務指南) (the “Service Guidelines”), the Guidelines on the Construction of Provincial Online Freight Information Monitoring System (省級網絡貨運信息監測系統建設指南) and the Access Guidelines on the Ministerial Online Freight Information Interaction System (部網絡貨運信息交互系統接入指南), all of which came into effect concurrently. Among those, the Service Guidelines sets forth that the services provided by online freight transport operators shall meet the requirements, including, among others: (i) obtaining the value-added telecommunication business operation licenses, (ii) complying with state’s requirements for level protection of information system security, (iii) connecting to the provincial online freight information monitoring system, and (iv) being equipped with features including information release, online transaction, full-process monitoring, online financial payment, consultation and complaint, query statistics and data retrieval.

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### *Regulations on Road Traffic Safety*

On October 28, 2003, the SCNPC promulgated the Road Traffic Safety Law of the PRC (中華人民共和國道路交通安全法) (the “Road Traffic Safety Law”), which became effective on May 1, 2004 and amended on December 29, 2007, April 22, 2011 and April 29, 2021. The Road Traffic Safety Law sets out the basic framework for road traffic safety and provides the rules for the drivers of vehicles, pedestrians, passengers and the units and individuals involved in road traffic activities, including, among others, that no units or individuals shall alter the registered composition, structure or features of motor vehicles without authorization; passenger motor vehicles shall not be used for carrying cargoes in violation of regulations and cargo motor vehicles are prohibited from carrying passengers; a passenger motor vehicle or a cargo motor vehicle in violation of the aforesaid provision shall be subject to a fine of no less than RMB500 but no more than RMB2,000, and where a vehicle of a transport entity violates the aforesaid provision and fails to rectify after the imposition of penalties, the directly responsible persons in charge of such transport entity shall be subject to a fine of no less than RMB2,000 but no more than RMB5,000; no one shall force or instigate a driver to drive a motor vehicle in violation of the laws and regulations on road traffic safety or of the requirements for safe driving of motor vehicles, or connive at such violations.

On April 30, 2004, State Council promulgated the Regulation for the Implementation of the Road Traffic Safety Law of the PRC (中華人民共和國道路交通安全法實施條例) (the “Implementation Regulations”), which became effective on May 1, 2004 and was amended on October 7, 2017. The Implementation Regulations further provides detailed rules for vehicle drivers, pedestrians, passengers, and entities and individuals involved in the road traffic activities within the territory of the PRC. According to the Implementation Regulations, any mark, sign, or advertisement painted or stuck on the body of a motor vehicle shall not affect the safety of driving. On April 30, 2004, the Ministry of Public Security (公安部) (the “MPS”) promulgated the Provisions on the Registration of Motor Vehicles (機動車登記規定), which became effective on May 1, 2004 and was last amended on December 17, 2021, to provide requirements and procedures for various types of motor vehicle registrations. The Provisions on the Registration of Motor Vehicles also provides that a motor vehicle painted or stuck with any mark, sign or advertisement, which may affect the safety of driving, may be subject to fine by relevant traffic control department of the public security authorities.

### *Regulations Relating to the Payments and User Funds*

According to Measures for the Administration of Payment Services of Non-Financial Institutions (非金融機構支付服務管理辦法) which were promulgated by the People’s Bank of China (中國人民銀行) (the “PBOC”) on June 14, 2010, effective on September 1, 2010 and amended on April 29, 2020, and Implementing Rules for the Measures for the Administration of Payment Services of Non-Financial Institution (非金融機構支付服務管理辦法實施細則) which were promulgated by the PBOC, effective on December 1, 2010 and amended on June 2, 2020 and November 12, 2020, the “online payment services” refers to the activities of the payment institutions to transfer monetary capital for the payers and payees, where the payers’ electronic devices do not interact with the payees’ specific designated devices, after the payees

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or payers rely on public network information system to give remote payment instructions through electronic equipment such as computers and mobile terminals. A non-financial institution providing monetary transfer services as an intermediary between payees and payers, including online payment, issuance and acceptance of prepaid cards or bank cards, and other payment services specified by the PBOC, must obtain a “Payment Business License” to provide payment services and qualifies as a paying institution. Without the approval of the PBOC, no non-financial institution or individual may engage in payment business whether explicitly or in a disguised form. Any non-financial institution or individual engaged in the payment business without the Payment Business License may be ordered to cease its payment services and even be subject to criminal liabilities. On November 13, 2017, the General Office of the PBOC published the Notice on Further Strengthening the Rectification of Payment Business Operation Without a Certificate (中國人民銀行辦公廳關於進一步加強無證經營支付業務整治工作的通知) (the “PBOC Notice 2017”), focusing on the investigation and administration of illegal offering of settlement services by financial institutions and third-party payment service providers to unlicensed entities. The PBOC Notice 2017 intended to prevent unlicensed entities from using licensed payment service providers as a conduit for conducting the unlicensed payment settlement services, so as to safeguard the fund security and information security.

On May 9, 2019, the MOT, the PBOC, the NDRC, the MPS, the SAMR and Banking and Insurance Regulatory Commission, jointly issued the Measures for the Administration of User Funds in New Forms of Transport Business (Trial) (交通運輸新業態用戶資金管理辦法(試行)) (the “Trial Measures on Administration of User Funds”) which became effective on June 1, 2019. According to the Trial Measures on Administration of User Funds, the “new forms of transport business” refer to the construction of a service platform based on the internet and other information technologies, and the integration of supply and demand information through the innovation of service mode, technology and management to engage in transportation service business, including online ride-hailing, time-share car rental and online bicycle rental, etc. An operating enterprise engaging in new forms of transport business shall open a special deposit account for user deposits and a special deposit account for prepayments, respectively, as are nationwide unique at the bank in the place of its registration in mainland China, and the bank where the special deposit accounts are opened shall be the depository bank to preserve user funds. User deposits shall be the property of users, which cannot be misappropriated by any entities. In addition, an entity may use prepayments by its customers exclusively for its main business relating to services provided to its customers, rather than other activities, such as investing in real estate, equity, securities and debentures, or other lending. The entity shall set up a reserve system of prepayments by its customers, and the reserve shall not fall under 40% of the balance of all prepayments.

### **Regulations on E-Commerce**

On August 31, 2018, the SCNPC promulgated the E-commerce Law of the PRC (中華人民共和國電子商務法) (the “E-commerce Law”), which became effective on January 1, 2019. The E-commerce Law is formulated for the purposes of protecting the legitimate rights and interests of various entities in e-commerce, standardizing e-commerce conduct. According to the E-commerce Law, e-commerce shall mean business activities of sale of goods or provision of services through internet and other information network, and e-commerce business operators include e-commerce platform operators, business operators using the platform, and

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e-commerce business operators engaging in sale of goods or provision of services through their self-built website or other network services, among which e-commerce platform operators, shall mean legal persons or non-legal-person organizations who provide online business premises, transaction matching, information dissemination services etc. for both parties or multiple parties in e-commerce transactions, so as to facilitate both or multiple parties in transactions to carry out transaction activities independently. E-commerce platform operators shall require business operators who apply to sell goods or provide services on the platforms to provide their identity information, address, contact details, administrative licensing information etc for verification and registration, establish registration files, and verify and update regularly. Where an e-commerce platform operator is or should be aware that the goods sold or the services provided by a business operator using the platform do not comply with the requirements for protection of personal safety and property security, or have infringed upon the legitimate rights and interests of consumers, but fails to adopt the requisite measures, it shall bear joint and several liability with the said business operator using the platform pursuant to the law. For goods or services which relate to the life and health of consumers, where an e-commerce platform operator fails to perform the obligation of verifying the qualification of the business operator using the platform, or fails to perform the safety assurance obligation towards consumers, causing consumers to suffer damages, it shall bear the corresponding liability.

The PRC Consumer Rights and Interests Protection Law (中華人民共和國消費者權益保護法), which was promulgated by the SCNPC on October 31, 1993 and last amended on October 25, 2013 with effect from March 15, 2014, sets out the obligations of business operators and the rights and interests of the consumers. Business operators must guarantee the quality, function, usage and term of validity of the goods or services they sell or provide. The consumers whose interests have been damaged due to their purchase of goods or acceptance of services on online platforms may claim damages from the sellers or service providers. Online platform operators may be subject to liabilities if the lawful rights and interests of consumers are infringed in connection with consumers' purchase of goods or acceptance of services on online platforms and the platform operators fail to provide consumers with authentic contact information of the sellers or service providers. In addition, platform operators may be jointly and severally liable with the sellers and service providers if they are aware or should be aware that the sellers or the service providers are using the online platform to infringe upon the lawful rights and interests of consumers and fail to take measures necessary to prevent or stop this activity.

### **Regulations on Cybersecurity and Privacy Protection**

#### ***Regulations on Cybersecurity***

The Internet information in PRC is regulated from a national security standpoint. The Decision of the SCNPC on Maintaining Internet Security (全國人民代表大會常務委員會關於維護互聯網安全的決定), which was enacted by the SCNPC on December 28, 2000 and amended on August 27, 2009, specify certain types of activities conducted through the internet are subject to criminal liabilities; if such activity does not constitute a criminal offense, the



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offender shall be subject to the corresponding administrative punishment by the competent administrative department in accordance with relevant laws and regulations; and if such activity infringes the legitimate rights or interests of any other person and constitutes a tort, the offender shall bear civil liability.

On December 13, 2005, the MPS, issued the Regulations on Technological Measures for Internet Security Protection (互聯網安全保護技術措施規定) (the “Internet Protection Measures”), effective on March 1, 2006. The Internet Protection Measures requires internet service providers to take proper measures including anti-virus, data back-up and other related measures, and to keep records of certain information about their users (including user registration information, log-in and log-out time, IP address, content and time of posts by users) for at least 60 days, discover and detect illegal information, stop transmission of such information, and keep relevant records. Internet services providers are prohibited from unauthorized disclosure of users’ information to any third parties unless such disclosure is required by laws and regulations. Internet services providers are further required to establish management systems and take technological measures to safeguard the freedom and secrecy of the users’ correspondences. Under the Administrative Measures for the Multi-level Protection of Information Security (信息安全等級保護管理辦法), which was promulgated jointly by the MPS, the State Secrecy Administration and the State Cryptography Administration on June 22, 2007 and became effective on June 22, 2007, companies operating and using information systems shall protect the information systems and any system equal to or above level II as determined in accordance with these measures, a record-filing with the competent authority is required.

Moreover, pursuant to the Mobile Application Administrative Provisions, internet application providers shall strictly implement their information security management responsibilities and carry out certain duties, including establish and complete user information security protection mechanism and information content inspection and management mechanisms, protect users’ right to know and right to choose in the process of usage, and to record users’ daily information and preserve it for 60 days. Furthermore, internet application providers shall sign service agreements to determinate both sides’ rights and obligations.

According to Cybersecurity Law of the People’s Republic of China (中華人民共和國網絡安全法), which was promulgated by SCNPC on November 7, 2016 and became effective on June 1, 2017, network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures pursuant to laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data, and the network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties, and network operators

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of key information infrastructure shall store within the territory of the PRC all personal information and important data collected and produced within the territory of the PRC. The purchase of network products and services that may affect national security shall be subject to national cybersecurity review.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (中華人民共和國數據安全法), which came into effect on September 1, 2021. The Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data activities. The Data Security Law also introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. For example, a processor of important data shall designate the personnel and the management body responsible for data security, carry out risk assessments for its data processing activities and file the risk assessment reports with the competent authorities. In addition, the Data Security Law provides a national security review procedure for those data activities which may affect national security and imposes export restrictions on certain data and information. No entity or individual within the territory of the PRC may provide foreign judicial or law enforcement authorities with the data stored within the territory of the PRC without the approval of the competent PRC authorities.

On January 4, 2022, the CAC published the Revised Measures for Internet Security Review (《網絡安全審查辦法》) (the “Revised CAC Measures”), which became effective on February 15, 2022 and repealed the Measures for Internet Security Review promulgated on April 13, 2020. The Revised CAC Measures provide that a critical information infrastructure operator purchasing network products and services, and platform operators carrying out data processing activities, which affect or may affect national security, shall apply for cybersecurity review and that a platform operator with more than one million users’ personal information aiming to list abroad must apply for cybersecurity review.

On July 30, 2021, the State Council promulgated the Regulations of Security Protection for Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which went into effect on September 1, 2021. The regulations provide that, among others, critical information infrastructure, or the CIIO, means important network facilities and information systems in important industries such as public communications and information services, energy, transportation, water conservancy, finance, public services, e-government, defense technology industry and others that may seriously harm national security, national economy, people’s livelihood and public interests once damaged, disabled or its data disclosed. Operators shall, base on leveled system for cybersecurity protection, adopt technical protection measures and other necessary measures to deal with cybersecurity security events, defend against cyber-attack and criminal activities, to ensure the safe and stable operation of CIIO, maintain data integrity, confidentiality, and availability pursuant to relevant laws, regulations and the mandatory requirements of national standards. Moreover, the competent supervisory

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departments of relevant important industries abovementioned shall organize the recognition of the CIO and promptly notify the operators and Public Security Department of The State Council of the results of the identification.

In July 6, 2021, General Office of the State Council of the PRC together with another authority jointly promulgated the Opinions on Lawfully and Severely Combating Illegal Securities Activities (《關於依法從嚴打擊證券違法活動的意見》), or the Securities Activities Opinions, which called for the enhanced administration and supervision of overseas-listed China-based companies (中概股公司), proposed to revise the relevant regulation governing the overseas issuance and listing of shares by such companies and clarified the responsibilities of competent domestic industry regulators and government authorities. The Securities Activities Opinions also call for improving laws and regulations on data security, cross-border data flow and management of confidential information.

On January 4, 2022, the CAC published the Administrative Provisions on Internet Information Service Algorithm Recommendation (《互聯網信息服務算法推薦管理規定》) (the “Algorithm Recommendation Provisions”) on its website, which became effective on March 1, 2022 and raised certain new compliance requirements on internet information service providers using algorithm recommendation technology. Specifically, the Draft Algorithm Recommendation Provisions require that such service providers shall provide users with options that are not specific to their personal characteristics, or provide users with convenient options to cancel algorithmic recommendation services.

On October 29, 2021, the CAC published for public comment the Data Outbound Transfer Security Assessment Measures (數據出境安全評估辦法(徵求意見稿)) (the “Draft Security Assessment Measures”). The Draft Security Assessment Measures provide that, among others, data processors shall apply to competent authorities for security assessment when transferring important data abroad or when, in the case of a personal information processor that has processed personal information of more than one million people, transferring personal information abroad.

On November 14, 2021, the CAC published for public comment the Regulations on Cyber Data Security Management (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the “Draft Cyber Data Security Regulations”), which applies to activities relating to the use of networks to carry out data processing activities within the territory of the PRC. As of the Latest Practicable Date, the Draft Cyber Data Security Regulations were released for public comment only and its final version and effective date may be subject to change with substantial uncertainty.

### ***Regulations on Privacy Protection***

On July 16, 2013, the MIIT promulgated the Protection Provisions for the Personal Information of Telecommunications and Internet Users (電信和互聯網用戶個人信息保護規定) to regulate activities of collecting and using the personal information of users in the process of providing telecommunications services and internet information services within PRC

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territory, under which telecommunications business operators and internet information service providers are required, in the course of providing services, to collect and use the personal information of users in a lawful and proper manner by following the principle that information collection or use is necessary and responsible for the security of the personal information of users collected and used in the course of providing services. Moreover, the Mobile Application Administrative Provisions further clarify that internet application providers shall not activate functions such as collecting geographical location, reading the address book, using the camera and recording, without giving an explicit indication to and obtaining consent from users. Any violation of these laws and regulations may subject the internet information service providers to warnings, fines or even criminal liabilities.

In addition, the Office of the Central Cyberspace Affairs Commission, the MIIT, the MPS, and the SAMR jointly issued an Announcement of Launching Special Crackdown Against Illegal Collection and Use of Personal Information by Apps (關於開展App違法違規收集使用個人信息專項治理的公告) on January 23, 2019 to implement special rectification works against mobile apps that collect and use personal information in violation of applicable laws and regulations, where business operators are prohibited from collecting personal information irrelevant to their services, or forcing users to give authorization in a disguised manner. On November 28, 2019, the National Internet Information Office, the MIIT, the MPS and the SAMR further jointly issued a notice to classify and identify illegal collection and use of personal information.

According to the Civil Code (民法典), which was promulgated by the National People's Congress on May 28, 2020 and became effective on January 1, 2021, a natural person shall have the right of privacy and the personal information of a natural person shall be protected in accordance with law. Information processors shall not divulge or tamper with the personal information collected or stored by them and shall not illegally provide any natural person's personal information to others without the consent of such natural person.

Pursuant to the Notice on Promulgation of the Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications (常見類型移動互聯網應用程序必要個人信息範圍規定), which was promulgated jointly by the General Office of the CAC, the MIIT, the MPS and the SAMR on March 12, 2021 and became effective on May 1, 2021, "necessary personal information" refers to personal information necessary for ensuring the normal operation of an application's basic functional services. Specifically, it refers to the personal information of the consumers, excluding the personal information of the suppliers. Any mobile internet application shall not refuse users to use its basic functional services on the ground that users disagree to provide unnecessary personal information.

Further, the SAMR promulgated the Measures for the Supervision and Administration of Online Transactions (網絡交易監督管理辦法) on March 15, 2021, which became effective on May 1, 2021. The measures require that, among others, online transaction operators shall not

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force customers, whether or not in a disguised manner, to consent to the collection and use of information not directly related to their business activities by means of one-off general authorization, default authorization, bundling with other authorizations, or the suspension of installation and use.

On August 16, 2021, the CAC and certain other government authorities in PRC issued the Several Provisions on Car Data Security Management (for Trial) (汽車數據安全管理若干規定(試行)), which took effect on October 1, 2021. The several provisions provide that the processing of car data by car data processors shall be legal, proper, specific and clear, and shall be directly related to the design, production, sales, use, operation and maintenance of cars. Car data processors who carry out important data processing activities shall carry out risk assessments and submit risk assessment reports to the relevant government authorities.

On August 20, 2021, the Personal Information Protection Law (《個人信息保護法》) was passed by the SCNPC and went into effect on November 1, 2021. The Personal Information Protection Law requires, among others, that the processing of personal information should have a clear and reasonable purpose, and should be limited to the minimum scope necessary to achieve the processing purpose, adopt a method that has the least impact on personal rights and interests, and shall not process personal information that is not related to the processing purpose.

### **Regulations on Anti-Monopoly**

The Anti-Monopoly Law (反壟斷法) promulgated by the SCNPC on August 30, 2007, which became effective on August 1, 2008, and the Interim Provisions on the Review of Concentrations of Undertakings (經營者集中審查暫行規定) promulgated by the SAMR on October 23, 2020, which became effective on December 1, 2020, require that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the SAMR before they can be completed. Where the participation in concentration of undertakings by way of foreign-funded merger and acquisition of domestic enterprises or any other method which involves national security, the examination of concentration of undertakings shall be carried out pursuant to the provisions of this Law and examination of national security shall be carried out pursuant to the relevant provisions of the State. On October 23, 2021, the SCNPC published for public comment the Anti-monopoly Law (Revised Draft) (反壟斷法(修正草案)) (the “Draft Revised Anti-monopoly Law”), which provides, among others, that the market regulation department of the State Council shall be responsible for anti-monopoly law enforcement, and that business operators shall not abuse data, algorithms, technology, capital advantages and platform rules to exclude or limit competition. The draft also requires relevant government authorities strengthen the examination of concentration of undertakings in areas such as finance, media, science and technology, and enhances penalties for violation of the regulations regarding concentration of undertakings.

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On February 7, 2021, the Anti-monopoly Commission of the State Council (國務院反壟斷委員會) issued the Anti-Monopoly Guidelines for the Internet Platform Economy Sector (關於平台經濟領域的反壟斷指南) that specifies some of activities of internet platforms may be identified as monopolistic and concentrations of undertakings involving variable interest entities are subject to anti-monopoly scrutiny as well.

### **Regulations on Unfair Competition**

According to the Law of the People's Republic of China against Unfair Competition (中華人民共和國反不正當競爭法) (the "Anti-Unfair Competition Law") promulgated by the SCNPC on September 2, 1993 and amended on November 4, 2017 and April 23, 2019, operators shall not undermine their competitors by engaging in improper activities, including but not limited to, taking advantage of powers or influence to affect a transaction, market confusion, commercial bribery, misleading false publicity, infringement of trade secrets, illegitimate premium sale and commercial libel. Any operators who violate the Anti-Unfair Competition Law by engaging in the foregoing unfair competitive activities shall be ordered to cease such illegal activities, eliminate the influence of such activities or compensate for the damages caused to any party. The competent supervision and inspection authorities may also confiscate the illegal gains or impose fines on such operators.

### **Regulations on M&A Rules and Overseas Listings**

On August 8, 2006, six PRC regulatory agencies, including MOFCOM, State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) (the "SASAC"), the SAT, the SAMR, China Securities Regulatory Commission (中國證券監督管理委員會) (the "CSRC"), and State Administration of Foreign Exchange (國家外匯管理局) (the "SAFE"), issued the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定) (the "M&A Rules") which were effective on September 8, 2006 and amended on June 22, 2009. Foreign investors shall comply with the M&A Rules when they purchase equity interests of a domestic company or subscribe for the increased capital of a domestic company, and thus changing the nature of the domestic company into a foreign-invested enterprise; or when the foreign investors establish a foreign-invested enterprise in the PRC, purchase the assets of a domestic company and operate the assets; or when the foreign investors purchase the asset of a domestic company, establish a foreign-invested enterprise by injecting such assets and operate the assets. The M&A Rules requires in some instances that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise where any of the following situations exist: (i) the transaction involves an important industry in China, (ii) the transaction may affect national economic security, or (iii) the PRC domestic enterprise has a well-known trademark or historical Chinese trade name in China. The M&A Rules, among other things, also require that (i) PRC entities or individuals shall obtain MOFCOM approval before they establish or control an SPV overseas, provided that they intend to use the SPV to acquire their equity interests in a PRC company at the consideration of newly issued share of the SPV (the "Share Swap"), and list their equity interests in the PRC company

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overseas by listing the SPV in an overseas market; (ii) the SPV shall obtain MOFCOM's approval before it acquires the equity interests held by the PRC entities or PRC individual in the PRC company by Share Swap; and (iii) the SPV shall obtain CSRC approval before it lists overseas.

On December 24, 2021, the CSRC issued the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) (the “Draft Overseas Listing Administration Provisions”) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》) (the “Draft Overseas Listing Filing Measures”), which are open for public comments until January 23, 2022.

The Draft Overseas Listing Administration Provisions, if adopted in its current form, will comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic companies' securities, and will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime. According to the draft regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. Overseas offerings and listings that are prohibited by specific laws and regulations, constitute threat to or endanger national security, involve material ownership disputes, the PRC domestic companies, their controlling shareholder or actual controller involving in certain criminal offence, or directors, supervisors and senior management of the issuer involving in certain criminal offence or administrative penalties, among other circumstances, are explicitly forbidden. As implementation rules, the Draft Overseas Listing Filing Measures specify the filing requirement and procedures. The Draft Overseas Listing Filing Measures provide that if the issuer meets the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as indirect overseas offering by PRC domestic companies: (i) any of the revenue, net profit, total assets or net assets of the domestic companies accounted for more than 50% of the respective audited revenue, net profit, total assets or net assets of the issuer within the latest fiscal year; (ii) a majority of the officers responsible for management of the issuer are PRC citizens or have their usual place of residence located in mainland China, the issuer's main place of operation is within mainland China. It is unclear based on the Draft Overseas Listing Filing Measures whether either or both of the above criteria need to be satisfied. Where an issuer makes an application for initial public offering to competent overseas regulators, the issuer must submit to the CSRC filing documents within three working days after such application is submitted. The Draft Overseas Listing Filing Measures also require subsequent report to the CSRC on material events, such as material change in principal business and change of control.

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As of the date of this prospectus, the Draft Overseas Listing Administration Provisions and the Draft Overseas Listing Filing Measures were released for public comments only and the final version and effective date of such regulations are subject to change with substantial uncertainty.

On April 2, 2022, the CSRC issued the revised draft of the Provisions on Strengthening the Confidentiality and Archive Management Work Relating to the Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》(徵求意見稿)) for public comments, which aims to expand the applicable scope of the regulation to indirect overseas offerings and listings by PRC domestic companies and emphasize the confidentiality and archive management duties of PRC domestic companies during the process of overseas offerings and listings.

### **Regulations Relating to Foreign Exchange**

#### ***Regulation on Foreign Currency Exchange***

Pursuant to the Foreign Exchange Administration Regulations (外匯管理條例) which were promulgated by the State Council on January 29, 1996, effective on April 1, 1996 and last amended on August 5, 2008, Renminbi is freely convertible into other currencies for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside of China, unless prior approval is obtained from SAFE and prior registration with SAFE is made.

On March 30, 2015, SAFE promulgated the Circular on Reforming the Administration Measures on Conversion of Foreign Exchange Registered Capital of Foreign-invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知) (the “Circular 19”) which were effective on June 1, 2015 and amended on December 30, 2019. SAFE further promulgated the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (國家外匯管理局關於改革和規範資本項目結匯管理政策的通知) (the “Circular 16”) on June 9, 2016, which, among other things, amends certain provisions of the Circular 19. According to the Circular 19 and the Circular 16, foreign-invested enterprises are allowed to settle 100% of their foreign exchange capitals and foreign debts from foreign currency into Renminbi on a discretionary basis, and the flow and use of the Renminbi capital converted from foreign currency denominated registered capital or foreign debt of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of the Circular 19 or Circular 16 could result in administrative penalties.



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On February 13, 2015, SAFE promulgated Notice of SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) (the “Circular 13”) which became effective on June 1, 2015 and was amended on December 30, 2019. The Circular 13 delegates the authority to enforce the foreign exchange registration in connection with the inbound and outbound direct investment under relevant SAFE rules to certain banks and therefore further simplifies the foreign exchange registration procedures for inbound and outbound direct investment.

On October 23, 2019, SAFE issued Circular Regarding Further Promotion of the Facilitation of Cross-Border Trade and Investment (國家外匯管理局關於進一步促進跨境貿易投資便利化的通知), pursuant to which all foreign-invested enterprises can make domestic equity investments with their capital funds in accordance with the related laws, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.

### ***Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents***

On July 4, 2014, SAFE promulgated the Circular on Issues concerning Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles (關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) (the “Circular 37”) for the purpose of simplifying the approval process, and for the promotion of the cross-border investment. The Circular 37 supersedes the Notice on Relevant Issues on the Foreign Exchange Administration of Raising Funds through Overseas Special Purpose Vehicle and Investing Back in China by Domestic Residents (關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知), and revises and regulates the relevant matters involving foreign exchange registration for round-trip investment. Under Circular 37, (1) a resident in mainland China must register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle (an “Overseas SPV”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing; and (2) following the initial registration, PRC resident must update his or her SAFE registration when the Overseas SPV undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term, increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions).

Pursuant to Circular 13, the aforementioned registration shall be directly reviewed and handled by qualified banks, and SAFE and its branches shall perform indirect regulation over the foreign exchange registration via qualified banks.

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Failure to comply with the registration procedures set forth in the Circular 37 may result in restrictions being imposed on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliate, and may also subject relevant PRC residents to penalties under PRC foreign exchange administration regulations. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

### *Regulations on Stock Incentive Plans*

On February 15, 2012, SAFE promulgated the Notice on Foreign Exchange Administration of PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies (國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知) (the “Stock Option Rules”). According to the Stock Option Rules, individuals participating in any stock incentive plan of any overseas publicly listed company, who are Chinese citizens or foreign citizens who reside in mainland China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE or its local branches and complete certain other procedures through a domestic qualified agent, which could be a Chinese subsidiary of such overseas listed company. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the agent in mainland China is required to further amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the mainland Chinese agent or the overseas entrusted institution or other material changes. The mainland Chinese agents must, on behalf of the mainland Chinese residents who have the right to exercise the employee share options, apply to SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the mainland Chinese residents’ exercise of the employee share options. The foreign exchange proceeds received by the mainland Chinese residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas listed companies must be remitted into the bank accounts in mainland China opened by the mainland Chinese agents before distribution to such mainland Chinese residents. Under the Circular of the State Administration of Taxation on Issues Concerning Individual Income Tax in Relation to Equity Incentives (國家稅務總局關於股權激勵有關個人所得稅問題的通知) promulgated by the SAT, and effective from August 24, 2009 and amended in April 18, 2011, listed companies and their domestic organizations shall, according to the individual income tax calculation methods for “wage and salary income” and stock option income, lawfully withhold and pay individual income tax on such income.

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### **Regulation on Intellectual Property**

#### ***Copyright and Software Products***

On September 7, 1990, the SCNPC promulgated Copyright Law of the PRC (中華人民共和國著作權法) (the “Copyright Law”) which was effective on June 1, 1991 and amended on October 27, 2001 and February 26, 2010, and November 11, 2020, respectively, and the last revised version of which became effective on June 1, 2021. The Copyright Law and its related Implementing Regulations promulgated by the State Council on August 2, 2002 and last amended on January 30, 2013 and became effective on March 1, 2013, provides that Chinese citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright in their works, which refer to original intellectual achievements in the fields of literature, art and science which can be expressed in a certain form, including but not limited to written works, oral works, computer software and any other intellectual achievements which comply with the characteristics of the works. There is a voluntary registration system administered by Copyright Protection Center of China (the “CPCC”).

In order to further implement the Computer Software Protection Regulations (計算機軟件保護條例) which were promulgated by the State Council on December 20, 2001, effective on January 1, 2002 and amended on January 30, 2013, the State Copyright Bureau issued the Computer Software Copyright Registration Procedures (計算機軟件著作權登記辦法) on February 20, 2002, which applies to software copyright registration, license contract registration and transfer contract registration. The National Copyright Administration of China shall be the competent authority for the nationwide administration of software copyright registration and the CPCC is designated as the software registration authority. The CPCC shall grant registration certificates to the Computer Software Copyrights applicants which conform to the provisions of both the Software Copyright Measures and the Computer Software Protection Regulations (Revised in 2013).

Provisions of the Supreme People’s Court on Certain Issues Related to the Application of Law in the Trial of Civil Cases Involving Disputes over Infringement of the Right of Dissemination through Information Networks (最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定) provide that web players or web service providers who create works, performances or audio-video products, for which others have the right of dissemination through information networks or are available on any information network without authorization shall be deemed to have infringed upon the right of dissemination through information networks.

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### *Trademarks*

Trademarks are protected by the PRC Trademark Law (中華人民共和國商標法) promulgated by the SCNPC on August 23, 1982 and subsequently amended on February 22, 1993, October 27, 2001, August 30, 2013 and April 23, 2019 as well as the Implementation Regulation of the PRC Trademark Law (中華人民共和國商標法實施條例) promulgated by the State Council on August 3, 2002 and amended on April 29, 2014. The Trademark Office handles trademark registrations and grants a term of ten years to registered trademarks and another ten years if requested upon expiry of the first or any renewed ten-year term. Trademark registrant may license its registered trademark to another party by entering into a trademark license agreement. Trademark license agreements must be filed with the Trademark Office to be recorded. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities. The PRC Trademark Law has adopted a “first-to-file” principle with respect to trademark registration. Where a trademark for which a registration has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a “sufficient degree of reputation” through such party’s use. Trademark license agreements should be filed with the Trademark Office or its regional offices.

### *Domain Names*

Internet domain name registration and related matters were primarily regulated by the Measures on Administration of Internet Domain Names (互聯網域名管理辦法) which were promulgated by MIIT on August 24, 2017 and effective on November 1, 2017 and the Implementing Rules on the Registration of National Top-level Domain Names (國家頂級域名註冊實施細則) which were promulgated by China Internet Network Information Center and effective on June 18, 2019. Domain name owners are required to register their domain names and MIIT is in charge of the administration of PRC internet domain names. The domain name services follow a “first come, first file” principle. Applicants for registration of domain names shall provide their true, accurate and complete information of such domain names to and enter into registration agreements with domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the registration procedure.

### *Patents*

According to the Patent Law of the PRC (中華人民共和國專利法) which were promulgated by the SCNPC on December 27, 2008 and amended on October 17, 2020 and the revised version of which became effective on June 1, 2021 and its Implementation Rules (中華人民共和國專利法實施細則) which were promulgated by the State Council on January 9, 2010 and became effective on February 1, 2010, the patent administrative department of the

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State Council is responsible for administering patents in the PRC. The patent administration departments of provincial or autonomous regions or municipal governments are responsible for administering patents within their respective jurisdictions. The Patent Law of the PRC and its implementation rules provide for three types of patents, “invention,” “utility model” and “design.” Invention patents, design patents and utility model patents are valid respectively for twenty years, fifteen years and ten years, from the date of application. The Chinese patent system adopts a “first come, first file” principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who files the application first. To be patentable, invention or utility models must meet three criteria: novelty, inventiveness and practicability. A third-party player must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the use constitutes an infringement of the patent rights.

### **Regulations on Taxes**

#### ***Enterprise Income Tax***

Pursuant to the People’s Republic of China Enterprise Income Tax Law (中華人民共和國企業所得稅法) (the “EIT Law”), which was promulgated by NPC on March 16, 2007, effective on January 1, 2008 and amended by SCNPC on February 24, 2017 and December 29, 2018, and its implementing rules, last amended by the State Council on April 23, 2019, enterprises are classified into resident enterprises and non-resident enterprises. PRC resident enterprises typically pay an enterprise income tax at the rate of 25% while non-PRC resident enterprises without any branches in the PRC should pay an enterprise income tax in connection with their income from the PRC at the tax rate of 10%. According to the EIT Law, the enterprise income tax rate of a high and new technology enterprise is 15%. Pursuant to the Administrative Measures for the Recognition of High and New Technology Enterprises (高新技術企業認定管理辦法) which were promulgated by Ministry of Science and Technology of the PRC, MOF and SAT on April 14, 2008 and last amended on January 29, 2016 and came into effect on January 1, 2016, the Certificate of a High and New Technology Enterprise is valid for three years.

The Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as People’s Republic of China Tax Resident Enterprises on the Basis of De Facto Management Bodies (關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) promulgated by SAT on April 22, 2009, took effect on January 1, 2008, and amended on December 29, 2017, sets out the standards and procedures for determining whether the “de facto management body” of an enterprise registered outside of mainland China and controlled by mainland Chinese enterprises or mainland Chinese enterprise groups is located within mainland China.

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On July 27, 2011, the SAT issued a trial version of the Administrative Measures for Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (境外註冊中資控股居民企業所得稅管理辦法(試行)), which came into effect on September 1, 2011 and was last amended on June 15, 2018, to clarify certain issues in the areas of resident status determination, post-determination administration and competent tax authorities' procedures.

The EIT Law and the implementation rules provide that an income tax rate of 10% will normally be applicable to dividends payable to investors that are “non-resident enterprises,” and gains derived by such investors, which (a) do not have an establishment or place of business in the PRC or (b) have an establishment or place of business in the PRC, but the relevant income is not effectively connected with the establishment or place of business to the extent such dividends and gains are derived from sources within the PRC. Such income tax on the dividends may be reduced pursuant to a tax treaty between China and other jurisdictions. Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) (the “Double Tax Avoidance Arrangement”) promulgated by the SAT on August 21, 2006, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% upon receiving approval from in-charge tax authority. However, based on the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements (國家稅務總局關於執行稅收協定股息條款有關問題的通知) which was promulgated and effective on February 20, 2009 by the SAT, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. The Circular on Several Issues regarding the “Beneficial Owner” in Tax Treaties (關於稅收協定中“受益所有人”有關問題的公告) (the “Circular 9”) which was issued on February 3, 2018 by the SAT and effective on April 1, 2018 describes factors in favor of and factors not conducive to the determination of an applicant's status as a “beneficial owner.”

The Announcement of the State Administration of Taxation on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-resident Enterprises (國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告) (the “SAT Bulletin 7”) issued by the SAT on February 3, 2015 and last amended on December 29, 2017, extends its tax jurisdiction to transactions involving the transfer of taxable assets through offshore transfer of a foreign intermediate holding company. Pursuant to SAT Bulletin 7, where a non-resident enterprise indirectly transfers properties such as equity in PRC resident enterprises without any justifiable business purposes and aiming to avoid the payment of enterprise income tax, such indirect transfer must be reclassified as a direct transfer of equity in PRC resident enterprise. To assess whether an indirect transfer of PRC taxable properties has reasonable commercial purposes, all arrangements related to the indirect transfer must be considered comprehensively

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and factors set forth in SAT Bulletin 7 must be comprehensively analyzed in light of the actual circumstances. In addition, SAT Bulletin 7 has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market.

The Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source (國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告) (the “SAT Bulletin 37”) issued by the SAT on October 17, 2017 and amended on June 15, 2018, further clarifies the practice and procedure of the withholding of non-resident enterprise income tax.

### *Value-added Tax and Business Tax*

According to the Provisional Regulations on Value-added Tax (增值稅暫行條例) promulgated by the State Council on December 13, 1993 and amended on November 10, 2008, February 6, 2016, and November 19, 2017, and the Implementing Rules of the Provisional Regulations on Value-added Tax (增值稅暫行條例實施細則) promulgated by MOF on December 25, 1993 and amended on December 15, 2008 and October 28, 2011 (collectively, the “VAT Law”), all taxpayers selling goods, providing processing, repairing or replacement services or importing goods within the PRC shall pay value-added tax. For general VAT taxpayers selling or importing goods or selling services other than those specifically listed in the VAT Law, the value-added tax rate is 17%, which was adjusted to 13% according to the Circular of the Ministry of Finance and the State Administration of Taxation on Adjustment of Value-Added Tax Rates (財政部、稅務總局關於調整增值稅稅率的通知) promulgated jointly by the MOF and SAT on April 4, 2018 and the Announcement on Policies for Deepening the VAT Reform (關於深化增值稅改革有關政策的公告) promulgated jointly by the MOF, the SAT and the General Administration of Customs on March 20, 2019. For general VAT taxpayers selling services and intangible assets, the value-added tax rate is 6%. Furthermore, the value-added tax rate shall be 3% for small-scale taxpayers, unless otherwise stipulated by the State Council.

According to the Announcement on Tax Policies to Support Prevention and Control of COVID-19 (關於支持新型冠狀病毒感染的肺炎疫情防務有關稅收政策的公告) (the “Announcement No. 8”), which was promulgated jointly by the MOF and the SAT on February 6, 2020 and came into force since January 1, 2020, for losses incurred by enterprises in difficult industries, including transportation, catering, accommodation and tourism, seriously affected by COVID-19 in 2020, the maximum carry-forward period may be extended from five years to eight years. The main business income of enterprises in difficult industries shall account for more than 50% of their total income (excluding non-taxable income and investment income) in 2020. The MOF and the SAT further issued the Announcement on Continued Implementation of Some Preferential Tax/Fee Policies for Responding to COVID-19 (關於延續實施應對疫情部分稅費優惠政策的公告) on March 17, 2021, to extend the implementation period of the Announcement No. 8 to March 31, 2021.

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### *Regulations Relating to Dividend Withholding Tax*

Pursuant to the EIT Law and its implementation rules, if a non-resident enterprise has not set up an organization or establishment in the PRC, or has set up an organization or establishment in the PRC but the income derived has no actual connection with such organization or establishment in the PRC, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. Pursuant to the Double Tax Avoidance Arrangement, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements (國家稅務總局關於執行稅收協定股息條款有關問題的通知) (the “Circular 81”) if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. The SAT issued the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (國家稅務總局關於發佈<非居民納稅人享受協定待遇管理辦法>的公告) (the “SAT Circular 35”) on October 14, 2019, which became effective on January 1, 2020 and further simplified the procedures for enjoying treaty benefits. According to the SAT Circular 35, no approvals from the tax authorities are required for a non-resident taxpayer to enjoy treaty benefits, where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through the withholding agent, but it shall gather and retain the relevant materials as required for future inspection, and accept follow-up administration by the tax authorities. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. According to the Circular 9, when determining the applicant’s status of the “beneficial owner” regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of its income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. The Circular 9 further provides that applicants who intend to prove his or her status of the “beneficial owner” shall submit the relevant documents to the relevant tax bureau according to the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under Tax Treaties.



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### Regulations Relating to Employment and Social Welfare

#### *The Labor Contract Law*

Pursuant to the PRC Labor Law (中華人民共和國勞動法) which was promulgated by the SCNPC on July 5, 1994, effective on January 1, 1995 and amended on August 27, 2009 and December 29, 2018, the PRC Labor Contract Law (中華人民共和國勞動合同法) which was promulgated by the SCNPC on June 29, 2007, effective on January 1, 2008 and amended on December 28, 2012, and the Implementing Regulations of the Employment Contracts Law (中華人民共和國勞動合同法實施條例) which were promulgated by the State Council and effective on September 18, 2008, labor relationships between employers and employees must be executed in written form. Wages may not be lower than the local minimum wage. Employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant education to its employees. Employees are also required to work in safe and sanitary conditions.

#### *Labor Protection*

On July 16, 2021, the Ministry of Human Resources and Social Security, the NDRC, the MOT together with other government authorities jointly promulgated Guiding Opinions on Protecting the Rights and Interests of Labors in New Forms of Employment (《關於維護新就業形態勞動者勞動保障權益的指導意見》), which require platform enterprises adopting labor outsourcing and other cooperative labor methods undertake corresponding responsibilities in accordance with laws and regulations when workers' rights and interests are damaged. Furthermore, the guiding opinions call for organizing and launching pilot programs for occupational injury protection of flexible employment personnel, with a focus on platform enterprises in industries such as travel, takeout, instant delivery and intra-city freight.

On October 11, 2021, 16 governmental departments in the PRC jointly issued the Opinion on Strengthening the Protection of the Rights and Interests of Freight Drivers (《關於加強貨車司機權益保障工作的意見》) (the "Freight Drivers Opinion"), which provides, among others, that the authorities will strengthen the regulation of online freight platforms and urge online platforms to listen to the opinions of platform drivers, reasonably determine and adjust platform rules, and disclose such rules publicly. The Freight Drivers Opinion further encourages freight drivers to participate in social insurance schemes and supports intra-city freight platforms to join occupational injury insurance pilot schemes.

On November 17, 2021, the MOT together with certain other PRC government authorities jointly promulgated the Opinion on Strengthening the Protection of the Rights and Interests of New Forms of Transportation (《關於加強交通運輸新業態從業人員權益保障工作的意見》) (the "New Forms of Transportation Opinion"), which mainly apply to entities engaged in online ride hailing services. With respect to other enterprises of new forms of transportation, the New Forms of Transportation Opinion encourages them to strengthen humanistic care for workers and establish a reward system for excellent workers and to clearly inform workers of relevant rights and obligations and relevant laws and policies on labor security. In addition, the

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New Forms of Transportation Opinion provides that illegal practices such as dumping at low prices, “big data-enabled price discrimination against existing customers” and induced fraud shall be subject to vigorous investigation.

### *Social Insurance and Housing Fund*

Under PRC laws, rules and regulations, including the Social Insurance Law (中華人民共和國社會保險法) which was promulgated by the State Council on October 28, 2010, effective on July 1, 2011 and amended on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Security Funds (社會保險費徵繳暫行條例) which were promulgated by the State Council and effective on January 22, 1999 and amended on March 24, 2019, and the Regulations on the Administration of Housing Accumulation Funds (住房公積金管理條例) which were promulgated by the State Council, effective on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance and housing accumulation funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the deficit amount.

According to the Notice on the Reduction or Exemption of Enterprises’ Social Security Contributions in Phases (關於階段性減免企業社會保險費的通知) jointly promulgated by the Ministry of Human Resources and Social Security of the PRC, the MOF and the SAT on February 20, 2020, with effect from February 2020, with certain exceptions, based on the epidemic impact and the fund threshold, small, medium and micro enterprises and the enterprises in Hubei may be exempted from contributions to the basic pension insurance, unemployment insurance, and work injury insurance, with the exemption period not exceed five months; and contributions to such three social security contribution items by other social security participating organizations (excluding State agencies and institutions) such as large enterprises may be reduced by 50%, with the reduction period not to exceed three months.

On June 22, 2020, the Ministry of Human Resources and Social Security of the PRC, the MOF and the SAT jointly promulgated the Notice on Issues Concerning Extending the Period for Implementing Policies of Temporary Relief of Social Insurance Contributions for Enterprises (關於延長階段性減免企業社會保險費政策實施期限等問題的通知) as a follow-up notice regarding the reduction or exemption of enterprises’ social security contributions. This notice provides that, among other things, the exemption period for small, medium and micro enterprises to contribute to the basic pension insurance, unemployment insurance, and work injury insurance shall last till the end of December 2020 and the reduction period for the large enterprises (excluding State agencies and institutions) to contribute to the basic pension insurance, unemployment insurance, and work injury insurance outside Hubei shall last till the end of June 2020 while the exemption period for the large enterprises within Hubei to contribute to the basic pension insurance, unemployment insurance, and work injury insurance shall last till the end of June 2020. The enterprises with serious difficulties in production and operation due to COVID-19 may continue to postpone the payment of social insurance

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premiums until the end of December 2020, and there will be no overdue fine during the period of suspension. Each province can continue to implement the 2019 standard of lower limit of individual payment base for social insurance in 2020, and the upper limit of individual payment base shall be adjusted normally according to relevant regulations.

On February 21, 2020, the Ministry of Housing and Urban-Rural Development of the PRC, the MOF and PBOC jointly promulgated the Notice on Implementing the Phased Support Policies Involving Housing Provident Funds to Properly Cope with the COVID-19 (關於妥善應對新冠肺炎疫情實施住房公積金階段性支持政策的通知), which provides that, among other things, an enterprise affected by COVID-19 may apply for postponing contribution to the housing provident funds by June 30, 2020, in accordance with the relevant provisions, the contribution period will be counted on a continuous basis during the postponing period, and the normal withdrawal and application for housing provident funds loans by employees will not be affected, and in regions with identified serious COVID-19, enterprises may voluntarily contribute to the housing provident funds by June 30, 2020, on the premise of full consultation with their employees. In the event that the contribution continues, enterprises may determine the contribution ratio at their discretion; in the event of suspension of contribution, the contribution period shall continue to run and the normal withdrawal of housing provident funds by the employees and their application for housing provident funds loans will not be affected.

### **LAWS AND REGULATIONS IN RELATION TO OUR BUSINESS IN HONG KONG**

#### ***Business Registration Ordinance***

Every person, (a company or individual), who carries on a business in Hong Kong is required under the Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) to apply for a business registration certificate from the Inland Revenue Department within one month from the date of commencement of the business, and to display a valid business registration certificate at the place of business. Business registration does not serve to regulate business activities and it is not a licence to trade. Business registration serves to notify the Inland Revenue Department of the establishment of a business in Hong Kong. Business registration certificate will be issued on submission of the necessary document(s) together with payment of the relevant fee. A business registration certificate is renewable every year or every three years (if business operators elect for issuance of business registration certificate that is valid for three years). Any person who fails to apply for business registration shall be guilty of an offence and shall be liable to a fine of HK\$5,000 and to imprisonment for one year.

#### ***Factories and Industrial Undertakings Ordinance***

The Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong) (the “FIUO”) imposes general duties on proprietors of and persons employed at industrial undertakings, including without limitation cargo and container handling undertakings, factories and other industrial workplaces, to ensure health and safety at work in such undertakings. Proprietor includes any person, body corporate, a firm, an occupier and the agent of such an occupier having the management or control of the business carried on in an

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industrial undertaking for the time being. Section 6A(1) of the FIUO provides that “*It shall be the duty of every proprietor of an industrial undertaking to ensure, so far as is reasonably practicable, the health and safety at work of all persons employed by him at the industrial undertaking*”. Contravention of such duty is an offence and is liable to a fine of HK\$500,000. A proprietor willfully contravene with the duty imposed by section 6A(1) without reasonable excuse commits an offence and is liable to a fine of HK\$500,000 and to imprisonment for 6 months. There are 30 sets of subsidiary regulations under the FIUO, covering various aspects of hazardous work activities in various workplaces, containing detailed health and safety standards on work situations, plant and machinery, processes and substances.

Under the FIUO, there are over 30 sets of subsidiary regulations covering various aspects of hazardous work activities in factories, building and engineering construction sites, catering establishments, cargo and container handling undertakings and other industrial workplaces. The subsidiary regulations prescribe detailed safety and health standards on work situations, plant and machinery, processes and substances.

### ***Occupational Safety and Health Ordinance***

The Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) (the “OSHO”) provides for the safety and health protection to employees in workplace, both industrial and non-industrial. Under section 6 of the OSHO, every employer must, so far as reasonably practicable, ensure the safety and health at work of all the employer’s employees by:

- providing and maintaining plant and systems of work that are safe and without risks to health;
- making arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant and substances;
- providing information, instruction, training and supervision as may be necessary to ensure the safety and health at work of the employees;
- as regards any workplace under the employer’s control, maintaining the workplace in a condition that is safe and without risks to health or providing or maintaining means of access to and egress from the workplace that are safe and without any such risks; and
- providing or maintaining a working environment for the employees that is safe and without risks to health.

Failure to comply with the above provisions constitutes an offence and the employer is liable on conviction to a fine of HK\$200,000. An employer who fails to do so intentionally, knowingly or recklessly commits an offence and is liable on conviction to a fine of HK\$200,000 and to imprisonment for six months.

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The Commissioner for Labour may serve an improvement notice on an employer against contravention of the OSHO or the FIUO, or a suspension notice against activity or condition or use of workplace or of any plant or substance located on the workplace which may create an imminent risk of death or serious bodily injury to the employees. Failure to comply with a requirement of an improvement notice or contravenes a suspension notice without reasonable excuse constitutes an offence and the employer is liable on conviction to a fine of HK\$200,000 and HK\$500,000, respectively, and to imprisonment for 12 months.

### *Occupiers Liability Ordinance*

The Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong) regulates the obligations of a person occupying or having control of premises on injury resulting to persons or damage caused to goods or other property lawfully on the land. The Occupiers Liability Ordinance imposes a common duty of care on an occupier of premises to take such care as in all the circumstances of the case is reasonable to see that the visitors will be reasonably safe in using the premises for the purposes for which he is invited or permitted by the occupier to be there.

### *Employment Ordinance*

The Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (the “EO”) regulates the general conditions of employment and matters connected therein in Hong Kong. It provides for various employment-related benefits and entitlements to employees. All employees covered by the EO, irrespective of their hours of work, are entitled to protection including payment of wages, restrictions on wages deductions and the granting of statutory holidays. Employees who are employed under a continuous contract are further entitled to such benefits as rest days, paid annual leave, sickness allowance, severance payment and long service payment.

### *Employees’ Compensation Ordinance*

The Employee’s Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) (the “ECO”) establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or deaths caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases. Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, an employee who suffers incapacity or dies arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents.

According to section 40 of the ECO, all employers are required to take out insurance policy to cover their liabilities both under the ECO and at common law for injuries at work in respect of all employees (including full-time and part-time employees) for an amount not less than the applicable amount specified under the ECO. An employer who fails to comply with

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the ECO to secure an insurance cover is liable on conviction upon indictment to a fine at level 6 (currently at HK\$100,000) and to imprisonment for two years, and on summary conviction to a fine at level 6 (currently at HK\$100,000) and to imprisonment for one year.

### ***Minimum Wage Ordinance***

The Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) (the “MWO”) provides for a prescribed minimum hourly wage rate (currently set at HK\$37.5 per hour) during the wage period for every employee engaged under a contract of employment under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (except those specified under section 7 of the MWO). A provision of a contract of employment that purports to extinguish or reduce any right, benefit or protection conferred on the employee by the MWO is void.

### ***Mandatory Provident Fund Schemes Ordinance***

The Mandatory Provident Fund Scheme Ordinance (Chapter 485 of the Laws of Hong Kong) (the “MPFSO”) provides for, *inter alia*, the establishment of a system of privately managed, employment related mandatory provident fund schemes for members of the workforce to accrue financial benefits for retirement. Subject to the minimum and maximum relevant income levels, it is mandatory for both employers and their employees to contribute 5% of the employee’s relevant income to the mandatory provident fund scheme. Currently, the minimum and maximum relevant income levels for employees who are paid monthly are HK\$7,100 and HK\$30,000 respectively. Further, employers are obliged to enroll their employees aged 18 to 65 to a Mandatory Provident Fund Scheme within 60 days of his or her employment.

### ***Inland Revenue Ordinance***

As our Group carry out business in Hong Kong, we are subject to the profits tax regime under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “IRO”). The IRO is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The IRO provides, among others, that persons, which include corporations, partnerships, trustees and bodies of person, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business. As at the Latest Practicable Date, the standard profits tax rate for corporations was at 8.25% on assessable profits up to HK\$2,000,000; and 16.5% on any part of assessable profits over HK\$2,000,000. The IRO also contains provisions relating to, among others, permissible deductions for outgoings and expenses, set-offs for losses and allowances for depreciation.

### ***Personal Data (Privacy) Ordinance***

Section 4 of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the “PDPO”) states that any person who controls the collection, holding, processing or use of the personal data (the “data user”) shall not do any act, or engage in a practice, that

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contravenes any of the data protection principles set out in Schedule 1 to the PDPO (the “Data Protection Principles”) unless the act or practice, as the case may be, is required or permitted under the PDPO. Personal data means any data (a) relating directly or indirectly to a living individual; (b) from which it is practicable for the identity of the individual to be directly or indirectly ascertained; and (c) in a form in which access to or processing of the data is practicable.

We may collect the personal data of shippers in the course of our business. Hence, we are required to comply with the Data Protection Principles. The Data Protection Principles set out that (1) personal data must be collected in a lawful and fair way, for a purpose directly related to a function or activity of the data user. Data subjects must be notified of the purpose for which the data is to be used for and the classes of persons to whom the data may be transferred. Data collected should be adequate but not excessive; (2) personal data must be accurate and should not be kept for a period longer than necessary for the fulfilment of the purpose for which the data is or is to be used; (3) personal data must be used for the purpose for which the data is collected or for a directly related purpose unless voluntary and explicit consent with a new purpose is obtained from the data subject; (4) a data user shall take practicable steps to safeguard any personal data held against unauthorised or accidental access, processing, erasure, loss or use; (5) a data user shall take practicable steps to ensure that its policies and practices in relation to personal data, the kind of personal data it holds and the main purposes for which the personal data is or is to be used for are made known to the public; and (6) a data subject shall be entitled to request access to personal data and must be allowed to correct the personal data if it is inaccurate.

In the event of non-compliance with any of the principles above, the Privacy Commissioner for Personal Data may serve an enforcement notice on the data user, directing the data user to remedy the contravention and, where applicable, prevent any recurrence of the contravention. Section 50A of the PDPO states that a data user who contravenes an enforcement notice commits an offence and shall be liable to a fine of HK\$50,000 and to imprisonment for two years, and to a daily penalty of HK\$1,000 if the contravention continues after the conviction.

The PDPO further criminalises misuse or inappropriate use of personal data in directing marketing activities under Part VIA of the PDPO, non-compliance with data access request under section 19 of the PDPO, and unauthorised disclosure of personal data collected without consent from data users under section 64 of the PDPO.

An individual who suffers damage, including injured feelings, by reason of contravention of the PDPO in relation to his or her personal data, may seek damages from the data user concerned in civil proceedings.

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### LAWS AND REGULATIONS IN RELATION TO OUR BUSINESS IN SINGAPORE

#### Laws and Regulations Relating to Employment and Labour Protection

##### *Employment Act (Chapter 91) of the Statutes of the Republic of Singapore (“Employment Act”)*

The Employment Act is the main legislation governing employment in Singapore, and is administered by the Ministry of Manpower (“MOM”). The Employment Act sets out the basic terms and conditions of employment, and the respective rights and responsibilities of employers and employees covered under the Employment Act. The Employment Act covers every employee who is under a contract of service with an employer, except for domestic workers, seafarers and any person belonging to any other class of persons whom the MOM may declare not to be employees for the purposes of the Employment Act.

Part IV of the Employment Act, which applies only to (i) workmen earning basic monthly salaries of not more than S\$4,500 and (ii) employees (other than workmen or persons employed in managerial or executive positions) earning basic monthly salaries of not more than S\$2,600, sets out requirements relating to, amongst others, working hours, overtime, rest days, payment of retrenchment benefit, priority of retirement benefit, annual wage supplement and other conditions of work or service. Any employer who contravenes Part IV of the Employment Act shall be guilty of an offence and liable on conviction to a fine not exceeding S\$5,000, and for a second or subsequent offence to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both.

##### *Employment of Foreign Manpower Act (Chapter 91A) of the Statutes of the Republic of Singapore (“EFMA”)*

The employment of foreign employees in Singapore is governed by the EFMA. The EFMA is also administered by the MOM. Under Section 5(1) of the EFMA, no person shall employ a foreign employee in Singapore unless he has obtained in respect of the foreign employee a valid work pass from the MOM in accordance with the regulations prescribed pursuant to the EFMA, including the Employment of Foreign Manpower (Work Passes) Regulations 2012 (the “EFMR”). Work passes include, amongst others, Employment Pass, S Pass and Work Permits.

Our Group is considered to fall under the “services” sector. The availability of the foreign workers to the services industry is dependent on, amongst others, the policies of MOM in connection with (i) the countries from which foreign workers may be sourced; (ii) the requirements and procedures for the issue of work permits; (iii) entry approvals and travel restrictions subject to the approval of the Immigration and Checkpoints Authority during COVID-19; (iv) the imposition of security bonds and levies; and (v) the dependency ratio ceiling determined based on the ratio of local to foreign workers.



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As at the Latest Practicable Date, our Group is not in breach of any law or regulation in relation to the employment of foreign employees in Singapore.

***Work Injury Compensation Act (No. 27 of 2019) of the Statutes of the Republic of Singapore (“WICA”)***

The WICA applies to all employees in all industries engaged under a contract of service (save for certain limited exceptions) and provides *inter alia* that the employer shall be liable to pay compensation in accordance with the provisions of the WICA, if personal injury by accident is caused to an employee arising out of and in the course of the employment. Employers are also required to maintain work injury compensation insurance for all employees doing manual work regardless of salary level, and for all employees doing non-manual work and earning S\$2,600 or less a month who are engaged under contracts of service (unless waived by the Minister by notification in the *Gazette*).

During the Track Record Period and up till the Latest Practicable Date, our Group has maintained the relevant work injury compensation insurance policies.

***Workplace Safety and Health Act (Chapter 354A) of the Statutes of the Republic of Singapore (“WSHA”)***

The WSHA, which is under the purview of the MOM, requires every employer to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of its employees at work.

Sections 20 and 50 of the WSHA provide that a person who breaches any duty imposed on him under the WSHA shall be guilty of an offence and where applicable, shall be liable on conviction: (a) in the case of a natural person, to a fine not exceeding S\$200,000 or to imprisonment for a term not exceeding 2 years or to both; and (b) in the case of a body corporate, to a fine not exceeding S\$500,000.

During the Track Record Period and up till the Latest Practicable Date, our Group has not been found to be in breach of the WSHA.

***Central Provident Fund Act (Chapter 36) of the Statutes of the Republic of Singapore (“CPF Act”)***

The CPF Act governs the monthly contributions made by every employer and employee into the Central Provident Fund (“CPF”). The CPF Act is administered by the CPF Board, a statutory board operating under the MOM. CPF is a mandatory social security savings scheme funded by contributions from employers and employees for working Singapore citizens and Singapore permanent residents. CPF contributions are due at the end of the month and

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employers have a grace period of 14 days to pay. From 1 January 2016, employer's contribution rates for private sector employees varies between 7.5% and 17% of the employee's wage, depending on, amongst others, the amount of monthly wages and the age of the employee.

Our Group has paid all the monthly CPF contributions to all eligible employees as prescribed by the CPF Board during the Track Record Period and up till the Latest Practicable Date.

### **General Laws and Regulations in Singapore**

#### ***Personal Data Protection Act 2012 (No. 26 of 2012) of the Statutes of the Republic of Singapore ("PDPA")***

The PDPA governs the collection, use and disclosure of individuals' personal data by organisations. An organisation is required to comply, among others, with the following obligations: (a) obtain the consent of the individual before collecting, using or disclosing his personal data, save in situations required and authorised under the PDPA or any other written law; (b) notify the individual of the purpose(s) for which it intends to collect, use or disclose the individual's personal data on or before such collection, use or disclosure of the personal data; (c) protect personal data in its possession or under its control by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks; and (d) develop and implement the necessary policies and practices in order to meet its obligations under the PDPA and make information about its policies and practices available on request.

If an organisation is found to be in breach of the PDPA, the Personal Data Protection Commission may require the organisation to (i) stop collecting, using or disclosing personal data in contravention of the PDPA; (ii) destroy personal data collected in contravention of the PDPA; (iii) provide access to or correct the personal data; and/or (iv) pay a financial penalty of an amount not exceeding S\$1 million.

#### ***Laws and Regulations Relating to Companies in Singapore***

The Companies Act (Chapter 50) of Singapore generally governs, amongst others, matters relating to the status, power and capacity of a company, shares and share capital of a company (which includes issuances of new shares (including preference shares), treasury shares, share buybacks, redemption, share capital reduction, declaration of dividends, financial assistance, directors and officers and shareholders of a company (including meetings and proceedings of directors and shareholders, dealings between such persons and the company), protection of minority shareholders' rights, accounts, arrangements, reconstructions and amalgamations. Members of a company are also subject to, and bound by the provisions in its constitution (or memorandum and articles of association for companies which are incorporated before 3 January 2016).

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### **Singapore Taxation**

#### ***Corporate Tax***

The prevailing corporate tax rate in Singapore is 17% with effect from Year of Assessment 2010. In addition, the partial tax exemption scheme for Year of Assessment 2019 and before applies on the first S\$300,000 of normal chargeable income, and specifically 75% of up to the first S\$10,000 of a company's normal chargeable income, and 50% of up to the next S\$290,000 is exempt from corporate tax. Starting from Year of Assessment 2020, the partial tax exemption scheme applies on the first \$200,000 of a company's normal chargeable income, and specifically 75% of up to the first S\$10,000 of a company's normal chargeable income, and 50% of up to the next S\$190,000 is exempt from corporate tax. The remaining chargeable income (after the partial tax exemption) will be taxed at 17%. For the Years of Assessment 2018, 2019, and 2020, companies will be granted a corporate income tax rebate of 40%, 20%, and 25% respectively of the tax payable for the year, subject to a cap of S\$15,000, S\$10,000, and S\$15,000 respectively per year of assessment.

#### ***Dividend distributions***

Singapore adopts the one-tier corporate tax system. Under the one-tier corporate tax system, the tax collected from corporate profits is a final tax and the after-tax profits of the company resident in Singapore can be distributed to the shareholders as tax-exempt dividends. Such dividends are tax-exempt in the hands of the shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders. Foreign shareholders are advised to consult their own tax advisers to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

#### ***Goods and Services Tax***

Goods and Services Tax in Singapore is a consumption tax that is levied on import of goods into Singapore, as well as nearly all supplies of goods and services in Singapore at a prevailing rate of 7%.

### **Laws and Regulations affecting Business Operations in light of COVID-19**

#### ***COVID-19 (Temporary Measures) Act 2020 of the Statutes of the Republic of Singapore (“COVID-19 Act”)***

The COVID-19 Act was passed by Parliament on 7 April 2020 to provide temporary measures to deal expediently with matters relating to the COVID-19 pandemic. Under Section 34 of the COVID-19 Act, the Minister of Health may make control orders to prevent, protect,

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delay, or otherwise control the incidence or transmission of COVID-19 in Singapore. A control order may, amongst others, make provisions to (i) close and/or limit access to the premises or facility used to carry out any business, undertaking or work; or (ii) restrict the time, manner or extent for the carrying out of any business, undertaking or work, including prescribing restrictions on the maximum number of people, opening hours or facilities provided.

A control order remains in force until its expiry, revocation or the date the COVID-19 Act ceases to be in force. Under Section 35 of the COVID-19 Act, if a body corporate, without reasonable excuse, refuses or fails to comply with an enforcement order given by an enforcement officer, it shall be liable on conviction to a fine not exceeding SGD 10,000 or to imprisonment for a term not exceeding 6 months or to both; or in the case of a second or subsequent offence, to a fine not exceeding SGD 20,000 or to imprisonment for a term not exceeding 12 months or to both.

### **LAWS AND REGULATIONS IN RELATION TO OUR BUSINESS IN THE REPUBLIC OF KOREA**

#### **Regulations on Foreign Investment**

The Republic of Korea (“ROK”) Foreign Investment Promotion Act (the “FIPA”) was legislated in 1998 to promote foreign investment in ROK by providing necessary support and benefit and to contribute to the sound development of the nation’s economy.

According to the FIPA, a foreign investor or a foreign-invested company that falls under any of the following (including cases falling under any of the following due to capital increase) shall file for registration as a foreign-invested company, : (i) where he, she, or it has completed payment for the object of investment, (ii) where he, she, or it has completed the acquisition of stocks of Korean corporation or enterprise, (iii) where he, she, or it has completed contribution to certain non-profit Korean corporation. A person who intends to file for registration of a foreign-capital-invested company shall submit an application in the form required by the Presidential Decree and Enforcement Rules of the FIPA and other necessary documents, to the President of the Korea Trade-Investment Promotion Agency or to the head of a foreign exchange bank. Where a registration or registration of modification meets the legal requirements, the head of a foreign exchange bank shall issue a certificate of registration of the foreign-capital-invested company.

Registered foreign-invested company shall not engage in (i) running a business in which foreign investment is restricted under the FIPA, in excess of the allowed limit, and (ii) acquiring stocks of any third domestic company that runs a business in which foreign investment is restricted under the FIPA, in excess of the allowed limit, except in certain cases meeting the criteria prescribed by the Presidential Decree of the FIPA, e.g. when the foreign investment ratio is less than 10/100. Also, registered foreign-invested company or foreign investor shall not use investment funds for any purpose other than the reported or permitted purpose, or transfer or lend the registration certificate of the relevant foreign-invested company to any third person.

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### **Regulations on On-line (mail-ordering) Business**

The ROK Act on the Consumer Protection in Electronic Commerce, etc. (the “ACPEC”) was enacted in 2002 to protect the rights and interests of consumers and enhance market confidence by prescribing matters relating to the fair trade of goods or services by means of electronic commerce transactions, mail orders, etc., thereby contributing to the sound development of the national economy.

Under the ACPEC, “mail order” means selling goods or services by providing information on the sale of goods, etc. (including the right to use a specific facility or to be provided with services) and receiving a consumer’s order by means of mail, telecommunications or other methods. Provided, that sales by telemarketing as defined in the Act on Door-to-Door Sales, etc. shall be excluded from the scope of mail orders. “Mail order distributor” means a person who is engaged in mail order or a person who conducts the mail order business in accordance with a contract with the former, and “mail order brokerage” means the act of intermediating a mail order between both parties to a transaction by allowing the use of a cybermall (referring to a virtual shopping mall established to transact goods, etc. using computers, etc. and information communications facilities), or by other methods.

In accordance with the ACPEC, “mail order distributor” shall file a report on trade name, e-mail address, Internet domain name, location of host server computers, and other matters prescribed in the Presidential Decree of the ACPEC to the Fair Trade Commission, the Metropolitan Autonomous City Mayor, the Special Self-Governing Province Governor, or the head of a Si/Gun/Gu. Provided, that this shall not apply where the frequency, scale, etc. of mail order transactions fall short of certain criteria publicly notified by the Fair Trade Commission. If “mail order distributor” intends to make changes to the matters reported which are mentioned above, he/she shall report thereon, as prescribed by Presidential Decree of the ACPEC. The Fair Trade Commission may disclose the information on the mail order distributor who has filed a report pursuant to the ACPEC.

### **Regulations on Trucking Transportation Business**

The ROK Trucking Transport Business Act (the “TTBA”) was legislated in 1997 and enacted in 1998 to contribute to the betterment of public welfare by facilitating the efficient management and sound growth of trucking transport business for smooth transportation of cargo.

Regarding our transportation brokerage and agency business, freight brokerage business, and small freight delivery business, the term “freight forwarding business” under the TTBA means the business of acting in the capacity of a commercial broker or agent for contracting for transportation of cargo for consideration in response to a request from a third person or business that engages in the transportation of cargo in its own name and on its own account by means of trucking owned by a person who engages in a trucking transport service or franchise trucking business (including the business of additionally providing incidental services, such as packaging and storage, where cargo consists of packages for moving).

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Under the TTBA, any person who intends to operate freight forwarding business in ROK shall obtain permission from the Minister of Land, Infrastructure and Transport, as prescribed by related laws and regulations. The prerequisites for permission for freight forwarding business are as follows: (i) the business shall satisfy the supply standards publicly notified by the Minister of Land, Infrastructure and Transport, based upon demands for brokerage in transportation of cargo, (ii) the space of its office and other matters shall meet the standards prescribed by Ordinance of the Ministry of Land, Infrastructure and Transport.

### **Regulations on Location-Based Service Business**

The ROK Act on the Protection, Use, etc. of Location Information (the “APULI”) is legislated in 2005 to protect privacy from the divulging, abuse, and misuse of location information and to provide a safe environment for using location information, and to activate the use of location information, thus contributing to the improvement of people’s standard of living and the promotion of public welfare.

The term “location information” under the APULI means information about a place where a portable object or an individual exists or has existed at a certain time, which is collected using telecommunications equipment facilities or telecommunications line equipment and facilities. Regarding our business in ROK, the term “location-based service business” means engaging in the business of providing services based on location information.

According to the APULI, any person who intends to engage in location-based service business (excluding location-based service business not handling personal location information) shall report, to the Korea Communications Commission, his or her trade name, the principal place of business, the type of business, and main business facilities, including location information systems, etc., as prescribed by the Presidential Decree of the APULI. Upon receiving the required report above, the Korea Communications Commission shall review and accept the report if it meets the requirements of the APULI.

A person who has reported his/her location-based service business in accordance with related provisions under the APULI shall disclose to the public, details of the services that the person intends to provide and fee rates, terms and conditions, etc. regarding collecting, using and providing location information by posting such terms and conditions on the person’s website or by any of other feasible methods so that subjects of personal location information and users of the location-based service business can easily access such terms and conditions at any time. The person shall disclose grounds for and details of any intended amendment to such terms and conditions by any of other feasible methods, when the person intends to amend the terms and conditions; and shall take measures to ensure that the amended terms and conditions can be easily noticed. If the Korea Communications Commission deems that the terms and conditions of the person are likely to compromise personal location information, fair competition, or public interest, it may order such person to revise such terms and conditions.

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Pursuant to the APULI, a person who does location-based service business shall take managerial measures, such as establishing guidelines on processing and management of location information to prevent the divulging, alteration, impairment, etc. of location information or designating those with authorized access, and take technical measures, such as installing a firewall or using encryption software. Also, the person shall not divulge, alter, impair, or disclose any location information acquired in the course of performing their duties.

A person who does location-based service business shall also abide by provisions and regulations prescribed in the APULI regarding the collecting, using, or providing (personal) location information of Subjects of (personal) location information.

### **Regulations on General Business Registration**

In order to manage our business in ROK, the Corporate Tax Act (the “CTA”) and other laws and regulations regarding Corporate Tax shall be complied. Representatively, legal requirements such as business registration under the CTA shall be fulfilled; Under the CTA, a corporation starting new business shall file for registration of such new business with the head of the tax office having jurisdiction over the place of tax payment. A business operator who has registered his/her business under the ROK Value-Added Tax Act shall be deemed registered the relevant business under the CTA.

## **LAWS AND REGULATIONS IN RELATION TO OUR BUSINESS IN INDIA**

### **Regulations on Foreign Investment**

Foreign investment in India is governed by the provisions of FEMA Non-Debt Instruments Rules, 2019 along with the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

Investments can be made by non-residents in the equity shares/fully, compulsorily and mandatorily convertible debentures/fully, compulsorily and mandatorily convertible preference shares of an Indian company, through the Automatic Route or the Government Route. Under the Automatic Route, the non-resident investor or the Indian company does not require any approval from Government of India for the investment. Under the Government Route, prior approval of the Government of India is required. Proposals for foreign investment under Government Route, are considered by respective Administrative Ministry/Department.

Foreign direct investment to the extent of 100% (one hundred percent) is permitted under the Automatic Route in companies engaged in service activities incidental to land transportation. However, an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route.

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### **Regulations on Road Transport**

#### ***The Carriage by Road Act, 2007 (the “Road Carriage Act”)***

The Road Carriage Act, and the rules framed thereunder, have been enacted for regulating common carriers, limiting their liability and declaration of value of goods delivered to determine their liability for loss of, or damage to, such goods occasioned by the negligence or criminal acts by such carriers, their servants or agents and for incidental matters. The Road Carriage Act defines a “common carrier” as a person engaged in the business of collecting, storing, forwarding or distributing goods to be carried by goods carriages under a goods receipt or transporting for hire of goods from place to place by motorized transport on road, and includes a goods booking company, contractor, agent, broker, and courier agency engaged in the door-to-door transportation of documents, goods or articles utilizing the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles, but does not include the Government of India. No person can engage in the business of a common carrier unless he has a valid certificate of registration. As per the Carriage by Road Rules, 2011, the liability of a common carrier for loss or damage to any consignment is limited to 10 times of the freight paid, or payable, provided such amount shall not exceed the value of the goods declared in the goods forwarding note.

### **Regulations on Information Technology and Data Protection**

#### ***The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder***

The IT Act seeks to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) creates a mechanism for the authentication of electronic documentation through digital signatures.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, (“DoIT”) Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”) which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.



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### ***Data Privacy Bill, 2019 (“Privacy Bill”)***

The Privacy Bill, which proposes to supersede the Information Technology Act, 2000 deals with the provisions relating to compensation payable by companies for failure to protect personal data. The Bill also establishes a Data Protection Authority of India. Currently, the Bill categorizes two kinds of data, (a) “Personal Data” data about or relating to a natural person who is directly or indirectly identifiable, having regard to any characteristic, trait, attribute or any other feature of the identity of such natural person, whether online or offline, or any combination of such features with any other information, and shall include any inference drawn from such data for the purpose of profiling; and (b) “Sensitive Personal Data” includes such personal data, which may, reveal, be related to, or constitute: (i) financial data; (ii) health data; (iii) official identifier; (iv) sex life; (v) sexual orientation; and (vi) biometric data. The applicability of the Bill also extends to foreign companies that handle data of individuals in India. The Bill accords certain rights to individuals with respect to the protection of their data. However, there are certain exceptions to protection offered under the Bill, such as, act done in interest of security of state, public order, sovereignty and integrity of India and friendly relations with foreign states, and act done for preventing incitement to commission of any cognizable offence relating to the above matters. Processing of personal data is also exempted from provisions of the Bill under certain conditions, as long as such processing is for a specific, clear and lawful purpose, this includes an act undertaken for prevention, investigation, or prosecution of any offence, or personal, domestic, or journalistic purposes. As on date, the Bill is pending with Joint Parliament Committee, and is yet to be notified and take effect.

### **Labour Laws**

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws which include: (a) the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952; (b) Employees’ State Insurance Act, 1948; (c) Payment of Bonus Act, 1965; (d) Payment of Gratuity Act, 1972; (e) Maternity Benefit Act, 1961; (f) Contract Labour (Regulation and Abolition) Act, 1970; (g) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; (h) Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the rules made thereunder and (i) Equal Remuneration Act, 1976.

The following is an indicative discussion of labour laws which may be applicable to GoGoVan India Private Limited due to the nature of its business activities:

### ***Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (the “EPF Act”)***

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. In accordance with the provisions of the EPF Act, the employers are required to contribute to the Employees’ Provident Fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees.

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### ***Employees' State Insurance Act, 1948 (the "ESI Act")***

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury and includes provisions for certain other matters in relation thereto. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided thereunder. Employer and employees both are required to make contribution to the fund.

### ***Payment of Gratuity Act, 1972 (the "Gratuity Act")***

The Gratuity Act applies, *inter alia* to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months. The Gratuity Act provides for gratuity to be payable to an employee on termination of his/her employment after he/she has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease.

### ***Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Prevention of Sexual Harassment Act") and rules thereunder***

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 framed under the Prevention of Sexual Harassment Act provides for *inter alia* manner of submission of complaints in relation to sexual harassment, procedure for dealing with the complaints and details to be reflected in the annual report to be prepared by the complaints committee as required under the provisions of the Prevention of Sexual Harassment Act.

In addition to the aforementioned, the following labour codes have received the assent of the President of India, and will come into force as and when notified in the Gazette:

### ***The Code on Wages, 2019 (the "Wage Code")***

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The Code on Social Security, 2020 ("Social Security Code")***

The Social Security Code received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment

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## REGULATIONS

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of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The new code proposes to set up a National Social Security Board and State Unorganized Workers Board to administer schemes for unorganized workers. The Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **Regulations on Intellectual Property**

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement.

#### ***Trade Marks Act, 1999 (the "Trade Marks Act")***

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trademark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed.

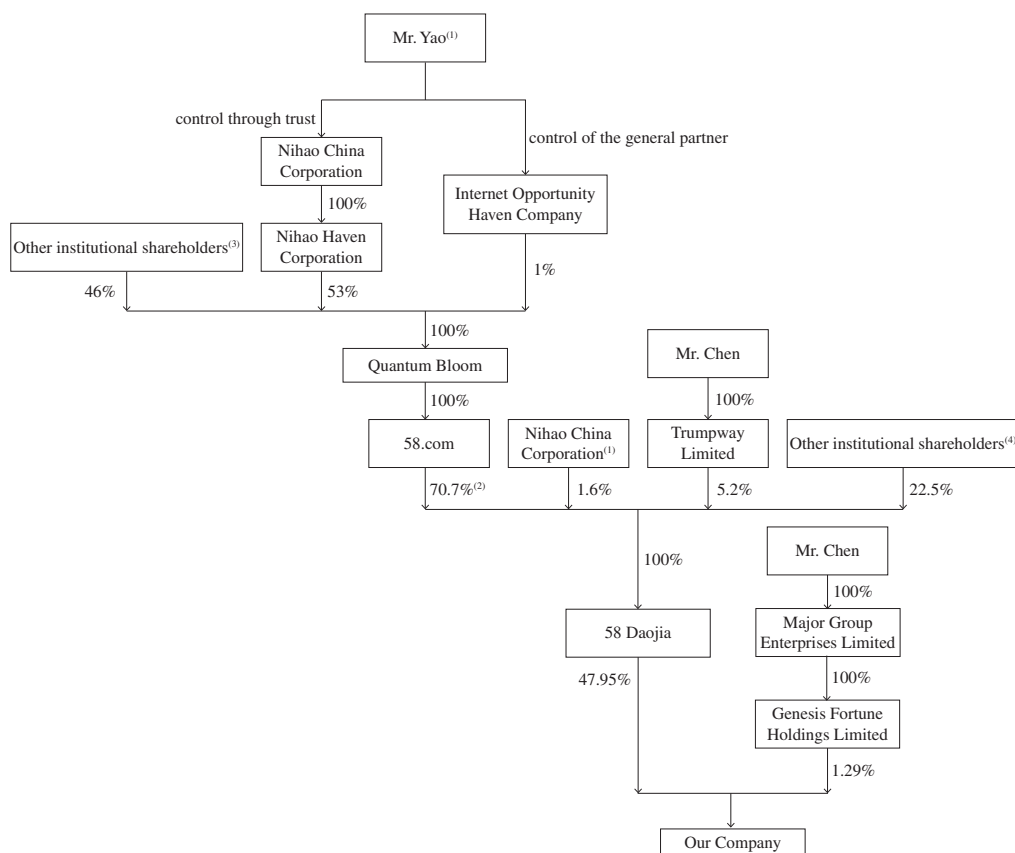
## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

### OVERVIEW

As of the Latest Practicable Date, 58 Daojia has direct interests in approximately 50.51% of our total issued share capital, and Mr. Chen holds approximately 1.35% interest in the Company through his controlled entities (being Major Group Enterprises Limited and Genesis Fortune Holdings Limited). 58.com (which directly holds and through its wholly-owned subsidiary, China Classified Information Corporation Limited, holds equity interest in 58 Daojia), Nihao China Corporation and Trumpway Limited, collectively hold approximately 77.5% voting rights in 58 Daojia. 58.com is wholly-owned by Quantum Bloom. Mr. Yao, through his controlled entities, controls more than 50% voting capital of Quantum Bloom. Trumpway Limited is wholly-owned by Mr. Chen. Therefore, Mr. Yao, Nihao China Corporation, Nihao Haven Corporation, Internet Opportunity Company, Internet Opportunity Fund LP, Internet Opportunity Haven Company, Quantum Bloom, 58.com, China Classified Information Corporation Limited, Trumpway Limited, Genesis Fortune Holdings Limited, Major Group Enterprises Limited, Mr. Chen and 58 Daojia are regarded as a group of Controlling Shareholders before the Listing.

Immediately after completion of the Global Offering (assuming no new Shares are issued under the Over-allotment Option and the Share Incentive Plan), 58 Daojia will be directly interested in approximately 47.95% of our enlarged share capital, Mr. Chen will be interested in approximately 1.29% interest in the Company through his controlled entities, and the abovementioned shareholding structure of 58 Daojia will remain unchanged. Therefore, Mr. Yao, Nihao China Corporation, Nihao Haven Corporation, Internet Opportunity Company, Internet Opportunity Fund LP, Internet Opportunity Haven Company, Quantum Bloom, 58.com, China Classified Information Corporation Limited, Trumpway Limited, Genesis Fortune Holdings Limited, Major Group Enterprises Limited, Mr. Chen and 58 Daojia will remain as a group of Controlling Shareholders upon the Listing.

A simplified illustration of the ultimate beneficial and voting structure of our Controlling Shareholders immediately following the Global Offering (assuming no new Shares are issued under the Over-allotment Option and the Share Incentive Plan) is set out below:



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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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*Notes:*

- (1) Mr. Yao holds his interests in Quantum Bloom through Nihao Haven Corporation (which controls more than 50% of the voting capital of Quantum Bloom) and Nihao China Corporation (which wholly-owns Nihao Haven Corporation), a company that Mr. Yao controls through a trust, and Internet Opportunity Haven Company (which controls approximately 1% of the voting capital of Quantum Bloom). Internet Opportunity Haven Company is wholly-owned by Internet Opportunity Fund LP, whose economic interests are wholly-owned by nine limited partners. The general partner of Internet Opportunity Fund LP is Internet Opportunity Company, which is in turn wholly owned by Mr. Yao. None of the limited partners holds over one-third interest in Internet Opportunity Fund LP.
- (2) 58.com also holds certain equity interest in 58 Daojia held through China Classified Information Corporation Limited, its wholly-owned subsidiary.
- (3) The remaining shareholders of Quantum Bloom include (i) Tencent Mobility Limited, (ii) General Atlantic Singapore 58TP Pte. Ltd., (iii) Polarite Gem Holdings Group Ltd and Wattersite Gem Holdings Ltd (affiliates of Warburg Pincus) and (iv) Ocean Magical Site Limited, holding 33.7%, 4.8%, 5.0% and 2.5% voting rights in Quantum Bloom, respectively, and these institutional investors are independent from our Company and Mr. Yao. The background of these institutional investors are set out below:
  - Tencent Mobility Limited is an entity controlled by Tencent Holdings Limited, a company incorporated in the Cayman Islands as a limited liability company, the shares of which are listed on the Stock Exchange (stock code: 700).
  - Polarite Gem Holdings Group Ltd (“Polarite Gem”) is 52.1004% indirectly owned by Warburg Pincus China-Southeast Asia II (Cayman), L.P. (“WPC-SEA II Cayman LP”). The general partner of Warburg Pincus China-Southeast Asia II (Cayman), L.P. is Warburg Pincus (Cayman) China-Southeast Asia II GP, L.P., the general partner of which is Warburg Pincus (Cayman) China-Southeast Asia II GP LLC (“WPC-SEA II Cayman GP LLC”). The managing member of WPC-SEA II Cayman GP LLC is Warburg Pincus Partners II (Cayman), L.P., the general partner of which is Warburg Pincus (Bermuda) Private Equity GP Ltd. Other than WPC-SEA II Cayman LP, no other shareholder holds over one-third interest in Polarite Gem.

Wattersite Gem Holdings Ltd is wholly owned by Wattersite Gem Investors, L.P., the general partner of which is Wattersite Gem GP Ltd, which is wholly owned by Warburg Pincus Co-Investment GP (Cayman), Ltd. Warburg Pincus Co-Investment GP (Cayman), Ltd. is in turn wholly owned by Warburg Pincus Partners II (Cayman), L.P., the general partner of which is Warburg Pincus (Bermuda) Private Equity GP Ltd.

- General Atlantic Singapore 58TP Pte. Ltd. (“GAS 58TP”) is wholly owned by General Atlantis Singapore Fund Pte. Ltd. (“GASF”). The majority shareholder of GASF is General Atlantic Singapore Interholdco Ltd. (“GAS Interholdco”). The members of GAS Interholdco that share beneficial ownership of the shares held by GAS 58TP are General Atlantic Partners (Bermuda) IV, L.P. (“GAP Bermuda IV”), General Atlantic Partners (Bermuda) EU, L.P. (“GAP Bermuda EU”), General Atlantic Partners (Lux) SCSp (“GAP Lux”), General Atlantic Fortune Coinvest, L.P. (“GA Fortune Coinvest”), GAP Coinvestments CDA, L.P. (“GAPCO CDA”), GAP Coinvestments III, LLC (“GAPCO III”), GAP Coinvestments IV, LLC (“GAPCO IV”), GAP Coinvestments V, LLC (“GAPCO V”) and GAP Coinvestments VI, LLC (“GAPCO VI”), collectively, the “GA Funds”.

The general partner of GA Fortune Coinvest is General Atlantic Fortune Coinvest GenPar, LLC (“GA Fortune GenPar”). The general partner of GAP Lux is General Atlantic GenPar (Lux) SCSp (“GA GenPar Lux”) and the general partner of GA GenPar Lux is General Atlantic (Lux) S.à r.l. (“GA Sarl”). The sole member of GA Fortune GenPar, the sole shareholder of GA Sarl and the general partner of GAP Bermuda IV and GAP Bermuda EU is General Atlantic GenPar (Bermuda), L.P. (“GenPar Bermuda”). GAP (Bermuda) L.P. (“GAP Bermuda LP”) is the general partner of GenPar Bermuda. General Atlantic L.P. (“GA LP”) is the general partner of GAPCO CDA and the managing member of GAPCO III, GAPCO IV, GAPCO V and GAPCO VI. GAP Bermuda LP and GA LP are ultimately controlled by the Management Committee of GASC MGP, LLC (the “Management Committee”). There are 9 members of the Management Committee. Each of the members of the Management Committee disclaims ownership of the shares owned by GAS 58TP except to the extent that he has a pecuniary interest therein.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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- Ocean Magical Site Limited, is a special purpose vehicle, a 100% subsidiary owned by Ocean Magical Site Holding Limited, which in turn is owned respectively by, (i) Ocean Link Partners II, L.P. (“Ocean Link”)(acting through its general partner Ocean Link Partners II GP, L.P., acting through its general partner Ocean Link Partners II GP Limited), and (ii) Ocean Alliance III, L.P. (“Ocean Alliance”)(acting through its general partner, Ocean Alliance III Company Limited). Each of Mr. Zheng Nanyan and Mr. Jiang Tianyi ultimately and beneficially owns 50% and 50% equity interest, respectively, in Ocean Link Partners II GP Limited and Ocean Alliance III Company Limited. Ctrip Investment Holding Ltd, as a limited partner, owns as to approximately 35% partnership interest in Ocean Link. Ctrip Investment Holding Ltd is ultimately controlled by Trip.com Group Limited (Nasdaq: TCOM). There is no other individual or entity holding over one-third interest in Ocean Link or Ocean Alliance.
- (4) The other institutional holders include Taobao China, WOFA Trading and Holdings Limited, Home Giant Holdings Limited and Pingan EPOCH Limited Partnership, who holds approximately 12.4%, 4.4%, 1.5% and 4.1% of the voting rights in 58 Daojia, respectively.
- For the details of Taobao China, please refer to the paragraph headed “History, Reorganization and Corporate Structure – Pre-IPO Investments – 5. Information on the Pre-IPO Investors” in this prospectus.
  - WOFA Trading and Holdings Limited is a company incorporated under the laws of Hong Kong, is ultimately controlled by KKR & Co., Inc. (together with its affiliates, “KKR”), which is a company listed on the New York Stock Exchange (ticker symbol: KKR). KKR is a global investment firm that manages multiple alternative asset classes, including private equity, credit and real assets, with strategic partners that manage hedge funds. As of December 31, 2020, the assets under management of KKR was approximately US\$251,679,200,000.
  - Home Giant Holdings Limited is a company incorporated under the laws of Cayman Islands, which is wholly owned by China Innovation Capital Partners L.P. (“CIC LP”). The general partner of CIC LP is China Innovation Capital General Partners Limited, which is in turn wholly owned by Mr. Zhao Fu. The limited partners of CIC LP include Precise Advance Limited, MagniPro Ventures and ChenXiang Holding Limited, holding 20%, 40% and 40% economic interest in CIC LP, respectively. Precise Advance Limited is wholly owned by Mr. Zhao Fu. MagniPro Ventures is owned as to 47.5%, 47.5% and 5% by Mr. Wu Zhengyu, Mr. Hong Yisi and Mr. Xu Haifang, respectively. ChenXiang Holding Limited is ultimately controlled by Mr. Huang Liwei. As of December 1, 2021, the assets under management of Home Giant Holdings Limited is approximately US\$12.5 million.
  - Pingan EPOCH Limited Partnership is a company incorporated under the laws of Cayman Islands, an affiliate of Ping An Insurance (Group) Company of China, Ltd., a Chinese holding conglomerate whose subsidiaries mainly deal with insurance, banking and financial services.

### 58 Daojia

58 Daojia is a limited liability company incorporated in the British Virgin Islands. Our Group represents the freight business segment of 58 Daojia. The other business segment of 58 Daojia is home service business, which is operated by Daojia Limited, a company incorporated in the Cayman Islands with limited liability, through the brand Swan Daojia (天鵝到家). Daojia Limited offers home services spanning from maternity nurse, nanny, housekeeping services, to training services and SaaS-based solutions.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### **Mr. Chen, Trumpway Limited, Genesis Fortune Holdings Limited and Major Group Enterprises Limited**

Mr. Chen is our co-founder and an executive Director, and he is also a registered shareholder of our Consolidated Affiliated Entity, Tianjin 58 Freight. Apart from his directorship in our Group, Mr. Chen currently also serves as the chairman of the board and chief executive officer of Daojia Limited. See “Directors and Senior Management” for further details of Mr. Chen.

Each of Trumpway Limited, Genesis Fortune Holdings Limited and Major Group Enterprises Limited is a company wholly-owned by Mr. Chen.

### **58.com, China Classified Information Corporation Limited, Mr. Yao, Nihao Haven Corporation, Nihao China Corporation, Internet Opportunity Company, Internet Opportunity Fund LP, Internet Opportunity Haven Company and Quantum Bloom**

58.com is a limited liability company incorporated in the Cayman Islands, whose ADSs were listed on the NYSE between October 2013 and September 2020 under the symbol “WUBA.” 58.com is an online classifieds platform connecting its consumers with local businesses through a number of platforms, including multi-content category online classifieds platform and online recruitment platform. The business segments of 58.com include real estate information and transaction business, human resources business (offering recruitment services), life services business (offering domestic home services and used goods) and automotive business (offering secondary vehicle trading and new vehicle advertising).

Mr. Yao is the founder of 58.com, one of our Controlling Shareholders, and has served as chairperson of the board of directors and chief executive officer of 58.com since its inception in December 2005. Mr. Yao has served on the board of directors of two NYSE-listed companies, namely Noah Holdings Limited (NYSE: NOAH) since November 2014 and Cheetah Mobile Inc. (NYSE: CMCM) since December 2017. Mr. Yao served as a director of our Company from August 2017 to July 2021. Mr. Yao received bachelor’s degrees in computer science and marine chemistry from Ocean University of China (formerly known as Ocean University of Qingdao), China, in July 1999.

Mr. Yao holds his interests in Quantum Bloom through Nihao Haven Corporation (which controls more than 50% of the voting capital of Quantum Bloom), Nihao China Corporation (which wholly owns Nihao Haven Corporation), a company that Mr. Yao controls through a trust, and Internet Opportunity Haven Company (which controls approximately 1% of the voting capital of Quantum Bloom). Internet Opportunity Haven Company is wholly-owned by Internet Opportunity Fund LP, whose general partner is Internet Opportunity Company, which is in turn wholly owned by Mr. Yao.

China Classified Information Corporation Limited is a wholly-owned subsidiary of 58.com.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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Save for their interests in the Excluded Business (as defined below), as of the Latest Practicable Date, neither our Controlling Shareholders nor any of their close associates was interested in any business which competes with or is likely to compete with our businesses and which is required to be disclosed under Rule 8.10(1) of the Listing Rules.

### EXCLUDED BUSINESS

Apart from shareholding in our Company, 58.com also has interests in a number of other business segments, including household moving services under the life services business segment (the “Excluded Business”), which is currently operated by 58.com and its subsidiaries and consolidated affiliated entities.

Under the platform services segment, our Group offers a classification named “household moving.” Through our platform, we match household moving orders between platform customers and drivers.

Our Directors consider that there is a clear delineation between the household moving classification under the platform services offered by our Group and the Excluded Business, as the business models are different.

Household moving is only a scenario operated under our platform services (i.e, a feature in our mobile app), and we charge service fees for matching services without entering into logistic services agreements with shippers who need household moving services. Our platform services facilitate on-demand freight deliveries by matching shippers with drivers in real time via smart order dispatching system. Revenue from household moving services consists mainly of the commission we earned from drivers for logistics services orders placed through our platform. The commission is the difference between the amount paid by the shipper for a shipment order and the amount earned by the driver from fulfilling that order.

The Excluded Business is mainly carried out through the following models: (1) the household moving service providers (mainly enterprises) place advertisements on the platform operated by 58.com, namely “58.com (58同城)” whereby the customers who need household moving services can reach out to such services providers to purchase services. Under this model, 58.com charges the enterprises for advertisement display, which is calculated with reference to click-through rate; and (2) customers who need household moving services place orders with 58.com, which in turn purchase such services from suppliers who provide such services. Under this model, 58.com enters into standard services contracts with customers, which contain clauses specifying that 58.com provides logistics services, and revenue is generated from services fee paid by the customers.



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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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For the years ended December 31, 2018, 2019, 2020 and 2021, the revenue generated from household moving scenario under our platform services in the PRC was only approximately nil, RMB0.1 million, RMB3.3 million and RMB6.0 million, representing approximately nil, 0.02%, 0.62% and 0.9% of our revenue, respectively. In contrast, the Excluded Business generated revenue of approximately RMB198 million, RMB252 million, RMB335 million and RMB690 million, to 58.com respectively, during the Track Record Period.

Accordingly, on the basis that (1) the amount of revenue generated from the classification of household moving under our platform services is insignificant as compared to our total revenue during the Track Record Period; (2) there are clear delineating characteristics between our household moving services and the Excluded Business; and (3) as explained below, we are able to operate independently from the Excluded Business, we believe there is no material competition between us and 58.com.

In addition, there would not be material competition between the Company's business and Excluded Business in the future, as the Group does not intend to develop the household moving services as its principal business, and it is not expected that the revenue generated from household moving services will account for a significant portion as compared to the Group's total revenue in the future. Furthermore, as confirmed by 58.com, it has no intention to expand household moving services business into on-demand freight delivery services.

### REASONS FOR EXCLUSION OF THE EXCLUDED BUSINESS FROM OUR GROUP

Our Directors are of the view that it would be commercially justifiable to exclude the Excluded Business from our Group for the following reasons:

- *Household moving services is not part of our principal business* – our Directors consider that the household moving services required by individual customers is only one scenario under our platform services, and do not form part of our principal business. The amount of revenue generated from the classification of household moving under our platform services is also insignificant as compared to our total revenue during the Track Record Period;
- *There is clear delineation between our household moving services and the Excluded Business* – having taken into account the delineating characteristics between our principal business and the Excluded Business, our Directors consider that they will not, whether directly or indirectly, compete with each other in any material aspects, as they generate revenue under different models;
- *Diversion of Management Attention and Resources* – the operation, expansion and development of the household moving services will require significant management and internal resources and may divert our management's attention and time from the operation and development of our core businesses; and

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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- *Clear investment focus* – our Directors are of the view that the exclusion of the Excluded Business from our Group will give a clear focus to investors.

Accordingly, as of the Latest Practicable Date, our Controlling Shareholders had no plan to inject the Excluded Business into our Group.

### INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THE EXCLUDED BUSINESS

Having considered the factors below, our Directors are satisfied that our Group is capable of carrying our business independently from our Controlling Shareholders, their respective close associates, and the Excluded Business after the Listing.

#### 1. Management Independence

Our business is managed and conducted by our Board and senior management. Our Board has 12 Directors, comprising four executive Directors, four non-executive Directors and four independent non-executive Directors. Among the 12 Directors, one executive Director and two non-executive Directors currently hold positions in our Controlling Shareholders and/or their respective close associates, details of whom are set out below:

<u>Name</u>	<u>Material Positions in our Controlling Shareholders and their Respective Close Associates</u>	<u>Position in our Company</u>
Mr. CHEN	Chairman of the board and chief executive officer of Daojia Limited	Chairman of the Board and Executive Director
Mr. LEUNG Ming Shu (梁銘樞)	Chief financial officer, a member of strategy committee of 58.com and managing partner of 58 Industry Fund	Non-executive Director
Mr. YE Wei (葉偉)	Chief executive officer of Golden Pacer	Non-executive Director

Our Directors consider that our Board and senior management will function independently from our Controlling Shareholders and their respective close associates because:

- (a) Each of our Directors is aware of the fiduciary duties of a director which require, among other things, that he must act for the benefit and in the best interest of our Group and must not allow any conflict between his duties as a Director and his personal interest;
- (b) In the event that there is a potential conflict of interests arising out of any transaction to be entered into between our Company and our Directors or their respective associates, the interested Director(s) will abstain from voting at the relevant meeting of our Board in respect of such transactions and shall not be counted in the quorum. In addition, we have independent senior management teams to carry out the business decisions of our Group independently;

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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- (c) Our Board comprises of 12 Directors and four of them are independent non-executive Directors, which represents one-third of the members of our Board. This is in line with the requirements as set out in the Listing Rules; and
- (d) Our daily management and operations are carried out by a senior management team (including three executive Directors), all of whom have substantial experience in the industry which our Company is engaged in, and will therefore be able to make business decisions that are in the best interests of our Group.

Based on the above, our Directors are satisfied that they are able to perform their roles in our Company independently, and our Directors are of the view that we are capable of managing our business independent from our Controlling Shareholders and their respective close associates (other than our Group) after the Listing.

### **2. Operational Independence**

Notwithstanding (i) our Controlling Shareholders will retain controlling interests in our Company after the Listing, and (ii) there are certain transactions between us and our Controlling Shareholders, which are on normal commercial terms during the ordinary course of our business, we have the full rights to make all decisions regarding, and carrying out, our own business operations independently from our Controlling Shareholders. Our Group owns all licenses, trademarks and other intellectual property rights which are required for our Group to carry on its business, and we have independent work force to carry out our businesses. Our Group also has sufficient operational capacity in terms of capital, equipment and employees to operate our businesses independently from our Controlling Shareholders. In addition, our organizational structure is made up of individual departments, each with specific areas of responsibilities. We have also established a set of internal control measures to facilitate the effective operation of our business.

See “Connected Transactions” for the details of the relevant continuing connected transactions between us and our Controlling Shareholders.

Prior to our merger with GoGoVan Cayman, 58 Daojia was in charge of the freight services business currently operated by our Group, which was then a business unit of 58 Daojia. Balances resulting from the operation of freight services were later recorded as accounts payables to related parties in the accounts of our Group after the merger. In addition, after the merger with GoGoVan Cayman, the Group did not immediately establish its independent payment and settlement system. Therefore, certain receivables from customers were collected by 58 Daojia, its subsidiaries and consolidated affiliated entities (together, the “58 Daojia Group”) on behalf of the Group. Furthermore, for the purpose of resource optimization and allocation, intra-group coordination and cost efficiency, certain other business arrangements between 58 Daojia Group and the Group continued after the merger. Pursuant to the aforesaid arrangements, (i) 58 Daojia Group bears certain costs for the benefit of our Group, such as premise rental payment, staff costs for personnel holding positions in both 58 Daojia Group and our Group, resulting in certain amounts due to 58 Daojia Group,

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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which amounted to approximately RMB151.79 million, RMB109.05 million, RMB50.57 million and RMB3.45 million, respectively, during the Track Record Period; and (ii) 58 Daojia Group collects commission of freight business receivables from certain customers on behalf of our Group in the amount of approximately RMB0.43 million, nil, RMB0.01 million and nil, respectively, during the Track Record Period, and the Group pays certain staff costs and other miscellaneous costs which shall be allocated to 58 Daojia Group in the amount of approximately RMB2.33 million, RMB0.33 million, RMB0.41 million and RMB0.35 million, respectively, during the Track Record Period, resulting in certain amounts due from 58 Daojia Group, which amounted to approximately RMB2.77 million, RMB0.33 million, RMB0.42 million and RMB0.35 million, respectively, during the Track Record Period.

As of the Latest Practicable Date, a total amount of RMB298.6 million due to 58 Daojia Group has been waived and such waived amount has been treated as shareholder's contribution. As confirmed by our Directors, immediately prior to the Listing, there will be no other outstanding loans or non-trade balances due to or from our Controlling Shareholders or their respective close associates, nor will there be any outstanding financial assistance, security, pledges and guarantees provided by any of our Controlling Shareholders or their respective close associates on the Group's financing. Save for certain fully-exempt continuing connected transactions between our Group and our Controlling Shareholders and/or their respective close associates as disclosed in the section headed "Connected Transactions", all the aforementioned business arrangement with 58 Daojia will be terminated before Listing.

Based on the above, our Directors believe that we are able to operate independently from our Controlling Shareholders and their respective close associates.

### **3. Financial Independence**

We have our own independent internal control and accounting systems, and our own finance department is responsible for discharging treasury function, accounting and reporting functions independent from our Controlling Shareholders. Immediately following the completion of the Global Offering, there will be no financing relationship between us and our Controlling Shareholders and their respective close associates. Our Directors believe that we are capable of obtaining financing from independent third parties without reliance on our Controlling Shareholders and their respective close associates. For our historical equity financing activities, see "History, Reorganization and Corporate Structure – Pre-IPO Investments."

Accordingly, our Directors consider that our Group is capable of carrying out our business independently from our Controlling Shareholders and their respective close associates from a financial perspective.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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### CORPORATE GOVERNANCE MEASURES

Our Company will adopt the following corporate governance measures to avoid potential conflict of interests and safeguard the interests of our Shareholders:

- (a) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his associates have a material interest nor shall such Director be counted in the quorum present at the meeting. Where a Board meeting is to discuss a matter that gives rise to a conflict with the Excluded Business, including any matters relating to connected transactions with our Controlling Shareholders, any conflicted Directors will abstain from voting and will not be counted in the quorum of the relevant Board meeting;
- (b) each Director is aware of his fiduciary duties as a Director, which require, among other things, that he acts for the benefit of our Company and the Shareholders as a whole and does not allow any conflict of interests between his duties as a Director and his personal interests. A Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and abstain from voting at the board meetings on matters in which such Director or his associates have a material interest, unless the attendance or participation of such Director at such meeting of our Board is specifically requested by a majority of the independent non-executive Directors;
- (c) our Board (including our independent non-executive Directors) will monitor the potential conflict of interest of Directors and our Directors have to submit confirmation to our Board disclosing details of any interests in competing businesses in any interim or annual reports to be issued by our Company;
- (d) we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed four independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in “Directors and Senior Management – Independent Non-executive Directors”;

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

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- (e) our Company has established internal control mechanisms to identify connected transactions. Upon the Listing, if our Company enters into connected transactions with a Controlling Shareholder or any of his/her/its associates, our Company will comply with the applicable Listing Rules. Our Controlling Shareholders have undertaken to provide all information which is necessary for the annual review of the continuing connected transactions to be conducted by our independent non-executive Directors;
- (f) in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group on the one hand and our Controlling Shareholders and/or the Directors on the other hand, our Controlling Shareholders and/or the Directors shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either through its annual report or by way of announcements;
- (g) our independent non-executive Directors may engage independent professional adviser(s) (such as industry experts) in appropriate circumstances at our Company's costs;
- (h) the Audit Committee shall be responsible for overseeing the implementation of the above measures; and
- (i) we have appointed Red Solar Capital Limited as our Compliance Advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

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## CONNECTED TRANSACTIONS

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### OVERVIEW

We have in the past conducted certain transactions with entities that will become our connected persons upon Listing. The transactions disclosed in this section will continue after Listing and will therefore constitute our continuing connected transactions under the Listing Rules.

### RELEVANT CONNECTED PERSONS

The following connected persons have entered into or will enter into continuing connected transactions with us:

<u>Connected Persons</u>	<u>Connected Relationship</u>
Tianjin Haodaojia Information Technology Co., Ltd. (天津好到家信息技術有限公司) (“Tianjin Haodaojia”)	A company controlled through contractual arrangements by 58 Daojia, one of our Controlling Shareholders, and therefore a connected person of our Company under Rule 14A.13(3) of the Listing Rules
Changsha Daojia Youxiang Home Services Co., Ltd. (長沙市到家悠享家政服務有限公司) (“Daojia Youxiang”)	A company controlled through contractual arrangements by 58 Daojia, one of our Controlling Shareholders, and therefore a connected person of our Company under Rule 14A.13(3) of the Listing Rules
Beijing 58 Auto Technology Co., Ltd. (北京五八汽車科技股份有限公司) (“58 Auto Technology”)	A company controlled through contractual arrangements by 58.com, one of our Controlling Shareholders, and therefore a connected person of our Company under Rule 14A.13(3) of the Listing Rules
Ruiting Network Technology (Shanghai) Co., Ltd. (瑞庭網絡技術(上海)有限公司) (“Ruiting Network”)	A subsidiary of 58.com, one of our Controlling Shareholders, and therefore a connected person of our Company under Rule 14A.13(3) of the Listing Rules
Beijing Zhuanzhuan Spirit Technology Co., Ltd. (北京轉轉精神科技有限責任公司) (“Zhuanzhuan Spirit Technology”)	A company controlled as to 36.18% by 58.com, one of our Controlling Shareholders, and therefore a connected person of our Company under Rule 14A.13(3) of the Listing Rules

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## CONNECTED TRANSACTIONS

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<u>Connected Persons</u>	<u>Connected Relationship</u>
Beijing 58 Information Technology Co., Ltd. (北京五八信息技術有限公司) (“58 Information Technology”)	A company controlled through contractual arrangements by 58.com, one of our Controlling Shareholders, and therefore a connected person of our Company under Rule 14A.13(3) of the Listing Rules
Deyang 58 Education Technology Co., Ltd. (德陽五八教育科技有限公司) (“Deyang 58 Education Technology”)	A subsidiary of 58 Information Technology, and therefore a connected person of our Company under Rule 14A.13(3) of the Listing Rules
Alipay (China) Network Technology Co., Ltd. (支付寶(中國)網絡技術有限公司) (“Alipay”)	A company indirectly controlled as to approximately 33% by Taobao China, our substantial shareholder, and therefore a connected person of our Company under Rule 14A.13(3) of the Listing Rules
Zhejiang Danniao Logistecology Co., Ltd. (浙江丹鳥物流科技有限公司) (“Zhejiang Danniao”)	A subsidiary of Cainiao, which is an indirect non-wholly owned subsidiary of Alibaba Group Holding Limited (the holding company of Taobao China, our substantial shareholder), and therefore a connected person of our Company under Rule 14A.13(1) of the Listing Rules
Zhejiang Mengmengchun Information Technology Co., Ltd. (浙江萌萌春信息科技有限公司) (“Zhejiang Mengmengchun”)	A company indirectly controlled as to 93.34% by Taobao China, our substantial shareholder, and therefore a connected person of our Company under Rule 14A.13(3) of the Listing Rules
Alibaba Cloud Computing Co., Ltd. (阿里雲計算有限公司) (“Alibaba Cloud Computing”)	A fellow subsidiary of Taobao China, our substantial shareholder, and therefore a connected person of our Company under Rule 14A.13(1) of the Listing Rules
Alibaba Cloud Computing (Beijing) Co., Ltd. (阿里巴巴雲計算(北京)有限公司) (“Alibaba Cloud Computing Beijing”)	A fellow subsidiary of Taobao China, our substantial shareholder, and therefore a connected person of our Company under Rule 14A.13(1) of the Listing Rules



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## CONNECTED TRANSACTIONS

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### CONTINUING CONNECTED TRANSACTIONS

#### A. Fully-Exempt Continuing Connected Transactions

##### 1. *Tianjin Haodaojia Business Cooperation Agreement*

On December 3, 2020, Tianjin Haodaojia entered into a business cooperation agreement (as amended on December 23, 2021 and May 30, 2022, the “Tianjin Haodaojia Business Cooperation Agreement”) with Tianjin 58 Freight for a term from December 1, 2020 to November 30, 2022, and the parties expect to renew the agreement upon its expiration. Pursuant to this agreement, Tianjin Haodaojia agreed to promote our services by providing access to our services in the form of H5 pages on its platform, and Tianjin 58 Freight shall pay 5% commission of the amounts of orders generated through such links. The historical amounts for the years ended December 31, 2020 and 2021 were approximately RMB0.02 million and RMB0.31 million, respectively. The expected transaction amount for the period ending November 30, 2022 would be RMB0.33 million.

The commission rate charged by the Tianjin Haodaojia in similar cooperation with other independent third parties is generally around 10%, and Tianjin Haodaojia offered lower commission rate in the amount of 5% to us. The transaction contemplated under the Tianjin Haodaojia Business Cooperation Agreement is in the ordinary and usual course of our business and is on normal commercial terms or better.

##### 2. *Changsha Daojia Service Agreement*

On July 20, 2021, Daojia Youxiang entered into a logistics services framework agreement (the “Changsha Daojia Service Agreement”) with Hainan 58 Supply Chain for a term from July 1, 2021 to December 31, 2022. Pursuant to this agreement, Hainan 58 Supply Chain agreed to provide Daojia Youxiang with logistics services tailored to its delivery schedule, and charge service fees which primarily comprise minimum payment and an amount calculated by multiplying the number of kilometers by the price per kilometer. No historical amount has been incurred during the Track Record Period. The expected transaction amounts for the year ending December 31, 2022 would be RMB0.02 million.

The pricing for the logistics services are in line with the prices charged by the Group in similar transactions with the independent third parties. The transaction contemplated under the Changsha Daojia Service Agreement is in the ordinary and usual course of our business and is on normal commercial terms.

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## CONNECTED TRANSACTIONS

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### ***3. Advertisement Cooperation Agreement***

58 Auto Technology and Tianjin 58 Freight has started cooperation on advertising during the Track Record Period, and such cooperation will continue after Listing. On June 1, 2021, the parties entered into an advertisement cooperation agreement (the “Advertisement Cooperation Agreement”) in relation to the parties’ cooperation for a term of one year commencing from the date of the agreement. Pursuant to the Advertisement Cooperation Agreement, 58 Auto Technology would solicit advertisement with respect to auto and related industries, and such advertisement would be displayed on Kuaigou Dache platform. For each service order received under the Advertisement Cooperation Agreement, 58 Auto Technology would charge 85% of the order amount, and Tianjin 58 Freight would charge 15% of the order amount. For the years ended December 31, 2019, 2020 and 2021, the historical amounts were approximately RMB0.26 million, RMB0.03 million and RMB0.09 million, respectively. The expected transaction amounts for the five months ending May 31, 2022 would be RMB0.06 million.

The 15% of order amount charged by Tianjin 58 Freight was generally in line with the rate charged in similar transactions with independent third parties, applying certain discount after taking into account that the amount of advertisements placed by 58 Auto Technology was greater than other independent third parties. The transaction contemplated under the Advertisement Agency Cooperation Agreement is in the ordinary and usual course of our business and is on normal commercial terms.

### ***4. Ruiting Business Cooperation Agreement***

Ruiting Network, the operator of Anjuke App and Tianjin 58 Freight entered into a cooperation agreement (the “Ruiting Business Cooperation Agreement”) on July 8, 2021, for a term from July 8, 2021 to July 7, 2022. Pursuant to the agreement, the parties agreed on the following arrangements of traffic exchange (流量置换): when users of Anjuke App satisfy certain conditions, their level as ranked by the App will be upgraded, and then they can receive coupon for use on our Kuaigou Dache platform. Certain coupons were issued during the Track Record Period, which were all unused and expired. The maximum coupon liability during the term of the agreement is expected to be RMB40,000. While the transaction does not involve any monetary settlement, the Company considers that such arrangement is beneficial to the Company in that it directs more traffic to our Kuaigou Dache platform. The transaction contemplated under the Ruiting Business Cooperation Agreement is in the ordinary and usual course of our business and is on normal commercial terms.

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## CONNECTED TRANSACTIONS

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### ***5. Zhuanzhuan Spirit Technology Promotion Cooperation Agreement***

On June 15, 2021, Zhuanzhuan Spirit Technology entered into a promotion cooperation agreement (the “Zhuanzhuan Spirit Technology Promotion Cooperation Agreement”) with Tianjin 58 Freight for a term from June 15, 2021 to June 14, 2022. Pursuant to this agreement, we agreed to promote Zhuanzhuan Spirit Technology’s services by providing access to their services in the form of H5 pages on our Kuaigou Dache platform, and Zhuanzhuan Spirit Technology shall pay 10% commission of the amounts of orders generated through such links to us. No transaction amounts have been incurred during the Track Record Period, and the expected transaction amounts would be less than RMB6,000 each year during the term of the agreement.

The commission rate charged by Tianjin 58 Freight is in line with market rate, and also generally in line with rate given by Zhuanzhuan Spirit Technology to their other business partners. The transaction contemplated under the Zhuanzhuan Spirit Technology Promotion Cooperation Agreement is in the ordinary and usual course of our business and is on normal commercial terms.

### ***6. Network Promotion Service Framework Agreement***

On August 30, 2021, 58 Information Technology entered into a network promotion service framework agreement (the “Network Promotion Service Framework Agreement”) with Tianjin 58 Freight for a term from August 30, 2021 to August 29, 2022. Pursuant to this agreement, 58 Information Technology agreed to provide Tianjin 58 Freight with network information publishing and promotion services, and Tianjin 58 Freight shall pay a total amount of RMB0.12 million to 58 Information Technology. The historical amount for the year ended December 31, 2021 was approximately RMB0.04 million. The expected transaction amount for the transactions contemplated under the Network Promotion Service Framework Agreement for the period ending August 29, 2022 would be RMB0.08 million.

The price charged by 58 Information Technology is in line with that charged by it to other third parties. The transaction contemplated under the Network Promotion Service Framework Agreement is in the ordinary and usual course of our business and is on normal commercial terms.

### ***7. Information Security Software Function Call Service Agreement***

On September 1, 2021, Deyang 58 Education Technology and Hainan 58 Freight entered into an information security software function call service agreement (the “Information Security Software Function Call Service Agreement”), the term of which is from September 1, 2021 to August 31, 2022 or the date the number of calls reaches 100 million, whichever comes first. Pursuant to this agreement, Deyang 58 Education Technology agreed to provide with Hainan 58 Freight three software functions for use, and Hainan 58 Freight shall pay a total amount of RMB0.12 million to Deyang 58

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## CONNECTED TRANSACTIONS

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Education Technology. The historical amount for the year ended December 31, 2021 was approximately RMB0.04 million. The expected transaction amounts for the eight months ending August 31, 2022 would be RMB0.08 million.

The pricing terms of the Information Security Software Function Call Service Agreement are determined by both parties at arm's length negotiation, and is lower than market rate. The transaction contemplated under the Information Security Software Function Call Service Agreement is in the ordinary and usual course of our business and is on normal commercial terms or better.

### *Listing Rules Implications*

As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the transactions above is expected to be, on an annual basis, less than 0.1%, each of these transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

### **8. Alipay Service Agreements**

During the Track Record Period, the Group cooperated with Alipay with respect to certain payment processing services. The cooperation was governed by the standard online contracts (as amended from time to time) entered into by Alipay and certain Group members, when the Group members registered their respective online account. The payment processing costs are primarily determined based on the amounts paid to us through Alipay multiplied by 0.30% per transaction. During the Track Record Period, the amounts under such cooperation were approximately RMB1.8 million, RMB1.1 million, RMB1.1 million and RMB1.9 million, respectively. The expected amounts for the years ending December 31, 2022, 2023 and 2024 would be RMB2.0 million, RMB2.1 million and RMB2.2 million, respectively.

The fee rates charged by Alipay are in line with the price offered to third parties offering similar service as that of the Group. Such payment processing cooperation is in the ordinary and usual course of our business and is on normal commercial terms.

### *Listing Rules Implications*

As each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the transactions under the Alipay Service Agreements is expected to be, on an annual basis, less than 5%, and the consideration for each of the years ending December 31, 2022, 2023 and 2024 is expected to be less than HKD3 million, the transactions under the Alipay Service Agreements will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

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## CONNECTED TRANSACTIONS

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### B. Non-Exempt Continuing Connected Transactions

#### Continuing Connected Transactions Subject to Reporting, Annual Review and Announcement Requirements

##### 1. *Zhejiang Danniao Logistics Services Framework Agreement*

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

##### *Reasons and benefits for the transaction*

Zhejiang Danniao provides integrated logistics solutions for transportation, distribution, customer services and after-sales services. By cooperating with Zhejiang Danniao, the Group is able to expand its footprints to various cities and further market its branding. The transaction contemplated under the Zhejiang Danniao Logistics Services Framework Agreement is made in the ordinary and usual course of business of the Group and on normal commercial terms.

##### *Pricing basis*

The prices of transactions contemplated under the Zhejiang Danniao Logistics Services Framework Agreement shall be determined on an arm’s length basis.

The prices for provision of logistics to Zhejiang Danniao by the Group shall be determined with reference to the prices of the services that the Group charges in different geographical areas, and shall be in line with the prices the Group charges independent third parties.

##### *Historical figures, annual caps and basis*

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

Our proposed annual caps for the transactions contemplated under the Zhejiang Danniao Logistics Services Framework Agreement for the years ending December 31, 2022 and 2023 are RMB10.0 million and RMB10.0 million, respectively.

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## CONNECTED TRANSACTIONS

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In arriving at the above annual caps, the Directors mainly considered the demand of Zhejiang Danniao for the usage of our services during its daily operation, which is expected to be (i) in line with the historical transaction amount for the year ended December 31, 2021; and (ii) maintained at a relatively stable level in the near future. The annual caps are calculated by multiplying the average number of vehicles that Zhejiang Danniao is expected to use through our platform to satisfy its demands (determined with reference to the historical usage for the year ended December 31, 2021) during the term of the agreement, by the service fee charged by us per vehicle. The service fee per vehicle is determined with reference to our services fees in different geographical areas.

### ***2. Zhejiang Mengmengchun Logistics Services Framework Agreement***

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

#### *Reasons and benefits for the transaction*

Zhejiang Mengmengchun provides logistics, transportation, warehousing and e-commerce integrated supply chain management solutions services. By cooperating with Zhejiang Mengmengchun, the Group is able to expand our footprint, diversify our service scenarios, and further market our branding. The transaction contemplated under the Zhejiang Mengmengchun Logistics Services Agreement is made in the ordinary and usual course of business of the Group and on normal commercial terms.

#### *Pricing basis*

The prices of transactions contemplated under the Zhejiang Mengmengchun Logistics Services Framework Agreement are determined on an arm’s length basis. The prices for provision of logistics to Zhejiang Mengmengchun by the Group are determined with reference to a service fee scale which take into account a number of factors including the type of vehicles used, geographical areas and distance of the services, and other specific delivery requirements. The aforesaid pricing basis is no more favorable than those available to the customers who are Independent Third Parties.

#### *Historical figures, annual caps and basis*

There are no historical amounts for the transactions contemplated under the Zhejiang Mengmengchun Logistics Services Framework Agreement during the Track Record Period.

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## CONNECTED TRANSACTIONS

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Our proposed annual caps for the transactions contemplated under the Zhejiang Mengmengchun Logistics Services Framework Agreement for the period from April 1, 2022 to December 31, 2022 and the period from January 1, 2023 to March 31, 2023 are RMB5.4 million and RMB1.8 million, respectively.

In arriving at the above annual caps, the Directors have mainly taken into consideration the estimated number of vehicles that Zhejiang Mengmengchun is expected to use per month and the estimated service fee to be charged per vehicle in the relevant geographical areas.

### **3. *Alibaba Cloud Services Framework Agreement***

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

#### *Reasons and benefits for the transaction*

Prior to the merger of our Company with GoGoVan Cayman, cloud services offered by Alibaba Cloud, as one of the few leading cloud services providers on the market, had already been used in our operations since 2016. The Company considers it would be beneficial to continue using the services provided by Alibaba Cloud, as the migration of systems to another cloud service provider will incur additional costs. In addition, Alibaba Clouds offers us with better discounts than other service providers. The transaction contemplated under the Alibaba Cloud Services Framework Agreement is made in the ordinary and usual course of business of the Group and on normal commercial terms.

#### *Pricing basis*

The prices of transactions contemplated under the Alibaba Cloud Services Framework Agreement are based on the prices as set out in the price catalog as published by Alibaba Cloud from time to time, which sets out the specific service scope and the corresponding prices, applying discounts which is determined with reference to our purchase amount. In addition, Alibaba Cloud also offers coupons to us when the purchases amount reaches a specific amount. The prices offered by Alibaba Cloud are in line with the prices offered to third parties.

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## CONNECTED TRANSACTIONS

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### *Historical figures, annual caps and basis*

The historical amounts with respect to such cloud services were approximately nil, RMB1.7 million, RMB4.4 million and RMB8.7 million for the years ended December 31, 2018, 2019, 2020 and 2021, respectively. Historically, we shared the cost of purchasing cloud services from Alibaba Cloud with 58 Daojia, and the fluctuation of the historical transaction amounts is mainly due to the difference in apportionment percentage between us and 58 Daojia in different years.

Our proposed annual cap for the transactions contemplated under the Alibaba Cloud Services Framework Agreement for the period from March 2, 2022 to December 31, 2022 and for the period from January 1, 2023 to March 2, 2023 are RMB13.3 million and RMB3.1 million, respectively.

In arriving at the above annual caps, the Directors have considered (i) the historical amounts of the relevant transactions under the Alibaba Cloud Services Framework Agreement primarily with respect to internet data center services (“IDC services”) and phone number protection services; (ii) the factor that the Group is expected to require different types of cloud services to support our platform as the business of the Group is expected to grow, therefore a buffer has been included in calculating the annual caps, which mainly relates to the Company’s potential needs for other types of services apart from the IDC services and the phone number protection services; (iii) the estimated increase in business flow in relation to cloud services as a result of the anticipated development of the Group; and (iv) the termination of historical cost sharing arrangement between 58 Daojia and our Group.

#### **4. *Alibaba Cloud ECS Agreement***

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

#### **5. *Alibaba Cloud Virtual Host Service Agreement***

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



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## CONNECTED TRANSACTIONS

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

### **Waiver Application**

Since the highest of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be 0.1% or more but less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the respective transactions contemplated under the Zhejiang Danniao Logistics Services Framework Agreement, Zhejiang Mengmengchun Logistics Services Framework Agreement and Alibaba Cloud Services Framework Agreement (aggregated with the Alibaba Cloud ECS Agreement and Alibaba Cloud Virtual Host Service Agreement) will be exempt from the circular (including the opinion and recommendation from an independent financial advisor) and the independent shareholders' approval requirements, but are subject to the announcement requirements under Rule 14A.35 of the Listing Rules and the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules.

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to us under Rule 14A.105 of the Listing Rules from strict compliance with the announcement requirement under the Listing Rules in respect of these transactions, provided that the total values of these transactions for each of the relevant periods will not exceed the relevant proposed annual caps above.

### **Continuing Connected Transactions Subject to Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements**

#### *Contractual Arrangements*

A waiver application from (i) strict compliance with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Contractual Arrangements; (ii) setting a maximum aggregate annual value, i.e. an annual cap, for the fees payable to Hainan WFOE from Consolidated Affiliated Entities under the Contractual Arrangements; and (iii) fixing the term of the Contractual Arrangements to three years or less, for so long as our Shares are listed on the Stock Exchange, has been submitted to and granted by the Stock Exchange subject to certain conditions. If any terms of the Contractual Arrangements are altered or if we enter into any new agreements with any connected persons in the future, we must comply with the relevant requirements under Chapter 14A of the Listing Rules and obtain a separate waiver from the Stock Exchange.

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## CONNECTED TRANSACTIONS

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### *Background for the Contractual Arrangements*

As disclosed in “Contractual Arrangements” in this prospectus, due to regulatory restrictions on foreign ownership in the PRC, we conduct our business through the Consolidated Affiliated Entities, which hold the requisite license, permit and approval required for carrying out the Relevant Business in the PRC. The Contractual Arrangements entered into among Hainan WFOE, Consolidated Affiliated Entities and the Registered Shareholders of Tianjin 58 Freight enable us to (i) receive substantially all of the economic benefits from our Consolidated Affiliated Entities in consideration for the services provided by Hainan WFOE to our Consolidated Affiliated Entities under the Exclusive Management Services and Business Cooperation Agreement; (ii) exercise effective control over our Consolidated Affiliated Entities to conduct the Relevant Business; and (iii) hold an exclusive purchase option to purchase all or any part of equity interests in and/or the assets of our Consolidated Affiliated Entities when and to the extent permitted by the PRC laws and regulations.

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

### *Principal Terms of the Transactions*

The Contractual Arrangements comprise the following agreements: Exclusive Management Services and Business Cooperation Agreement, Exclusive Option Agreement, Powers of Attorney, Equity Pledge Agreement and Spouse Consent Letters made by the spouse of each of the individual Registered Shareholders. See “Contractual Arrangements” in this prospectus for detailed terms of the Contractual Arrangements.

### *Reasons for the Waiver Application and the View of Our Directors on the Continuing Connected Transactions*

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

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## CONNECTED TRANSACTIONS

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Having taken into account the view of the Directors stated above and the view of the PRC Legal Advisor as further described in the section headed “Contractual Arrangements — Background — VATS Business”, the Joint Sponsors concur with the Directors that the Contractual Arrangements are fundamental to the Group’s legal structure and business operations.

### *Application for and Conditions of Waiver*

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

(a) No Change without Independent Non-executive Directors’ Approval

No changes to the terms of any of the agreements constituting the Contractual Arrangements will be made without the approval of the independent non-executive Directors.

(b) No Change without Independent Shareholders’ Approval

Save as described in paragraph (d) below, no changes to the terms of any of the agreements constituting the Contractual Arrangements will be made without the approval of the independent Shareholders. Once the independent Shareholders’ approval of any change has been obtained, no further announcement or approval of the independent Shareholders, will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company (as set out in paragraph (c) below) will however continue to be applicable.

(c) Economic Benefits Flexibility

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities through: (i) our Group’s potential right (if and when so allowed under the applicable PRC laws) to acquire the equity interests in and/or assets of the Consolidated Affiliated Entities for a nominal price or the minimum amount of consideration permitted by applicable PRC laws and regulations; (ii) the business structure under which the total income generated by the Consolidated Affiliated Entities (net of costs, taxes and retained profits (if any)) is

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## CONNECTED TRANSACTIONS

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substantially retained by us (such that no annual caps shall be set on the amount of services fees payable to Hainan WFOE under the Exclusive Management Services and Business Cooperation Agreement); and (iii) our right to control the management and operation of, as well as, in substance, all of the voting rights of our Consolidated Affiliated Entities.

(d) Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and our subsidiaries in which our Company has direct shareholding, on one hand, and the Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as described under “Contractual Arrangements” in this prospectus. The directors, chief executives or substantial shareholders of any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group may establish when justified by business expediency will, upon renewal and/or reproduction of the Contractual Arrangements, however be treated as our Group’s connected persons and transactions between these connected persons and our Group other than those under similar Contractual Arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to the relevant PRC laws, regulations and approvals.

(e) Ongoing Reporting and Approvals

We will disclose details relating to the Contractual Arrangements on an ongoing basis as follows:

- (i) The Contractual Arrangements in place during each financial period will be disclosed in our annual report and accounts in accordance with the relevant provisions of the Listing Rules.
- (ii) Our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our annual report and accounts for the relevant year that: (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements; (ii) no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group; and (iii) any new contracts entered into, renewed or reproduced between our Group and the

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## CONNECTED TRANSACTIONS

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Consolidated Affiliated Entities during the relevant financial period under paragraph (d) above are fair and reasonable, or advantageous, so far as our Group is concerned and in the interests of the Company and the Shareholders as a whole.

- (iii) Our auditors will carry out review procedures annually on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors with a copy to the Stock Exchange confirming that the transactions carried out pursuant to the Contractual Arrangements have received the approval of our Directors and that no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned/transferred to our Group.
- (iv) For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of “connected person”, the Consolidated Affiliated Entities will be treated as the Company’s wholly-owned subsidiaries, and the directors, chief executives or substantial shareholders (as defined in the Listing Rules) of the Consolidated Affiliated Entities and their associates (excluding for this purpose, the Consolidated Affiliated Entities) will be treated as the Company’s “connected persons.” As such, transactions between these connected persons and our Group (including, for this purpose, the Consolidated Affiliated Entities) other than those under the Contractual Arrangements shall comply with Chapter 14A of the Listing Rules.

The Consolidated Affiliated Entities further undertake that, for so long as the Shares are listed on the Stock Exchange, the Consolidated Affiliated Entities will provide our Group’s management and our auditors with full access to its relevant records for the purpose of procedures to be carried out by our auditors’ on the connected transactions.

### *Listing Rules Implications*

The highest applicable percentage ratio (other than the profit ratio) under the Listing Rules in respect of the transactions associated with the Contractual Arrangements is expected to be more than 5%. As such, the transactions will be subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this section, we will take immediate actions to ensure compliance with such new requirements within a reasonable time.

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## CONNECTED TRANSACTIONS

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### **DIRECTORS' VIEW**

Our Directors (including our independent non-executive Directors) are of the view that (i) the non-exempt continuing connected transactions described in this section have been entered into in the ordinary and usual course of our business, on normal commercial terms or better, which are fair and reasonable and in the interests of our Shareholders as a whole; (ii) the proposed annual caps (if any) of the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Shareholders as a whole; and (iii) it is normal business practice for the Contractual Arrangements to be of a term greater than three years.

### **JOINT SPONSORS' VIEW**

The Joint Sponsors have (i) reviewed the relevant documents and information provided by the Company in relation to the above non-exempt continuing connected transactions; (ii) obtained necessary representations and confirmations from the Company and the Directors, and (iii) participated in the due diligence and discussions with the management of the Group.

Based on the above, the Joint Sponsors are of the view that the aforesaid (i) non-exempt continuing connected transactions, for which waivers have been sought, have been entered into in the ordinary and usual course of our business on normal commercial terms that are fair and reasonable and in the interest of the Company and its Shareholders as a whole; and (ii) the proposed annual caps of the non-exempt continuing connected transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

With respect to the term of the relevant agreements underlying the Contractual Arrangements which is of a duration longer than three years, the Joint Sponsors are of the view that it is a justifiable and normal business practice for the Contractual Arrangements of this type to be of such duration to ensure that (i) policies of the Consolidated Affiliated Entities can be effectively controlled by Hainan WFOE, (ii) Hainan WFOE can obtain the economic benefits derived from our Consolidated Affiliated Entities, (iii) any possible leakages of assets and values of our Consolidated Affiliated Entities can be prevented on an uninterrupted basis.

## DIRECTORS AND SENIOR MANAGEMENT

### BOARD OF DIRECTORS

The Board currently consists of 12 Directors, including four executive Directors, four non-executive Directors and four independent non-executive Directors. The following table sets forth the key information about our Directors as at the Latest Practicable Date.

Name	Age	Position	Responsibilities	Date of appointment as a Director	Date of joining the Group
Mr. CHEN Xiaohua (陳小華)	40	Chairman of the Board and Executive Director	Overseeing Board affairs and provide strategic advice and guidance on the Group's affairs	June 8, 2017	June 8, 2017
Mr. HE Song (何松)	43	Executive Director and Co-Chief Executive Officer	Overall strategic planning, business direction and day-to-day management of our Group	July 21, 2021	September 17, 2019
Mr. LAM Hoi Yuen (林凱源)	36	Executive Director and Co-Chief Executive Officer	Overall strategic planning, business direction and day-to-day management of our Group	August 29, 2017	August 29, 2017
Mr. HU Gang (胡剛)	47	Executive Director and Chief Financial Officer	Overseeing the finance, investing and financing activities of the Group	July 21, 2021	April 20, 2021
Mr. YE Wei (葉偉)	49	Non-executive Director	Overseeing Board affairs and provide strategic advice and guidance on the Group's affairs	July 21, 2021	July 21, 2021
Mr. LEUNG Ming Shu (梁銘樞)	46	Non-executive Director	Overseeing Board affairs and provide strategic advice and guidance on the Group's affairs	July 21, 2021	July 21, 2021
Mr. SHUAI Yong (帥勇)	52	Non-executive Director	Overseeing Board affairs and provide strategic advice and guidance on the Group's affairs	September 2, 2020	September 2, 2020
Mr. WANG Ye (王也)	35	Non-executive Director	Overseeing Board affairs and provide strategic advice and guidance on the Group's affairs	August 23, 2021	August 23, 2021
Mr. KWAN Ming Sang Savio (關明生)	74	Independent non-executive Director	Providing independent opinion and judgment to the Board	August 13, 2021 (effective from the Listing Date) <sup>(1)</sup>	Listing Date

## DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Responsibilities	Date of appointment as a Director	Date of joining the Group
Mr. NI Zhengdong (倪正東)	47	Independent non-executive Director	Providing independent opinion and judgment to the Board	August 13, 2021 (effective from the Listing Date) <sup>(1)</sup>	Listing Date
Mr. TANG Shun Lam (鄧順林)	66	Independent non-executive Director	Providing independent opinion and judgment to the Board	August 13, 2021 (effective from the Listing Date) <sup>(1)</sup>	Listing Date
Mr. ZHAO Hongqiang (趙宏強)	45	Independent non-executive Director	Providing independent opinion and judgment to the Board	August 13, 2021 (effective from the Listing Date) <sup>(1)</sup>	Listing Date

*Note (1):* each of Mr. Kwan, Mr. Ni, Mr. Tang and Mr. Zhao had been appointed as an independent non-executive Director at a Board meeting held on August 13, 2021, and their respective appointment would take effect from the Listing Date.

### EXECUTIVE DIRECTORS

**Mr. CHEN Xiaohua (陳小華)**, aged 40, is an executive Director, Chairman of the Board, and the founder of our Group. Mr. CHEN was appointed as a Director and Chairman of the Board on June 8, 2017, and re-designated as an executive Director on August 13, 2021. He is also a director of GOGOX PRC, GoGo Energy Holdings Limited, GoGoVan Holdings Limited and GGEX Holdings Limited respectively, and an executive director and the chief executive officer of Tianjin 58 Technology, Shanghai Youban and Tianjin 58 Freight.

Mr. CHEN is also the founder, the chairman of the board of directors and the chief executive officer of Daojia Limited and 58 Daojia. He served as the chief strategy officer of 58.com from August 2014 to April 2020, where he served as a senior vice president of product management and website operation from December 2007 to August 2014.

Mr. CHEN received a bachelor's degree in material formation from Xiangtan University (湘潭大學) in the PRC in July 2004.

**Mr. HE Song (何松)**, aged 43, is our executive Director and Co-Chief Executive Officer. Mr. HE was appointed as a Director and the Co-Chief Executive Officer on July 21, 2021, and was re-designated as an executive Director on August 13, 2021.

Mr. HE served as the vice president of 58 Daojia, which operated the freight business under "58 Suyun" before the merger between the Company and GoGoVan Cayman, since 2016. When he joined our group in September 2019, Mr. He served as the president of domestic business of our Company and was responsible for the operations of the Group in mainland China.



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## DIRECTORS AND SENIOR MANAGEMENT

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From 2011 to 2015, Mr. HE has been working at 58.com, and serving as the chief information quality officer and subsequently as general manager in the finance business department. Prior to that, he worked for aerospace software companies and well-known Internet companies, such as Yahoo! Beijing Global R&D Center (雅虎軟件研發(北京)有限公司). Mr. HE has over 15 years experience in the relevant industry.

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

**Mr. LAM Hoi Yuen (林凱源)**, aged 36, was appointed as our Director on August 29, 2017, and re-designated as our executive Director on August 13, 2021. Mr. LAM was appointed as a Co-Chief Executive Officer of our Company on August 29, 2017 and is responsible for our overall strategic development and business operations of the Group's overseas business. Mr. LAM currently holds directorship in GoGo Tech HK, a principal operating entity of our Group, GoGoVan Korea and GoGoVan Singapore, as well as several other overseas subsidiaries of the Group.

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

Mr. Lam was a director of GoGo Tech Taiwan, previously an indirectly wholly-owned subsidiary of the Company and which was deregistered on October 19, 2021. For details, see "Risk Factors – Risks related to our business and industry – We have in the past, and may in the future, be blocked from or limited in providing our offerings in certain jurisdictions."

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

**Mr. HU Gang (胡剛)**, aged 47, is our executive Director and Chief Financial Officer. Mr. HU was appointed as a Director and the Chief Financial Officer on July 21, 2021, and was re-designated as an executive Director on August 13, 2021.

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

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## DIRECTORS AND SENIOR MANAGEMENT

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

Mr. HU was named as one of the defendants in a federal securities class action (the "U.S. Class Action"), captioned Jeff Feyko v. Yuhe International Inc., et al., case no. CV 11-05511 DDP (PJWx), originally filed in July 2011 with the United States District Court for the Central District of California. Yuhe International, Inc. ("Yuhe") was a China-based company principally engaged in the supply of day-old chickens which was then listed on the Nasdaq until its delisting in December 2011. The defendants include, among others, Yuhe, Yuhe's then chief executive officer ("Yuhe CEO"), its then chief accounting officer, and Mr. HU, who was named in his capacity as the then chief financial officer of Yuhe. The plaintiff alleged false and misleading statements and omissions in Yuhe's filings with the SEC between December 2009 and June 2011 concerning a purported acquisition of 13 chicken breeder farms from Weifang Dajiang Corporation ("Dajiang", a company independent from Yuhe) for approximately US\$15.2 million, of which US\$12.1 million was allegedly paid immediately to Dajiang (the "Dajiang Acquisition"). In June 2011, Yuhe initiated an investors conference call, admitting that the Dajiang Acquisition did not proceed due to disputes on pricing after the signing of the purchase agreement. The US\$12.1 million down payment was not immediately put back in Yuhe's accounts, but instead was retained in a personal account controlled by the Yuhe CEO. During the call, it was stated that the Yuhe CEO did not inform the then board of directors of Yuhe or Mr. HU of such development and decided to purchase 13 substitute breeder farms with the refunds from Dajiang. The Yuhe CEO stated that he took full responsibility for the failure to disclose the development of the Dajiang Acquisition in a timely manner. The common stock of Yuhe was suspended from trading since July 2011 and delisted in December 2011 pursuant to the decision of Nasdaq.

In the U.S. Class Action, the plaintiff's claims alleged, among others, that the defendants violated Sections 10(b) and 20(a) of the U.S. Exchange Act and Sections 11 and 15 of the U.S. Securities Act. In September 2012, certain defendants filed motions to dismiss the plaintiff's complaints. In March 2013, the court granted an order which, among others, granted the motion to dismiss the plaintiff's claim for violation of Section 10(b) of the U.S. Exchange Act against Mr. Hu, noting that the "heightened scienter" standard was not met for Mr. HU. Specifically, the court noted that the plaintiff's complaints averred that the Yuhe CEO hid the breakdown of the Dajiang Acquisition from Mr. HU and the complaints did not provide enough information about Mr. Hu's duties as the chief financial officer for the court to infer that he would have had knowledge of the breakdown of the Dajiang Acquisition which the Yuhe CEO actively hid from him. Mr. HU resigned as the chief financial officer of Yuhe in July 2012. In April 2013, the plaintiff filed an amended complaint which contained the same claims as the first complaint and supplemented additional allegations. In September 2013, the court denied the motion to serve Mr. HU in the manner as pleaded by the plaintiff on the ground of due process concern given Mr. HU resigned from Yuhe over a year ago. Mr. HU had not been properly served with respect to the amended complaint. In June 2014, the court approved settlement of the U.S. Class Action and the plaintiff's claims were dismissed with prejudice and concluded according to a settlement agreement.

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## DIRECTORS AND SENIOR MANAGEMENT

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In October 2013, the SEC filed a complaint (the “SEC Complaint”) for injunctive relief against Yuhe and the Yuhe CEO for various violations of the U.S. federal securities laws, and later filed motions for default judgment against Yuhe and the Yuhe CEO in April and October 2014, respectively. The court granted final judgments against Yuhe in May 2014 and the Yuhe CEO in May 2015, respectively, pursuant to which Yuhe was found liable for disgorgement of profits gained as a result of the conduct alleged in the complaint, and a civil penalty; and the Yuhe CEO was found (i) liable for disgorgement of profits gained as a result of the conduct alleged in the complaint; (ii) jointly and severally liable for Yuhe’s disgorgement; and (iii) liable for a civil penalty. Mr. HU was not named as a defendant under the SEC Complaint, nor had him been subject to any investigation or penalty in relation to the SEC Complaint.

Further, three other lawsuits were brought in U.S. courts in relation to the relevant incidents concerning the Dajiang Acquisition where Mr. HU was named as an individual defendant. One of the three lawsuits was dismissed with prejudice as the plaintiff failed to file any document with the court within the prescribed time limit. The other two cases were voluntarily dismissed by the relevant plaintiff due to the reason, among others, that a factually similar securities class action (i.e. the U.S. Class Action) had been filed and the claims asserted shall proceed therewith.

Given that (i) the U.S. Class Action was settled and dismissed with prejudice, (ii) Mr. HU had not been held liable by the relevant court or sanctioned by any securities regulators for any misconduct or wrongdoings in respect of the relevant incidents, (iii) there were no legal proceedings brought against Mr. HU by the SEC for breach of U.S. securities or financial market rules in relation to the relevant incidents, (iv) securities class actions against listed companies and their directors and senior management are not uncommon in the U.S. and the fact that a person is named as a defendant in a U.S. class action in his/her capacity as a senior management member does not, by itself, call into such person’s suitability to act as a director and/or senior management member of a Hong Kong listed company, and (v) Mr. HU has confirmed that he currently does not have any engagement in any litigation or legal proceedings in the U.S., the PRC or elsewhere save for the foregoing, our Directors (including the independent non-executive Directors save for Mr. HU who is considered to have a conflict of interest) are of the view that Mr. HU is suitable to act as an executive Director and the Chief Financial Officer of our Company. Having taken into account the view of the Directors and based on the due diligence work conducted, there is no concrete evidence that has come to the attention of the Joint Sponsors that would reasonably cause the Joint Sponsors to disagree with the abovementioned Directors’ view in any material aspects.

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## DIRECTORS AND SENIOR MANAGEMENT

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### NON-EXECUTIVE DIRECTORS

**Mr. YE Wei (葉偉)**, aged 49, is our non-executive Director. Mr. YE was appointed as a Director on July 21, 2021 and re-designated as a non-executive Director on August 13, 2021.

Mr. YE has served as the chief executive officer of Golden Pacer, a financial technology platform since April 2021, the chief financial officer of 58.com from September 2019 to April 2021, and the deputy chief financial officer of 58.com from July 2018 to September 2019. Mr. YE joined 58.com in October 2015 as its senior vice president of finance department. Prior to that, Mr. YE was a controller at Arconic's (previously known as Alcoa) North America extrusion operations in Lafayette and Halethorpe. Mr. YE worked at General Electric Company for years, where he held various senior financial management positions in both China and United States in the healthcare division.

Mr. YE is a certified public accountant in Illinois and a certified financial risk manager. He received his bachelor's degree in economics from Peking University (北京大學) in the PRC in July 1995 and his M.B.A. from the University of Chicago Booth School of Business in the United States in August 2008, respectively.

**Mr. LEUNG Ming Shu(梁銘樞)**, aged 46, is our non-executive Director. Mr. LEUNG was appointed as a Director on July 21, 2021, and re-designated as a non-executive Director on August 13, 2021.

Since April 2021, Mr. LEUNG has been serving as the chief financial officer, a member of strategy committee of 58.com and a managing partner of 58 industry fund, mainly responsible for overseeing overall financial and legal functions and strategic investment and management. Since February 2020, he has been serving as an independent non-executive director of Glory Star New Media Group Holdings Limited, whose shares are listed on the NASDAQ (stock code: GSMG). Since December 2019, he has been serving as an independent non-executive director of Renrui Human Resources Technology Holdings Limited (人瑞人才科技控股有限公司), whose shares are listed on the Stock Exchange (stock code: 06919). Since March 2017, he has been serving as an independent non-executive director of Sun. King Technology Group Limited (賽晶科技集團有限公司), whose shares are listed on the Stock Exchange (stock code: 00580). Since February 2013, he has been serving as an independent non-executive director of Cabbeen Fashion Limited (卡賓服飾有限公司), whose shares are listed on the Stock Exchange (stock code: 02030). He served as a non-executive director at Comtec Solar System Group Limited (卡姆丹克太陽能系統集團有限公司), whose shares are listed on the Stock Exchange (stock code: 00712), from June 2008 to February 2021 and an independent non-executive director at Shengli Oil and Gas Pipe Holdings Limited (勝利油氣管道控股有限公司), whose shares are listed on the Stock Exchange (stock code: 01080), from January 2011 to April 2013.

Since 2017, he has been serving as a founding and managing partner at Harmony Capital, a family office private equity fund with a focus on internet and consumer sectors in China. From January 2013 to January 2017, he served as the chief financial officer of Visual China

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## DIRECTORS AND SENIOR MANAGEMENT

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Group, whose shares are listed on the Shenzhen Stock Exchange (stock code: 000681). From January 2008 to December 2012, he served as the chief financial officer of China ITS (Holdings) Co., Ltd., whose shares are listed on the Stock Exchange (stock code: 01900). From February 2003 to January 2006, he served as a senior manager in the mergers and acquisitions department and subsequently as chief financial officer at CDC Corporation, a company formerly listed on the NASDAQ (stock code: CHINA). From October 1999 to December 2000, he served as a senior consultant at Arthur Andersen & Co. From September 1998 to August 1999, he served as an auditor at PricewaterhouseCoopers.

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

**Mr. SHUAI Yong (帥勇)**, aged 52, is our non-executive Director. Mr. SHUAI was appointed as a Director on September 2, 2020, and re-designated as a non-executive Director on August 13, 2021.

Mr. SHUAI has been serving as a director of GoT and Gooday Supplier Chain Technologies Co., Ltd. (日日順供應鏈科技股份有限公司) since February 2021 and a senior director of Cainiao Smart Logistics Network Limited since September 2018. Mr. SHUAI worked at Beijing Instant Technology Logistics Ltd. (北京科捷物流有限公司) which is a subsidiary of Digital China Group Co., Ltd. (神州數碼集團股份有限公司), a company listed on the main board of the Shenzhen Stock Exchange (stock code: 000034) from May 1997 to July 2018 with his last position as a senior vice president.

Mr. SHUAI received a bachelor's degree in biology from Peking University (北京大學) in the PRC in July 1990.

**Mr. WANG Ye (王也)**, aged 35, is our non-executive Director. Mr. WANG was appointed as an non-executive Director on August 23, 2021.

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

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## DIRECTORS AND SENIOR MANAGEMENT

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

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. KWAN Ming Sang Savio (關明生)**, aged 74, was appointed as our independent non-executive Director on August 13, 2021 (effective from the Listing Date).

Mr. KWAN has 30 years of global management experience, including seventeen years at General Electric and four years as the Managing Director of the China operations of BTR plc, a UK-based Fortune 500 company. Mr. KWAN is a visiting executive professor of Henley Business School, a unit of Reading University in the UK. In November 2018, Mr. KWAN joined the Governing Body of the London Business School.

In 2015, Mr. KWAN joined the Board of Alibaba HK Entrepreneurs Fund as a Non-Executive Director. In January 2014, Mr. KWAN joined the main board of British American Tobacco Group as a non-executive director. From 2008 to 2012, Mr. KWAN was an independent non-executive director at Alibaba.com Limited, a company previously listed on the Stock Exchange (stock code: 1688). Mr. KWAN was the president and chief operating officer of Alibaba Group from 2001 to 2003 and served as the chief people officer for the year 2004.

Mr. KWAN received a higher national diploma from Cambridgeshire College of Technology in the United Kingdom in July 1969, a master's degree in engineering from Loughborough University of Technology (currently known as Loughborough University) in the United Kingdom in July 1971 and a master's degree in business administration from London Business School in the United Kingdom in June 1976.

**Mr. NI Zhengdong (倪正東)**, aged 47, was appointed as our independent non-executive Director on August 13, 2021 (effective from the Listing Date).

Mr. NI has served as an executive director of ZERO2IPO HOLDINGS INC. (清科創業控股有限公司), a company listed on the Stock Exchange (stock code: 01945) since August 2019. He has been serving as the executive director and then as the chairman of Zero2IPO Group since its inception in 2005. Mr. NI has over 20 years of experience in the equity investment service industry. Mr. NI has also served as an independent director of Talkweb Information System Inc. (拓維信息系統股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002261), since September 2017.

Mr. NI served as an independent non-executive director of Kingdee International Software Group Company Limited (金蝶國際軟件集團有限公司), a company listed on the Stock Exchange (stock code: 0268), from January 2021 to December 2021. He also served as an independent director of iKang Healthcare Group, Inc., a company previously listed on NASDAQ (stock code: KANG), from March 2015 to January 2019, and as a director of Beijing Sanfo Outdoor Products Co., Ltd. (北京三夫戶外用品股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002780), from June 2011 to June 2017.

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## DIRECTORS AND SENIOR MANAGEMENT

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Mr. NI obtained a bachelor's degree in engineering mechanics from Hunan University (湖南大學) in the PRC in July 1996, and a master's degree in engineering mechanics from Tsinghua University (清華大學) in the PRC in January 2000. He also graduated from a business administration PhD programme from Tsinghua University (清華大學) in the PRC in January 2007.

**Mr. TANG Shun Lam (鄧順林)**, aged 66, was appointed as our independent non-executive Director on August 13, 2021 (effective from the Listing Date).

Mr. TANG has served as a director of Secoo Holding Limited, a company listed on NASDAQ (stock code: SECO), since April 2022, and as an independent director of Missfresh Limited, a company listed on NASDAQ (stock code: MF), since August 2021. He has been a consultant of Warburg Pincus LLC since 2007. From June 2019 to July 2021, he served as an independent director of Uxin Limited, a company listed on NASDAQ (stock code: UXIN). From 2015 to 2019, he served as a director of Vital Mobile Holdings Limited (維太移動控股有限公司), a company listed on the Stock Exchange (stock code: 06133), first being a non-executive director and subsequently redesignated as an executive director. From 2015 to 2019, Mr. TANG served as an independent non-executive director of Greenheart Group Limited (綠心集團有限公司), a company listed on the Stock Exchange (stock code: 00094). From 2010 to 2015, Mr. TANG worked for RDA Microelectronics, Inc., a company previously listed on the NASDAQ (stock code: RDA), first as a senior vice president of operations and subsequently as a director and executive chairman. From 2008 to 2012, he was the chief executive officer and a director of Coolsand Holdings Co., Ltd.. From 2008 to 2009, Mr. TANG served as a non-executive director at China Eco-Farming Limited (中國農業生態有限公司), a company listed on the Stock Exchange (stock code: 08166). From 1999 to 2007, Mr. TANG was the president of Asia Pacific of Viasystems Group, Inc., a company previously listed on the NASDAQ (stock code: VIAS). From 2003 to 2005, he was an independent non-executive director of Asia Coal Limited (formerly known as Wanji Pharmaceutical Holdings Limited), a company previously listed on the Stock Exchange (stock code: 835).

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

**Mr. ZHAO Hongqiang (趙宏強)**, aged 45, was appointed as our independent non-executive Director on August 13, 2021 (effective from the Listing Date).

Since June 2018, Mr. ZHAO has been serving as an executive director and chief financial officer of Bairong Inc. (百融雲創) whose shares are listed on the Stock Exchange (stock code: 6608). Mr. ZHAO has been serving as an independent director of Li Auto, Inc. which is listed on NASDAQ (stock code: LI) since July 2020 and HUYA Inc. which is listed on the New York Stock Exchange (stock code: HUYA) since May 2018, respectively. From October 2014 to October 2015, Mr. ZHAO served as the chief financial officer of NetEase Lede Technology

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## DIRECTORS AND SENIOR MANAGEMENT

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Co., Ltd Beijing Branch. From December 2012 to December 2015, he served as a vice president of finance at SouFun Holdings Limited (now known as Fang Holdings Limited) which is listed on the New York Stock Exchange (stock code: SFUN). Mr. ZHAO served as an assistant Chief Auditor at the Public Company Accounting Oversight Board in 2009. From August 2001 to February 2009, he worked at KPMG LLP in the United States, with the most recent position being manager audit.

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

### Further Information of our Directors

Save as disclosed above, each of our Directors confirms with respect to himself that he (1) had no other relationship with any Directors, senior management or substantial or Controlling Shareholders of our Company as at the Latest Practicable Date; (2) did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any securities market in Hong Kong and/or overseas; and (3) there are no other matters concerning our Directors' appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

### SENIOR MANAGEMENT

The following table sets forth the key information about our senior management as at the Latest Practicable Date.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Responsibilities</u>	<u>Date of appointment</u>
Mr. HE Song (何松)	43	Co-Chief Executive Officer	Overall strategic planning, business direction and day-to-day management of our Group	July 21, 2021
Mr. LAM Hoi Yuen (林凱源)	36	Co-Chief Executive Officer	Overall strategic planning, business direction and day-to-day management of our Group	August 29, 2017
Mr. HU Gang (胡剛)	46	Chief Financial Officer	Overseeing the finance, investing and financing activities of the Group	July 21, 2021
Mr. LEE Yew Cheung (李耀全)	57	Chief Operating Officer	Overall management and supervision of operations of our Group	April 20, 2015 <sup>(1)</sup>

*Note:*

(1) refers to the date of joining GoGoVan Cayman

For the biographical details of Mr. HE, Mr. LAM and Mr. HU, please refer to "Executive Directors".



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## DIRECTORS AND SENIOR MANAGEMENT

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**Mr. LEE Yew Cheung (李耀全)**, aged 57, was appointed as the chief operating officer of GoGoVan Cayman on April 20, 2015. Mr. LEE is responsible for the strategic direction and operations of the Group and in particular in relation to the Group's overseas business. Mr. LEE worked at Hewlett Packard Asia Pacific from April 1991 to February 1999.

Mr. LEE obtained a bachelor's degree of business administration and management at Indiana University Bloomington in the United States in June 1990.

### COMPANY SECRETARY

**Ms. YU Wing Sze (余詠詩)**, aged 38, was appointed as our company secretary on August 13, 2021. Ms. YU is a manager of TMF Hong Kong Limited. She has over 10 years of working experience in company secretarial profession. She is an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

Ms. Yu received a bachelor's degree of Business Administration from the Chinese University of Hong Kong. Ms. Yu has been an associate member of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries.

### MANAGEMENT PRESENCE IN HONG KONG

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules in relation to the requirement of management presence in Hong Kong. For details of the waiver, see "Waivers from Strict Compliance with the Listing Rules and Exemptions from Strict Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance – Management Presence in Hong Kong."

### BOARD COMMITTEES

Our Company has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

#### **Audit Committee**

Our Company has established the Audit Committee (effective from the Listing Date) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code and the Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The members of the Audit Committee consist of Mr. ZHAO

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## DIRECTORS AND SENIOR MANAGEMENT

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Hongqiang, Mr. TANG Shun Lam and Mr. NI Zhengdong. Mr. ZHAO Hongqiang has been appointed as the chairman of the Audit Committee and is the independent non-executive Director who possesses the appropriate professional accounting and related financial management expertise.

The primary functions of our Audit Committee are to review and supervise the financial reporting process, internal control and risk management system of our Group, oversee the audit process, provide advice and comments to our Board, perform other duties and responsibilities as may be assigned by our Board, and review and oversee the risk management of our Company.

### **Remuneration Committee**

Our Company has established the Remuneration Committee (effective from the Listing Date) with written terms of reference in compliance with paragraph B.1 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The members of the Remuneration Committee consist of Mr. TANG Shun Lam, Mr. NI Zhengdong and Mr. HU Gang. Mr. TANG Shun Lam, our independent non-executive Director, has been appointed as the chairman of the Remuneration Committee.

The primary functions of the Remuneration Committee are to establish, review and make recommendations to our Directors on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, determine the terms of the specific remuneration package of our Directors and senior management, and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time.

### **Nomination Committee**

Our Company has also established the Nomination Committee (effective from the Listing Date) with terms of reference in compliance with paragraph A.5 of the Corporate Governance Code and the Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The members of the Nomination Committee consist of Mr. NI Zhengdong, Mr. KWAN Ming Sang Savio and Mr. CHEN Xiaohua. Mr. NI Zhengdong, our independent non-executive Director has been appointed as the chairman of the Nomination Committee.

The primary responsibilities of the Nomination Committee are to review the structure, size and composition of our Board on a regular basis and make recommendations to our Board regarding any proposed changes to the composition of our Board, identify, select or make recommendations to our Board on the selection of individuals nominated for directorship, ensure the diversity of our Board members, assess the independence of our independent non-executive Directors, and make recommendations to our Board on relevant matters relating to the appointment, reappointment and removal of our Directors and succession planning for our Directors.

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## DIRECTORS AND SENIOR MANAGEMENT

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### Corporate Governance Code

We have adopted certain corporate governance measures in compliance with the Corporate Governance Code set out in the Corporate Governance Code. We aim to achieve a high standard of corporate governance, which is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code after the Listing.

### DIVERSITY

The Board will adopt a board diversity policy (the “Board Diversity Policy”) prior to the Listing in order to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

The Nomination Committee is responsible for reviewing the diversity of the Board. After Listing, the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

With regards to gender diversity on the Board, we recognize the particular importance of gender diversity and will continue to promote gender diversity of the Board. To ensure gender diversity of our Board in the long run, our Company will identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals, which will be reviewed by our Nomination Committee periodically. Our Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that our Company will have a pipeline of female senior management and potential successors to the Board. We plan to offer all-rounded trainings to female employees whom we consider to have the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development. We are of the view that such strategy will offer chances for our Board to identify capable female employees to be nominated as a member of the Board in future. We will appoint at least one female Director as soon as possible, and in any event, no later than one year from the Listing Date.

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## DIRECTORS AND SENIOR MANAGEMENT

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### DIRECTORS' REMUNERATION AND REMUNERATION OF FIVE HIGHEST PAID INDIVIDUALS

Our Directors and senior management members who receive remuneration from our Company are paid in forms of salaries, allowances and benefits in kind, performance related bonuses, equity-settled share incentive scheme expense and pension scheme contributions.

The aggregate amount of remuneration (including salaries, allowances and benefits in kind, performance related bonuses, equity-settled share incentive scheme expense and pension scheme contributions) and other benefits in kind paid to our Directors for each of the years ended December 31, 2018, 2019, 2020 and 2021 amounted to RMB17.4 million, RMB1.2 million, RMB1.1 million and RMB1.9 million, respectively. The aggregate amount of remuneration (including salaries, allowances and benefits in kind, performance related bonuses, equity-settled share incentive scheme expense and pension scheme contributions) and other benefits in kind paid to the five highest paid individuals (including our Directors) for each of the years ended December 31, 2018, 2019, 2020 and 2021 amounted to RMB52.2 million, RMB16.2 million, RMB8.1 million and RMB9.6 million, respectively.

Under the arrangement currently in force, our Company estimates that the amount of remuneration including salaries, allowances and benefits in kind, performance-based bonuses and pension scheme contributions payable to our Directors for the year ending December 31, 2022 is approximately RMB4.1 million and the amount of remuneration in the form of share based compensation payable to our Directors for the year ending December 31, 2022 is approximately RMB448.2 million. The significant increase in the estimated amount of Director's remuneration is due to the appointment of new Directors in preparation for the Listing and the vesting of a substantial amount of share awards granted to our Directors under the Share Incentive Plan in 2022. It is expected that the amount of share based compensation payable to our Directors would be less significant after 2022. For further details of our Share Incentive Plan, please refer to the section headed "Statutory and General Information – D. Share Incentive Plan" in Appendix IV to this prospectus.

During the Track Record Period, no fees were paid by our Company to any of our Directors (or former Directors) or the five highest paid individuals as an inducement to join our Company or as compensation for loss of office. None of our Directors waived their remuneration during the Track Record Period.

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## DIRECTORS AND SENIOR MANAGEMENT

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### COMPLIANCE ADVISOR

Our Company has appointed Red Solar Capital Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules. The material terms of the Compliance Advisor's agreement are as follows:

- (i) Red Solar Capital Limited shall act as our Compliance Advisor for the purpose of Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier;
- (ii) the Compliance Advisor will provide us with certain services, including proper guidance and advice as to compliance with the requirements under the Listing Rules and applicable laws, regulations and rules;
- (iii) the Compliance Advisor will, as soon as reasonably practicable, inform us of any amendment or supplement to the Listing Rules announced by the Stock Exchange from time to time, and of any amendment or supplement to the applicable laws, regulations and rules; and
- (iv) the Compliance Advisor will act as one of the key channels of communication of our Company with the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised, no new Shares are issued pursuant to the Share Incentive Plan, and each Preferred Share will be automatically converted to one Share upon completion of the Global Offering), the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company:

Name of Shareholder	Capacity/nature of interest	As of the Latest Practicable Date		Immediately after the Global Offering	
		Number of Shares	Approximate percentage of interest in the total issued share capital	Number of Shares	Approximate percentage of interest in the total issued share capital
58 Daojia	Beneficial owner	295,120,403	50.51%	295,120,403	47.95%
58.com <sup>(1)</sup>	Interest held by controlled corporations	295,120,403	50.51%	295,120,403	47.95%
Mr. Yao <sup>(1)</sup>	Interest held by controlled corporations	295,120,403	50.51%	295,120,403	47.95%
GoGoVan Cayman <sup>(2)</sup>	Beneficial owner	102,718,646	17.58%	102,718,646	16.69%
Taobao China	Beneficial owner	75,476,660	12.92%	75,476,660	12.26%
Taobao Holding Limited <sup>(3)</sup>	Interest held by controlled corporations	75,476,660	12.92%	75,476,660	12.26%
Alibaba <sup>(4)</sup>	Interest held by controlled corporations	92,145,347	15.77%	92,145,347	14.97%

*Notes:*

- (1) 58 Daojia is a limited liability company incorporated in the British Virgin Islands and is held as to over 50% by 58.com.

58.com is wholly-owned by Quantum Bloom Group Ltd. (“Quantum Bloom”, a company incorporated in the Cayman Islands), which is controlled as to more than one-third by Mr. Yao (through his intermediary controlled entities).

Nihao Haven Corporation (“Nihao Haven”, a company incorporated in the British Virgin Islands), controls over one-third interest in Quantum Bloom. Nihao Haven is wholly-owned by Nihao China Corporation (“Nihao China”, a company incorporated in the British Virgin Islands), which is beneficially owned by Mr. Yao through a trust.

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

- (2) GoGoVan Cayman is a Limited Company incorporated in Cayman Islands. The shareholders of GoGoVan Cayman include Mr. Lam Hoi Yuen (our Director) and several other minority shareholders, none of whom controls more than one third interest in GoGoVan Cayman.
- (3) Taobao China is an investment holding company incorporated in Hong Kong and is wholly owned by Taobao Holding Limited. Accordingly, under the SFO, Taobao Holding Limited is deemed to be interested in Shares held by Taobao China.

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## SUBSTANTIAL SHAREHOLDERS

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- (4) Consists of (i) 75,476,660 Shares held by Taobao China, (ii) 16,568,047 Shares held by Cainiao; and (iii) 100,640 Shares held by AHKEF. Taobao China is an investment holding company incorporated in Hong Kong and is wholly owned by Taobao Holding Limited, which is in turn wholly owned by Alibaba. Cainiao is a company incorporated under the laws of Hong Kong, and is an indirect non-wholly owned subsidiary of Alibaba. AHKEF is an investment fund established in the Cayman Islands with The Hong Kong Entrepreneurs Fund Limited as the sole limited partner. The Hong Kong Entrepreneurs Fund Limited is in turn an indirect subsidiary of Alibaba. AHKE Fund General Partner Limited is the sole General Partner of AHKEF. Accordingly, under the SFO, Alibaba is deemed to be interested in Shares held by Taobao China, Cainiao and AHKEF.

Except as disclosed above, our Directors are not aware of any other person who will, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised, no new Shares are issued pursuant to the Share Incentive Plan, and each Preferred Share will be automatically converted to one Share upon completion of the Global Offering), have any interest and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company.

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## CORNERSTONE INVESTORS

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### THE CORNERSTONE INVESTMENT

We have entered into cornerstone investment agreements (“**Cornerstone Investment Agreement(s)**”) with the cornerstone investors set out below (“**Cornerstone Investor(s)**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, for such number of Offer Shares (rounded down to the nearest whole board lot of 200 Shares) which may be purchased at the Offer Price with an aggregate amount of approximately US\$63.5 million (exclusive of brokerage, SFC transaction levy, FRC transaction levy and Stock Exchange trading fee) (the “**Cornerstone Investment**”).

The total number of Offer Shares to be subscribed for by the Cornerstone Investors at the Offer Price of HK\$21.50 would be 23,173,200, representing approximately 74.3% of the Offer Shares and approximately 3.8% of the total issued share capital of our Company immediately upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Our Company is of the view that the Cornerstone Investment will help raise the profile of our Company and to signify that such investors have confidence in our business and prospect.

The Cornerstone Investment will form part of the International Offering, and the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue and will be counted towards the public float of our Company under Rule 8.24 of the Listing Rules.

Immediately following the completion of the Global Offering, none of the Cornerstone Investors will become a substantial shareholder of our Company, or have any Board representation in our Company.

To the best knowledge of our Company, (i) each of the Cornerstone Investors is an Independent Third Party; (ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, our subsidiaries, our Directors, chief executive, Controlling Shareholders, substantial shareholders, existing Shareholders or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them; and (iii) none of the Cornerstone Investment is financed by our Company, our subsidiaries, our Directors, chief executive, Controlling Shareholders, substantial shareholders, existing Shareholders or any of their respective close associates.



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## CORNERSTONE INVESTORS

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As confirmed by each of the Cornerstone Investors, the Cornerstone Investors are independent from each other and they each made their own independent decisions to enter into the Cornerstone Investment Agreements, and their subscription under the Cornerstone Investment would be financed by their own internal resources. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders. There are no side agreements or arrangements between us and the Cornerstone Investors in relation to the Global Offering.

The Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation in the event of over-subscription under the Hong Kong Public Offering, as described in the section headed “Structure of the Global Offering – The Hong Kong Public Offering – Reallocation”. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by us on or around June 23, 2022.

To the extent that the Offer Shares will be subscribed for by a qualified domestic institutional investor (the “**QDII**”) as the nominee of the relevant Cornerstone Investor, the Cornerstone Investor will procure the QDII to comply with the terms of the QDII agreement entered into with the Cornerstone Investor in order to ensure the Cornerstone Investor’s compliance with its undertakings under the relevant Cornerstone Investment Agreement.

There will be no deferred payment for the Offer Shares to be subscribed by the Cornerstone Investors. Pursuant to the Cornerstone Investment Agreement, the Joint Global Coordinators have discretion to effect a delayed delivery of the Offer Shares to be subscribed by the Cornerstone Investors, subject to the conditions contained therein. Where delayed delivery takes place, each Cornerstone Investor that may be affected by such delayed delivery has agreed that it shall nevertheless pay for the relevant Offer Shares at or before 8 a.m. on the Listing Date.

### THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by the respective Cornerstone Investors in connection with the Cornerstone Investment.

#### 1. **Chery Commercial Vehicle (Anhui) Company Limited** (奇瑞商用車(安徽)有限公司)

Chery Commercial Vehicle (Anhui) Company Limited (奇瑞商用車(安徽)有限公司) (“**Chery**”) is a limited liability company incorporated under the laws of the PRC in 2001, and is principally engaged in manufacturing, assembly and sales of various types of vehicle components. Chery is directly wholly owned by Chery Holding Group Co., Ltd. (奇瑞控股集團有限公司) (“**Chery Holding**”), one of the leading vehicle manufacturers in the PRC. As of the Latest Practicable Date, the largest shareholder of Chery Holding is Wuhu Construction

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## CORNERSTONE INVESTORS

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Investment Co., Ltd. (蕪湖市建設投資有限公司), holding approximately 27.68% interest therein. Wuhu Construction Investment Co., Ltd. is ultimately controlled by Wuhu State-owned Assets Supervision and Administration Commission (蕪湖市人民政府國有資產監督管理委員會).

For the purpose of this cornerstone investment, Chery will engage Guotai Asset Management Co., Ltd. (國泰基金管理有限公司), an asset manager which is a QDII approved by the relevant PRC authorities, to subscribe for and hold such Offer Shares on its behalf.

The Company became acquainted with Chery in its ordinary course of business through the Group's business network. Tianjin 58 Freight, one of our Consolidated Affiliated Entities, has cooperated with Wuhu Haoyong Vehicle Rental Co., Ltd. (蕪湖市好用汽車租賃有限公司) (“**Wuhu Haoyong**”), a wholly owned subsidiary of Chery, and agreed to establish a joint venture Wuhu Kaixin Daojia Technology Co., Ltd. (蕪湖開新到家科技有限公司) (“**Wuhu Kaixin**”) in June 2021 to carry out management and recruitment services of short haul freight drivers, and promotion services for car rental and sales activities. Tianjin 58 Freight and Wuhu Haoyong hold 40% and 60% interest in Wuhu Kaixin, respectively.

Our Company believes that we will benefit from the Cornerstone Investment by Chery, taking into account the business sectors it primarily focuses on, and the potential business synergies between Chery and us.

### 2. **GF Global Capital Limited (廣發全球資本有限公司)**

GF Global Capital Limited (廣發全球資本有限公司) (“**GF**”) is a limited liability company incorporated under the laws of Hong Kong in 2015, and is principally engaged in investment activities.

GF is ultimately owned as to 100% by GF Securities Co., Ltd. (廣發証券股份有限公司), a company listed on the main board of the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776), a capital market services provider with industry leading innovation capabilities. Approval from the shareholders of GF Securities Co., Ltd., the Stock Exchange or the Shenzhen Stock Exchange is not required for GF to subscribe for the Shares pursuant to the relevant Cornerstone Investment Agreement.

Our Company became acquainted with GF through the introduction of one of the Joint Global Coordinators, and did not have any prior relationship with GF.

Our Company believes that the Cornerstone Investment from GF will help raise the profile of our Company and signify that such investor has confidence in our business and prospect.

## CORNERSTONE INVESTORS

The table below sets out details of the Cornerstone Investment:

Cornerstone Investor	Subscription amount <i>(US\$ in millions)</i>	Number of Offer Shares <sup>(1)</sup>	Based on the Offer Price of HK\$21.50			
			Assuming the Over-Allotment Option is not exercised		Assuming the Over-Allotment Option is fully exercised	
			<i>Approximate % of the Offer Shares</i>	<i>Approximate % of the issued share capital</i>	<i>Approximate % of the Offer Shares</i>	<i>Approximate % of the issued share capital</i>
Chery	50.0	18,246,600	58.5%	3.0%	50.9%	2.9%
GF	13.5	4,926,600	15.8%	0.8%	13.7%	0.8%
Total	63.5	23,173,200	74.3%	3.8%	64.6%	3.7%

*Note:*

- (1) Rounded down to the nearest whole board lot of 200 Shares. Calculated based on the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering – Exchange rate conversion.”

### CLOSING CONDITIONS

The subscription obligation of each Cornerstone Investor under their respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (a) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;
- (b) the Offer Price having been agreed upon between our Company and the Joint Global Coordinators (on behalf of the underwriters of the Global Offering);
- (c) the Stock Exchange having granted the listing of, and permission to deal in, the Shares (including the Shares subscribed for by the Cornerstone Investors as well as other applicable waivers and approvals), and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

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## CORNERSTONE INVESTORS

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- (d) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreement and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
  
- (e) the respective representations, warranties, undertakings, acknowledgements and confirmations of the Cornerstone Investor under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no material breach of such Cornerstone Investment Agreement on the part of the Cornerstone Investor.

### **RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTORS**

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from the Listing Date (the “**Lock-up Period**”), dispose of any of the Offer Shares they have subscribed for pursuant to the relevant Cornerstone Investment Agreement, save for in certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

## SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued pursuant to the Share Incentive Plan):

	<u>Number of Shares</u>	<u>Aggregate nominal value of Shares</u>
Authorized share capital as of the date of this prospectus <sup>(1)</sup>	20,000,000,000	US\$50,000
Shares in issue as of the date of this prospectus (assuming the Preferred Shares are converted into Shares on a 1:1 basis <sup>(2)</sup> )	584,327,987	US\$1,460.82
Shares to be issued under the Global Offering	31,200,000	US\$78.0
Shares in issue immediately following the Global Offering	615,527,987	US\$1,538.82

*Notes:*

- (1) The authorized share capital of the Company is US\$50,000 divided into 20,000,000,000 shares, comprising of: (i) 19,089,861,566 Class A Ordinary Shares, (ii) 311,111,112 Class B Ordinary Shares, (iii) 368,195,985 Series A Preferred shares, (iv) 173,913,931 Series B Preferred shares, and (v) 56,917,406 Series C Preferred shares, each with a nominal or par value of US\$0.0000025 per share.
- (2) Each of the Preferred Shares, Class A ordinary shares and Class B ordinary shares will be converted into Shares at the conversion ratio of 1:1 by way of re-designation immediately prior to the completion of the Global Offering.

The Class A ordinary shares and Class B ordinary shares shall carry equal rights and rank *pari passu* with one another, except for the following:

- At all times each Class A ordinary shares shall carry the right to one vote per Share;
- If 58 Daojia's Shares represent more than or equal to 51% of the total outstanding equity securities of the Company, then each Class B ordinary shares will carry the right to one vote;
- If 58 Daojia's Shares represent less than 51% but more than or equal to 35% of the total outstanding equity securities of the Company, then each Class B ordinary share shall carry such number of votes that would result in 58 Daojia's shares carrying, in the aggregate 51% of the total voting rights in the Company; and
- If 58 Daojia's Shares represent less than 35% of the number of total outstanding equity securities of the Company, then each Class B ordinary share shall be automatically converted into Class A ordinary shares on a one-to-one basis.

### Assumptions

The above table assumes that the Global Offering becomes unconditional and Shares are issued pursuant to the Global Offering. The above table also does not take into account any Shares which may be issued or repurchased by us under the general mandates granted to our Directors as referred to below.

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## SHARE CAPITAL

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### **Ranking**

The Offer Shares will rank *pari passu* in all respects with all Shares currently in issue or to be issued as mentioned in this prospectus, and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this prospectus.

### **POTENTIAL CHANGES TO SHARE CAPITAL**

#### **Circumstances under which general meetings are required**

Upon completion of the Global Offering, our Company has only one class of Shares, namely ordinary shares, and each ranks *pari passu* with the other Shares.

Pursuant to the Cayman Islands Companies Act and the terms of the Memorandum of Association and Articles of Association, our Company may from time to time by ordinary resolution of shareholders (i) increase its share capital, (ii) consolidate and divide its share capital into shares of larger amount, (iii) subdivide its shares into shares of smaller amount; and (iv) cancel any shares which have not been taken. In addition, our Company may subject to the provisions of the Cayman Islands Companies Act reduce its share capital or capital redemption reserve by its shareholders passing a special resolution. See “Summary of the Constitution of the Company and Cayman Islands Company Law – Summary of the Constitution of the Company – 2 Articles of Association – 2.5 Alteration of capital” in Appendix III to this prospectus for further details.

#### **Share Incentive Plan**

We adopted the Share Incentive Plan on August 18, 2021. See “Statutory and General Information – D. Share Incentive Plan” in Appendix IV to this prospectus for further details.

#### **General mandate to issue Shares**

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares with a total number of not more than the sum of:

- 20% of the number of Shares in issue immediately following completion of the Global Offering; and
- the total number of Shares repurchased by us under the authority referred to in the paragraph headed “– General mandate to repurchase Shares” in this section.

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## SHARE CAPITAL

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This general mandate to issue Shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- the date on which it is varied or revoked by an ordinary resolution of our Shareholders passed in a general meeting.

See “Statutory and General Information – A. Further Information about our Group – 3. Resolutions of our Shareholders” in Appendix IV to this prospectus for further details of this general mandate to allot, issue and deal with Shares.

### **General mandate to repurchase Shares**

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase our own securities with a total number of up to 10% of the total number of our Shares in issue immediately following the completion of the Global Offering.

The repurchase mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which our Shares are listed (and which are recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in the section headed “Statutory and General Information – A. Further Information about our Group – 5. Repurchases of our Own Securities” in Appendix IV to this prospectus.

This general mandate to repurchase Shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- the date on which it is varied or revoked by an ordinary resolution of our Shareholders passed in a general meeting.

See “Statutory and General Information – A. Further Information about our Group – 3. Resolutions of our Shareholders” in Appendix IV to this prospectus for further details of this general mandate to repurchase Shares.

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*You should read the following discussion and analysis in conjunction with the consolidated financial statements as of and for each of the years ended December 31, 2018, 2019, 2020 and 2021, and the notes thereto included in the Accountant's Report set out in Appendix I to this prospectus which have been prepared in accordance with IFRS and the selected historical financial information and operating data included elsewhere in this prospectus. Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in "Forward-looking Statements" and "Risk Factors." In evaluating our business, you should carefully consider the information provided in "Risk Factors" in this prospectus.*

### OVERVIEW

We are a major online intra-city logistics platform in Asia. We operate in more than 340 cities across five countries and regions in Asia, namely mainland China, Hong Kong, Singapore, Korea and India. We own and operate two highly-recognized, well-trusted brands in the online intra-city logistics space: Kuaigou Dache (快狗打車) in mainland China and GOGO in other countries and regions in Asia. Our integrated smart platform seamlessly connects drivers with shippers who need their freight and goods delivered within the same city, setting transaction practices that promote transparency, trust and efficiency. Our intelligent online platform enables convenient and high-quality logistics services catering to the varying needs of large enterprises, SMEs and individual shippers, and help drivers find sustainable work opportunities.

We have built a vibrant ecosystem of millions of shippers and drivers. As of December 31, 2018, 2019, 2020 and 2021, we had approximately 14.5 million, 19.8 million, 24.0 million and 27.6 million registered shippers and 1.3 million, 3.0 million, 4.2 million and 5.2 million registered drivers, respectively. In 2018, 2019, 2020 and 2021, there were 32.4 million, 33.4 million, 27.1 million and 28.4 million shipment orders fulfilled on our platform, generating a total GTV of RMB3,356.9 million, RMB3,313.0 million, RMB2,694.4 million and RMB2,676.7 million, respectively.

We derive revenue primarily from platform services, enterprise services and value-added services. Our platform services facilitate on-demand intra-city logistics by matching drivers with shippers through our smart order dispatching system. With our enterprise services, we offer customized solutions to satisfy planned and on-demand logistics needs of large enterprises and SMEs. We provide a range of value-added services for shippers, drivers and other participants in our ecosystem to increase their stickiness to our platform and diversify our revenue streams.



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We had revenue of RMB453.1 million, RMB548.5 million, RMB530.4 million and RMB660.9 million in 2018, 2019, 2020 and 2021, respectively. Our gross profit was RMB104.4 million, RMB173.1 million, RMB183.4 million and RMB241.7 million in 2018, 2019, 2020 and 2021, respectively, representing a gross profit margin of 23.0%, 31.6%, 34.6% and 36.6% in the same periods, respectively. We had net loss of RMB1,070.9 million, RMB183.8 million, RMB658.2 million and RMB872.9 million in 2018, 2019, 2020 and 2021, respectively. Our adjusted net loss, which is a non-IFRS measure, was RMB784.0 million, RMB396.9 million, RMB185.4 million and RMB311.1 million in 2018, 2019, 2020 and 2021, respectively. Our adjusted EBITDA, which is a non-IFRS measure, was negative RMB762.5 million, negative RMB359.8 million, negative RMB147.3 million and negative RMB282.4 million in 2018, 2019, 2020 and 2021, respectively. See “– Description of Major Comprehensive Income Line Items – Non-IFRS Measures” for a reconciliation of our net loss to the adjusted net loss (a non-IFRS measure) and the adjusted EBITDA.

### **BASIS OF PREPARATION**

Our historical financial information has been prepared in accordance with IFRS and the IFRS Interpretations Committee interpretations applicable to companies reporting under the IFRS for periods beginning on January 1, 2018. The historical financial information has been prepared on a historical cost basis, except for convertible redeemable preferred shares, warrant and convertible notes, which are measured at fair value.

The preparation of the historical financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying our accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in Note 4 to the Accountant’s Report in Appendix I to this prospectus.

As of December 31, 2021, we had net deficit of RMB2,075.8 million. We incurred net loss of RMB872.9 million and had net operating cash outflow of RMB358.6 million in 2021.

Our source of finance and working capital mainly came from our convertible redeemable preferred shares, which are classified as financial liabilities. The convertible redeemable preferred shares are not redeemable at the option of the holders within 12 months from December 31, 2021 and will be automatically converted into ordinary shares of our Company upon the Listing. As a result, immediately after such conversion, we will be no longer in a net liability position. See Note 30(a) to the Appendix I to this prospectus.

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On August 30, 2021 and September 22, 2021, as part of our pre-listing reorganization, three investors holding the Warrants granted in connection with our Series B financing exercised their right to subscribe Series B Preferred Shares. We received the subscription proceed of approximately US\$10.4 million (equivalent to RMB67.0 million) in September 2021 and the remaining part of the subscription proceed of approximately US\$15.6 million (equivalent to RMB100.8 million) in October 2021. Our obligation to the investors upon the receipt of proceeds in September 2021 was recorded as other financial liabilities at fair value through profit or loss. For details of the Warrants, see “History, Reorganization and Corporate Structure – Major Shareholding Changes of our Company – IV. Series B Financing – Convertible Notes and Warrants.” Such instruments had been converted and reclassified as convertible redeemable preferred shares in our non-current liabilities pursuant to the contractual terms upon the completion of the entire transaction in October 2021 and our Group became in a net current asset position as of October 2021.

Our management has prepared a cash flow projection covering a period of not less than 12 months from December 31, 2021. The cash flow projection has taken into account the anticipated cash flows to be generated from our different business lines, considering reasonably possible changes in our operating performance, and available financing resources during the projection period. Based on the above projection, the Directors believe that we will have sufficient working capital to finance our operations and to meet our financial obligations as and when they become due for not less than next 12 months from December 31, 2021. As a result, the historical financial information has been prepared on a going concern basis.

All effective standards, amendments to standards and interpretations, which are mandatory for the financial period ended December 31, 2021, are consistently applied to us throughout the Track Record Period.

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### KEY OPERATING DATA

The following table sets forth certain key operating data for the periods indicated.

	Year ended December 31,			
	2018	2019	2020	2021
<b>Platform services:</b>				
Average shipper MAU <sup>(1)</sup>				
Mainland China	691,127	667,618	494,676	456,230
Overseas markets <sup>(2)</sup>	177,840	176,956	149,907	163,817
Total	<u>868,966</u>	<u>844,574</u>	<u>644,583</u>	<u>620,047</u>
Number of shipment orders				
Mainland China	26,236,066	26,982,984	21,412,070	21,942,765
Overseas markets <sup>(2)</sup>	5,096,971	5,121,564	4,445,402	4,886,170
Total	<u>31,333,037</u>	<u>32,104,548</u>	<u>25,857,472</u>	<u>26,828,935</u>
GTV (RMB in millions) <sup>(3)</sup>				
Mainland China	2,481.2	2,416.9	1,884.9	1,752.7
Overseas markets <sup>(2)</sup>	558.8	590.1	508.4	548.8
Total	<u>3,040.0</u>	<u>3,007.0</u>	<u>2,393.3</u>	<u>2,301.4</u>
Average take rate <sup>(4)</sup> (%)				
Mainland China	5.8%	8.2%	9.8%	12.0%
Overseas markets <sup>(2)</sup>	4.5%	6.8%	8.2%	9.2%
Net take rate <sup>(5)</sup>				
Mainland China	1.9%	6.6%	8.3%	2.6%
Overseas markets <sup>(2)</sup>	4.2%	6.7%	8.1%	9.1%
<b>Enterprise services:</b>				
Average shipper MAU <sup>(1)</sup>				
Mainland China	1,802	1,751	1,961	2,212
Overseas markets <sup>(2)</sup>	506	843	1,526	2,368
Total	<u>2,308</u>	<u>2,594</u>	<u>3,487</u>	<u>4,581</u>
Number of shipment orders				
Mainland China	448,699	384,031	294,138	442,300
Overseas markets <sup>(2)</sup>	607,904	884,442	968,443	1,133,094
Total	<u>1,056,603</u>	<u>1,268,473</u>	<u>1,262,581</u>	<u>1,575,394</u>
GTV (RMB in millions) <sup>(6)</sup>				
Mainland China	224.9	156.1	99.9	128.0
Overseas markets <sup>(2)</sup>	92.0	149.8	201.2	247.2
Total	<u>316.9</u>	<u>305.9</u>	<u>301.1</u>	<u>375.2</u>

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*Notes:*

- (1) Calculated by dividing (i) the sum of shipper MAUs for each month of such period by (ii) the number of months in such period.
- (2) Refers to the overseas markets in which we currently operate, namely Hong Kong, Singapore, Korea and India.
- (3) The GTV of shipment orders for our platform services in a given period represents the total amount paid by shippers for the shipment orders which were fulfilled by the drivers matched through our platform after giving effect to cancelations or refunds and without deducting any service fee charged by us and the value-added tax.
- (4) Calculated by dividing the revenue generated from our platform services by the total GTV of shipment orders fulfilled in a given period, without giving effect to incentives to transacting users which are recorded in our selling and marketing expenses.
- (5) Calculated by dividing the result of deducting the incentives to transacting users, which are recorded in our selling and marketing expenses, from the revenue generated from platform services by the total GTV of shipment orders of platform services fulfilled in a given period.
- (6) The GTV of shipment orders for our enterprise services in a given period represents the total amount paid by enterprise customers to us for logistics services, without deducting the value-added tax.

The total GTV of shipment orders slightly decreased from RMB2,694.4 million in 2020 to RMB2,676.6 million in 2021, primarily due to a decrease in the GTV for our platform services in mainland China in 2021 compared to 2020, which was mainly because of the intensified competition in the online intra-city logistics market in mainland China as DiDi Global Inc., a major mobility technology platform, started its freight services in June 2020 and further entered into more cities in April 2021. The increasing competition in certain cities, such as Beijing, Shanghai and Chengdu, which were our key regional markets and usually contribute orders with a relatively high GTV, resulted in decreases in the average shipper MAU, the number of shipment orders and the GTV of our platform services in mainland China during the period from May to December 2021. The average shipper MAU of our platform services in mainland China for the period from May to December 2021 was 488,973 compared to 559,246 in 2020. The monthly average of shipment orders of our platform services in mainland China for the period from May to December 2021 was 1,990,130 compared to 2,132,323 in 2020. The monthly average GTV of our platform services in mainland China for the period from May to December 2021 was RMB155.4 million compared to RMB187.0 million in 2020. DiDi Global Inc. is a company listed on the New York Stock Exchange and operates online freight services in mainland China through its subsidiary which is referred to as DiDi Freight in this prospectus. For details about DiDi Freight and its market share, see “Industry Overview – Overview of Mainland China’s Intra-city Logistics Market.” The decrease in our total GTV in 2021 compared to 2020 was partially offset by increases in the GTV generated from our enterprise services both in mainland China and overseas markets. These increases mainly reflected (i) the recovery of commercial activities in 2021 as the COVID-19 pandemic was largely under control, and (ii) the increased demand for intra-city logistics service of enterprises in the e-commerce industry.

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The total GTV of shipment orders decreased from RMB3,313.0 million in 2019 to RMB2,694.4 million in 2020, primarily due to the decreases in the GTV generated from our platform services both in mainland China and overseas markets and the decrease in the GTV generated from our enterprise services in mainland China. The decreases in the GTV generated from our platform services were primarily due to the decreases in the number of shipment orders and average shipper MAU both in mainland China and overseas markets as a result of the negative impact of the COVID-19 pandemic in 2020 and the intensified competition in the online intra-city logistics market in mainland China. The decrease in the GTV generated from our enterprise services in mainland China was primarily due to a decrease in the number of shipment orders because many of our enterprise customers' operations were significantly affected by the COVID-19 pandemic in the first half of 2020 attributable to the PRC government's mobility restrictions, quarantines and shutdowns, which caused significant declines in the demand for our services. The average shipper MAU for enterprise services in mainland China in 2020 increased compared to that in 2019, primarily attributable to an increase in the number of our enterprise customers in the second half of 2020 when the COVID-19 was gradually controlled and certain anti-pandemic measures were relaxed in mainland China. As many of the new enterprise customers used the on-demand services in a period after they started to use our services rather than the planned services which usually generate more stable shipment orders, we still experienced a decrease in the number of shipment orders despite the increase in the average shipper MAU in mainland China. The GTV generated from our enterprise services in overseas markets increased from 2019 to 2020, primarily due to the increase in the number of shipment orders and the increase in the average shipper MAU, reflecting the increased demand for logistics services of e-commerce enterprises driven by the growth in online purchases in lieu of offline transactions during the COVID-19 pandemic and less mobility restrictions in the overseas markets.

The total GTV of shipment orders slightly decreased from RMB3,356.9 million in 2018 to RMB3,313.0 million in 2019 due to a decrease in the GTV of shipment orders in mainland China, which was partially offset by an increase in the GTV of shipment orders in overseas markets. The decrease in the GTV in mainland China from 2018 to 2019 was primarily due to overall decreases in the number of shipment orders and the average GTV per order of our enterprise services in mainland China. The decrease in the number of shipment orders of enterprise services in mainland China primarily reflected that we strategically adjusted the structure of our enterprise customers to focus on large-size enterprises with strong credit and terminated our business with certain enterprise customers with a weaker credit profile. The decrease in the average GTV per order of our enterprise services in mainland China was primarily due to the increased number of on-demand shipment orders placed by enterprise customers which usually have a lower average order value as compared to planned orders. The increase in the GTV of shipment orders in overseas markets was primarily due to the strong demand for logistics services attributable to the increased online penetration rate of intra-city logistics market in Asia.

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The decreases in average shipper MAU during the Track Record Period were mainly due to the decreases in average shipper MAU of our platform services, primarily reflecting the negative impact of COVID-19 in mainland China and other regions we operated and intensified competition in the online intra-city logistics market in mainland China. The average shipper MAU for our enterprise services showed an overall increasing trend in both mainland China and overseas markets, reflecting increased demand for intra-city logistics services from our enterprise customers. Despite the decrease in average shipper MAU from 2020 to 2021, the number of shipment orders fulfilled on our platform increased, primarily because platform users on average placed orders at a higher frequency as we increased our incentives to transacting users of platform services in 2021.

Our average take rate for the platform services both in mainland China and overseas markets had been on an upward trend during the Track Record Period, reflecting our strengthened pricing power. The net take rate for the platform services in mainland China increased from 2018 to 2020 in line with the increase in our average take rate. The net take rate for the platform services in mainland China decreased to 2.6% in 2021 compared to 8.3% in 2020, primarily due to a significant increase in incentives that we offered transacting users of platform services reflecting a more aggressive growth strategy and the intensified competition in the online intra-city logistics market in mainland China. For more details, see “– Significant Accounting Policies – Revenue Recognition – Incentives.”

### FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition have been, and are expected to continue to be, affected by the following significant factors.

#### General Factors Affecting Our Results of Operations

Our business, results of operations and financial condition have been, and are expected to continue to be, affected by various general factors, including primarily the following.

##### *Economic and industry trends*

We have established a major digital intra-city logistics platform in Asia, creating significant value for shippers, drivers and other industry participants. Our results of operations are affected by the overall growth of the intra-city logistics industry in mainland China and other markets in Asia where we operate. According to Frost & Sullivan, the market size of the intra-city logistics market in mainland China increased from RMB893.1 billion in 2017 to RMB1,319.9 billion in 2021 and is expected to continue to increase to RMB2,300.8 billion in 2026. According to the same, the market size in Asia excluding mainland China increased from US\$178.6 billion in 2017 to US\$215.9 billion in 2021 and is expected to grow to reach US\$297.2 billion in 2026. The online logistics platform penetration rate, which is calculated by dividing the online intra-city logistics market size by the total intra-city logistics market size in terms of GTV, increased from 0.4% in 2017 to 3.1% in 2021, and is expected to continue to increase to 15.9% in 2026 in Asia, according to Frost & Sullivan.

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The future development of intra-city logistics industry in Asia is affected by many factors, including the overall economic growth of China and other countries and regions in Asia, the increased standardization and digitalization of intra-city logistics industry in Asia, the further penetration of mobile Internet, supply and demand for intra-city logistics services, as well as the regulatory environment for intra-city logistics industry. Changes in any of these general industry conditions and our ability to adapt to such changes could affect our business and results of operation.

### *Regulatory environment*

Our business and results of operations are affected by government policies and regulations applicable to the industry where we operate. In recent years, the State Council has focused on the orderly development of the logistics market and local governments also released a number of policies and guidelines to regulate the industry. For example, in September 2019, the MOT issued the Interim Measures for Administration of Road Freight Transport Operation on Online Platform, which requires the operators of online freight transport business to comply with the requirements for internet information services. On September 24, 2019, the MOT promulgated three guidelines, which require online freight operators to (i) obtain the value-added telecommunication business operation licenses, (ii) comply with rules and regulations on graded protection of information system security, (iii) connect to the provincial online freight information monitoring system, and (iv) adopt functionalities such as online transaction, full-process monitoring, online financial payment, and user feedback. For more details, see “Regulations – Laws and Regulations in Relation to Our Business in the PRC.” In addition, certain cities have requirements on the period of time during which freight vehicles can enter urban areas. New laws, regulations and rules issued by Chinese regulatory authorities from time to time may impact our business and results of operations.

We are also subject to overseas regulatory requirements in the jurisdictions where we operate, including but not limited to various licensing requirements. Any changes in overseas regulatory requirements as well as regulatory inspections and enforcements could increase our costs or have an impact on our overseas operations, which may in turn affect our results of operations.

### *Competition*

The online intra-city logistics market is highly competitive in mainland China and other countries and regions in Asia. Our business and results of operations depend on our ability to compete effectively in the market. Our competitive position may be affected by, among other things, our ability to scale up by retaining and attracting users, our ability to provide superior user experience, and the reputation, popularity, price, utility, ease of use, performance and reliability of our services compared to those of our competitors. Our competitors may have greater financial, technical, marketing, research and development and other resources, stronger brand recognition, longer operating history or a larger user base than we do in one or more of the markets in which we operate. They may be able to invest greater resources in promotion and marketing for their services, expanding their offerings and offering lower prices than we do, which could adversely affect our competitiveness. For example, a major mobility

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technology platform tapped into the online intra-city logistics market in mainland China in June 2020 and further entered into more cities in April 2021, some of which are our key regional markets, such as Beijing and Hefei. As a result of the increased competition, we experienced decreases in the average shipper MAU, the number of shipment orders and the GTV of our platform services in mainland China during the period from May to December 2021. The average shipper MAU of our platform services in mainland China for the period from May to December 2021 was 488,973 compared to 559,246 for the same period in 2020. The monthly average of shipment orders of our platform services in mainland China for the period from May to December 2021 was 1,990,130 compared to 2,132,323 for the same period in 2020. The monthly average GTV of our platform services in mainland China for the period from May to December 2021 was RMB155.4 million compared to RMB187.0 million for the same period in 2020. In response to such intensified competition, we increased incentives to transacting users in order to attract and retain users of our platform services. The amount of our incentives to transacting users of platform services in mainland China for the period from May to December 2021 was RMB144.7 million compared to RMB21.2 million for the same period in 2020.

As we continue to grow our business and increase our market share, our ability to compete effectively with competitors is crucial to the sustainable growth of our business. We expect competition to continue, both from current well-established competitors and from new entrants into the market, who may become significant competitors in the future.

### *Seasonality*

We have experienced, and we expect to continue to experience, seasonality in our business. We typically have lower revenue during the first quarter of each year in mainland China and Hong Kong, primarily due to fewer shipment orders attributable to our users' travelling and vacation plans and business closures during the Chinese New Year holidays. We have seen a significant increase in business volume during the third quarter of each year around major Chinese holidays. In the fourth quarter of each year, our performance is typically affected by the combination of the reduced business volume in mainland China during the National Day holidays and the increased business volume around Christmas and internet shopping festivals. We expect our revenue to continue to fluctuate based on seasonal factors that affect the intra-city logistics industry.

### **Specific Factors Affecting Our Results of Operations**

In addition to general economic conditions and industry factors, we believe the following company-specific factors have had, and will continue to have, a significant impact on our results of operations.



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### *Our ability to attract and retain users on our platform*

Our ability to attract and retain shippers and drivers is crucial to our business growth.

Our platform connects a vast number of shippers and millions of drivers. As of December 31, 2021, there were approximately 27.6 million shippers and 5.2 million drivers registered on our platform. As more enterprises and individual shippers choose to place shipment orders on our platform, drivers can fulfill more orders, increase the utilization of their time and vehicle and earn more income, which incentivize them to take more orders on our platform. This in turn helps us increase our capacity to meet growing demand of shippers, improve drivers' responsiveness to orders and customer satisfaction which enable us to attract more shippers and increase their level of engagement. In 2018, 2019, 2020 and 2021, we facilitated approximately 32.4 million, 33.4 million, 27.1 million and 28.4 million shipment orders on our platform with GTV of RMB3,356.9 million, RMB3,313.0 million, RMB2,694.4 million and RMB2,676.7 million, respectively. The continued growth of shippers and enterprise users on our platform relies on, among other things, our abilities to maintain a high success rate of matching on-demand freight orders, to provide quality solutions, as well as our abilities to enter new cities and increase the penetration rate of our services in the cities where we operate. To enter into new cities and grow our user base, we will recruit dedicated local teams and personnel, conduct pre-stage market surveys, make online and offline brand exposure campaigns and use incentives to attract and retain shippers and drivers. Our expected investment cost in setting up operations in a new city in mainland China varies depending on the operational scale, and the initial setup process typically takes two months. We estimate that establishing operations in a new city in mainland China, which generate a daily average of 1,000 shipment orders, would usually require an investment ranging from approximately RMB0.9 million to RMB1.2 million during the first two months.

During the Track Record Period, selling and marketing expenses were the largest component of our operating expenses. In 2018, we invested heavily in our marketing initiatives to expand our user base and incurred selling and marketing expenses of RMB524.1 million. We reduced our selling and marketing expenses by 43.5% to RMB296.0 million in 2019, and further by 34.2% to RMB194.8 million in 2020 as a result of our efforts on cost control while maintaining growth in business scale and user base. In 2021, we increased our sales and marketing efforts, including offering incentives to shippers to retain and attract these users of our platform services reflecting a more aggressive growth strategy and the intensified competition in the online intra-city logistics market in mainland China. Our incentives to transacting users from platform services increased to RMB166.5 million in 2021 from RMB27.5 million in 2020, which contributed to an increase in our selling and marketing expenses to RMB335.0 million in 2021 compared to RMB194.8 million in 2020. We will strategically adjust our marketing approaches based on the market competition and our business performance and needs from time to time. We may invest significantly in business expansion in the future, which could affect our profitability.

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### *Our ability to optimize the prices of our services*

During the Track Record Period, we generated revenue primarily from enterprise services, platform services and value-added services. Our ability to optimize the service fees that we charge our customers for our services directly affect our results of operations and profitability.

**Enterprise services.** We provide planned and on-demand logistics services for enterprise customers. The service fee earned by us is the total amount paid by enterprise customers for shipment orders they place with us. We negotiate our service fees on a case-by-case basis. The primary factors that affect the service fees we charge include the type of vehicles used, pre-planned or ad-hoc delivery schedule, the length of time required for the delivery and the weight of the freight, as well as the service fees to be paid to drivers who fulfill the shipment orders.

**Platform services.** We facilitate on-demand intra-city logistics transactions by matching shippers with drivers on our platform. We charge service fees from drivers who provide intra-city logistics services by fulfilling shipment orders either in the form of commission or membership fee. For the shipment orders on which we charge a commission to the driver, the commission is the difference between the amount paid by the shipper and the amount earned by the driver. We have maintained a membership program in mainland China since April 2019. Drivers who use our platform services may choose to subscribe for our memberships which are usually for 30 days or 60 days. During the membership period, we charge no commission on all or part of the shipment orders completed by the drivers, depending on the tier of their memberships.

The pricing of our platform services is affected by several factors, including the distance between the pickup and the drop-off location, the number of available drivers, the number of shipment orders placed by shippers on our platform, the regulatory requirements and policies, as well as the competition and the prevailing market price in the local logistics market. We measure our pricing for the platform services by the average take rate in a given period, calculated by dividing the revenue generated from our platform services by the total GTV of shipment orders fulfilled in a given period. Our average take rate in mainland China was 5.8%, 8.2%, 9.8% and 12.0% in 2018, 2019, 2020 and 2021, respectively. Our average take rate in overseas markets was 4.5%, 6.8%, 8.2% and 9.2% in 2018, 2019, 2020 and 2021, respectively.

Our ability to maintain or increase the pricing of our enterprise services and platform services will largely depend on our ability to compete effectively and differentiate our services through our strong brand recognition, our unique and nationwide driver network and our ability to meet ever-evolving needs for logistics services.

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### *Our ability to diversify our monetization channels*

Our revenue and results of operations are affected by our ability to monetize our services. For our enterprise services, we provide planned and on-demand intra-city logistics solutions for enterprise customers and charge them fees for logistics services. For our platform services, we facilitate on-demand freight deliveries by matching shippers with drivers on our platform and charge service fees from drivers who fulfill freight delivery services. In addition, we have expanded and plan to further expand our service offering into new service categories. For example, in mainland China, we also cooperate with manufacturers of NEVs, assisting drivers to purchase or rent vehicles with competitive prices, which are in line with the trend of purchasing NEVs and environmental sustainability. We provide drivers with access to information about fuel stations or vehicle maintenance and repair centers such as locations, fuel or service prices, and enable them to book the refueling or maintenance and repair services through our mobile app. In overseas markets, our value-added services include, among others, fuel card services in Hong Kong and Singapore and vehicle maintenance and repair services at our proprietary service center in Hong Kong.

Furthermore, our ability to continue to step up our monetization efforts in Asia and explore additional types of service charges is a key factor affecting the revenue generated from enterprise services and platform services. We intend to further capture monetization opportunities along the value chain of the logistics market in mainland China, such as launching new energy vehicle rental services. We will continue to operate under an asset-light business model, while covering other logistics components valued by SMEs such as warehousing, inventory management, e-commerce integration, picking and packing, and reverse logistics, through collaboration with third parties. Our monetization initiatives may require us to devote significant financial and managerial resources and may not perform as expected due to a variety of factors beyond our control. In addition, as we monitor market developments, we may adjust our monetization strategies from time to time, which could result in decreases of our total revenue or revenue contributions from certain monetization channels.

### *Our ability to manage costs and expenses*

Our ability to increase our profitability is dependent on whether we can effectively manage our cost and expenses and improve operational efficiency.

Our cost of revenue was RMB348.8 million, RMB375.4 million, RMB347.0 million and RMB419.1 million in 2018, 2019, 2020 and 2021, representing 77.0%, 68.4%, 65.4% and 63.4% of our total revenue in the same periods, respectively. During the Track Record Period, subcontracting fees for logistics service providers in connection with our enterprise services were the largest component of our cost of revenue. It represents the service fees that we paid for drivers' services through the human resources agencies and operators of vehicle fleets who retain individual drivers as their independent contractors.

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Our selling and marketing expenses were RMB524.1 million, RMB296.0 million, RMB194.8 million and RMB335.0 million in 2018, 2019, 2020 and 2021, respectively. Our selling and marketing expenses in 2018 were higher than those in 2019 and 2020 primarily because we invested a significant amount in advertising and promotion campaigns and offered incentives for individual shippers to promote our brand name in the early stage of our business. We reduced advertising expenses in 2019 and 2020 attributable to our strengthened brand awareness and word-of-mouth referrals of our platform among users. Our selling and marketing expenses increased to RMB335.0 million in 2021 compared to RMB194.8 million in 2020, primarily due to a significant increase in incentives that we offered transacting users of platform services reflecting a more aggressive growth strategy and the intensified competition in the online intra-city logistics market in mainland China.

Our results of operations and long-term growth prospects will also depend on our ability to develop our platform and the underlying technologies. Over the years, we have used significant resources in technology and internal support functions which enable us to match drivers for shipment orders more efficiently. We believe the growth in our business scale and synergies across our on-demand service and planned service can help us better manage costs and expenses and improve operational efficiency.

### IMPACT OF THE COVID-19 PANDEMIC

The outbreak of COVID-19 severely impacted mainland China in 2020. In an effort to halt the outbreak, the PRC government placed significant restrictions on travel within mainland China and closed certain businesses, and governments of other countries and regions also halted or sharply curtailed the movement of people, goods and services to and from mainland China. Moreover, the COVID-19 outbreak has become a global pandemic and affected regions outside of mainland China, including other countries and regions in Asia in which we operate.

We experienced certain disruptions in our operations as a result of the government-imposed restrictions on travel and social gathering, quarantines and shutdowns due to the COVID-19 outbreak in 2020. A substantial number of our offices in mainland China were closed in February of 2020. In addition, the COVID-19 outbreak materially and adversely affected the operations of many enterprises, resulting in significant declines in demand for our services. The intra-city logistics industry was particularly impacted. The business activities of some of our major user groups, such as wholesale market merchants, supermarkets and restaurants, were severely affected. We also experienced significant declines in the number of drivers available to provide services due to quarantines and mobility restrictions in urban areas. In contrast, according to Frost & Sullivan, players in the inter-city logistics industry were less impacted as much-needed medical supplies and consumer goods were still being transported between inter-city highways. According to the same source, players in online food delivery and express delivery industries experienced increased business demand as restaurants and retailers were temporarily closed. As a result of the intensified competition, our total GTV generated

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in mainland China decreased from RMB1,197.0 million in the first half of 2019 to RMB794.1 million in the first half of 2020, and the number of shipment orders generated in mainland China decreased from 12.4 million in the first half of 2019 to 8.7 million in the first half of 2020.

The COVID-19 pandemic adversely impacted our business operations in overseas markets as well. The local governments of Hong Kong and other foreign countries and regions began to impose epidemic prevention and control measures as the COVID-19 pandemic escalated in the middle of 2020, such as compulsory “work from home” policies and closure of factories and offices in certain areas. Such measures resulted in reduced commercial activities of enterprises and individuals, which in turn affected demands for our enterprise services and platform services in certain markets. Our total GTV generated in overseas markets decreased from RMB351.2 million in the first half of 2019 to RMB326.9 million in the first half of 2020, and the number of shipment orders generated in overseas markets decreased from approximately 3.0 million in the first half of 2019 to approximately 2.5 million in the first half of 2020.

We undertook a series of mitigating actions to alleviate the impact of COVID-19 pandemic on our business. To ease our cash flow burdens, we carefully controlled our administrative expenses and temporarily adjusted compensation for management staff. In addition, we received government subsidies and enjoyed favorable policies as governmental efforts to ease the burden of businesses affected by the COVID-19 pandemic. For the period from January 1, 2020 to December 31, 2021, the total amount of government subsidies and payment reductions or exemptions we were benefited in connection with the COVID-19 outbreak were approximately RMB16.0 million in mainland China and RMB11.7 million in overseas markets. For example, the Ministry of Human Resources and Social Security of the PRC, the MOF and the State Taxation Administration temporarily reduced or exempted payments of our contributions to the statutory employee social security plans in February 2020. We also received the anti-epidemic fund granted by the Hong Kong and Singapore governments.

Since the second quarter of 2020, many of the quarantine measures within mainland China have been relaxed, though from time to time, restrictions were re-imposed in certain cities during the third and fourth quarters of 2020. Although the negative impact of the COVID-19 pandemic in Hong Kong and other foreign countries and regions have been gradually controlled in 2021, sporadic resurgence of the pandemic happened in certain markets where we operate, such as Hong Kong, Korea and Singapore. As our business gradually recovered from the impact of COVID-19 pandemic, our revenue increased by RMB80.6 million, or 35.8%, from RMB224.9 million in the first half of 2020 to RMB305.5 million in the second half of 2020, and our gross profit increased by RMB48.4 million, or 71.7%, from RMB67.5 million to RMB115.9 million, representing a gross margin of 30.0% and 37.9% in the same periods, respectively. Our revenue in 2021 amounted to RMB660.9 million, representing an increase by RMB130.5 million, or 24.6%, from RMB530.4 million in 2020. Our gross profit increased by RMB58.3 million, or 31.8% from RMB183.4 million in 2020 to RMB241.7 million in 2021, and our gross profit margin increased from 34.6% in 2020 to

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36.6% in 2021. Our business achieved steady growth in 2021. Our revenue increased by RMB57.1 million, or 18.9%, from RMB301.9 million in the first half of 2021 to RMB359.0 million in the second half of 2021, while our gross profit increased by RMB28.0 million, or 26.2%, from RMB106.8 million to RMB134.9 million, representing a gross margin of 35.4% and 37.6% in the two periods, respectively.

As of the Latest Practicable Date, an outbreak of the Omicron (COVID-19 variant) in mainland China and globally since the beginning of 2022 had again caused more stringent measures, including temporary lock-down, implemented in certain cities in mainland China. Consequently, our GTV generated from certain cities in the regional outbreak decreased significantly. In addition, our business in Hong Kong was negatively impacted by the resurgence of COVID-19 variant, resulting in decreases in the number of completed orders and GTV in March 2022, and gradually recovered since April 2022. We have not been aggressively expanding into new markets in 2022 considering the on-going effect of the resurgence of COVID-19. We pay close attention to the development of COVID-19 and its impact on our business operations and financial performance. However, we currently are unable to predict the impact of the COVID-19 pandemic on our business and operations, our results of operations, financial condition, cash flows and liquidity in the future, as these depend on rapidly evolving developments, which are highly uncertain and will be a function of factors beyond our control. Such factors include, among others, the continued spread or recurrence of infection, the implementation of effective preventative and containment measures, the development of effective medical solutions, and the extent to which governmental restrictions on travel, public gatherings, mobility and other activities remain in place or are augmented. See “Risk Factors – Risks Related to Our Business and Industry – Our business operations and financial performance have been adversely affected by the COVID-19 outbreak, may in the future continue to be affected by the COVID-19 outbreak, and may be affected by other epidemics.”

### SIGNIFICANT ACCOUNTING POLICIES

Our significant accounting policies, which are important for understanding our financial condition and results of operations, are set forth in Note 2 to the Accountant’s Report in Appendix I to this prospectus. Some of our accounting policies involve subjective assumptions, estimates and judgements that are set forth in Note 4 to the Accountant’s Report in Appendix I to this prospectus. In each case, the determination of these items requires management judgment based on information and financial data that may change in future periods. When reviewing our financial statements, you should consider (i) our selection of significant accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions.

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### **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods or services in the ordinary course of our activities. We are a principal if we control the specified goods or services before that goods or services are transferred to a customer. We are an agent if our performance obligation is to arrange for the provision of the specified goods or services by another party. In such case, we do not control the specified goods or services provided by another party before that goods or services are transferred to the customer. When we act as an agent, we recognize revenue in the amount of any fee or commission to which we expect to receive for arranging for the specified goods or services to be provided by the other party.

Revenue is recognized when or as the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time. If control of the goods or services transfer over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods or services.

### ***Enterprise services***

We provide planned and on-demand intra-city logistics services for enterprise customers. As a freight carrier, we usually enter into logistics services agreements with enterprises and fulfill shipment orders by matching them with drivers registered on our platform. Enterprise customers can place orders for logistics services through our online platform or through our websites, mobile apps or other means.

We conclude that we act as a principal in the provision of logistics services as we are primarily responsible for the logistics and delivery services which meet the service specifications agreed upon with the enterprise customers. We have the ability to control the logistics services because (i) with our smart dispatching system, we identify and direct drivers registered on our platform to fulfill the shipment orders, and (ii) we have full discretion in establishing services fee rates for our services to enterprise customers.

The service fee earned by us is the total amount paid by the enterprise customers for all shipment orders they place with us. Revenue generated from our enterprise services are recognized on a gross basis over the period when the service is rendered. The amounts that we paid to drivers are recorded in cost of revenue.

### ***Platform services***

We provide a service to drivers to complete logistics service for shippers. Our service assists the drivers to find, receive and fulfill on-demand requests from shippers seeking logistics services, using our online platform.

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We conclude that we act as an agent in the provision of platform services as we are not responsible for fulfilling the promise to provide the logistics services provided by drivers, nor do we have the ability to control the related services. We charge service fees to drivers who provide intra-city logistics services by fulfilling shipment orders either in the form of commission or membership fee and we regard drivers as customers of our platform services. For orders where a commission is charged, upon the completion of shipment order, we recognize the service fees charged to the drivers. The amounts to be remitted to drivers from the cash payments made by shippers, after netting of the service fees that we charge to drivers, are recorded as payables to drivers. In case we charge a fixed amount of membership fees to drivers for their use of our platform over a certain period of time, we recognize the membership fees on a straight-line basis over the usage period.

### *Value-added services*

Value-added services comprise primarily revenue generated from provision of fuel cards services and cargo compensation facilitation services. We determine we act as an intermediary to bring both parties together but not the primary contracting parties of these transactions. We recognize revenue on a net basis at point in time when the respective services are rendered.

We had rental income from vehicle rental business during the Track Record Period. Lease income from operating leases where we are a lessor is recognized in income on a straight-line basis over the lease term.

### *Incentives*

#### *Incentives to customers*

For our enterprise services, we regard the enterprises that enter into logistics services agreements with us as our customers. Our incentives to enterprise customers were approximately RMB0.09 million, RMB0.4 million, RMB0.8 million and RMB1.7 million in 2018, 2019, 2020 and 2021, respectively. We record incentives to our enterprise customers as deduction of revenue, to the extent of the revenue collected from the customers.

For our platform services, we regard the drivers, who are matched with shipment orders through our platform and complete the shipment orders, as our customers. Our incentives to drivers were approximately RMB92.1 million, RMB33.0 million, RMB17.5 million and RMB16.3 million in 2018, 2019, 2020 and 2021, respectively. We record incentive to drivers, who are the customers of our platform services, as deduction of revenue, to the extent of the revenue collected from the customers.

#### *Incentives to transacting users of platform services*

The substantial services to shippers, being the transacting users who use our platform, are provided by the drivers registered on our platform who are third parties. The incentives are offered to shippers at our discretion in order to retain shippers on our platform. Therefore, such incentives are recorded as our selling and marketing expenses. Our incentives to transacting users were RMB98.1 million, RMB38.0 million, RMB27.5 million and RMB166.5 million in 2018, 2019, 2020 and 2021, respectively.



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### *Incentives to service providers of logistics and delivery services*

For our enterprise services, we enter into agreements with enterprises and are responsible for providing logistics and delivery services. We enter into agreements with human resource agencies and fleet operators pursuant to which these vendors send drivers to our platform to fulfill shipment orders. The incentives we offer to these drivers, who provide logistics and delivery services for our enterprise services business, are recognized as cost of revenue as they are part of our fulfillment costs for completion of our performance obligation under our agreements with enterprise customers. Our incentives to these drivers were approximately RMB1.0 million, RMB1.1 million, RMB1.6 million and RMB3.1 million in 2018, 2019, 2020 and 2021, respectively.

We have formulated different criteria of offering incentives to each category of abovementioned customers, transacting users of platform services and services providers of logistics and delivery services to attract and retain them. Our criteria take into consideration various factors, including but not limited to (i) the frequency of orders, (ii) whether they are new users to our platform, and (iii) the length of time since the last order placement. We also adjust the strategies for offering incentives based on the market competition to maintain our competitive edge.

The following table sets forth the range of incentives that we offered and average incentive per order during the Track Record Period.

	Year ended December 31,							
	2018		2019		2020		2021	
	Range of incentives <sup>(1)</sup>	Average incentive per order <sup>(2)</sup>	Range of incentives <sup>(1)</sup>	Average incentive per order <sup>(2)</sup>	Range of incentives <sup>(1)</sup>	Average incentive per order <sup>(2)</sup>	Range of incentives <sup>(1)</sup>	Average incentive per order <sup>(2)</sup>
	(RMB)							
<b>Enterprise services:</b>								
Incentives to enterprise customers	0.04-50.00	0.08	0.40-50.00	0.29	1.50-200.00	0.63	1.01-200.00	1.07
Incentives to logistics service providers	1.00-299.48	0.92	1.00-589.73	0.83	1.00-421.52	1.24	2.00-1,544.48	1.94
<b>Platform services:</b>								
Incentives to drivers	0.10-131.77	2.94	0.88-737.17	1.03	1.00-1,467.68	0.68	2.26-1,006.49	0.61
Incentives to transacting users	0.24-1,252.75	3.13	0.24-434.71	1.19	0.20-520.22	1.06	0.60-600.01	6.21

*Notes:*

- (1) Represents the lowest amount and highest amount of the incentives that were offered to the specified type of parties for a single order among all the shipment orders for enterprise services or platform services (as the case may be) during the same period.
- (2) Calculated by dividing the total amount of incentives that were offered to the specified type of parties in a given period by the total number of shipment orders for enterprise services or platform services (as the case may be) during the same period.

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In 2018, 2019, 2020 and 2021, the aggregate amount of incentives for our enterprise services amounted to approximately RMB1.1 million, RMB1.4 million, RMB2.4 million and RMB4.7 million, respectively, representing 0.3%, 0.5%, 0.8% and 1.3% of the GTV of our enterprise services in the same periods, respectively.

In 2018, 2019, 2020 and 2021, the aggregate amount of incentives for our platform services amounted to approximately RMB190.2 million, RMB71.0 million, RMB45.0 million and RMB182.8 million, respectively, representing 6.3%, 2.4%, 1.9% and 7.9% of the GTV of our platform services in the same periods, respectively. We offered a significant amount of incentives to transacting users and drivers on our platform in 2018, primarily due to (i) our strategy to acquire shippers and drivers and improve their stickiness to our re-branded platform after our merger with GoGoVan Cayman in 2017, and (ii) our efforts to increase our penetration in the markets where we operate. The aggregate amount of incentives to transacting users and drivers decreased, in both absolute terms and as a percentage of our GTV of platform services, from 2018 to 2019, primarily due to (i) our strengthened brand awareness in certain markets, and (ii) our adjusted strategy to focus on service quality rather than growth of scale. The aggregate amount of incentives to transacting users and drivers continued to decrease, in both absolute terms and as a percentage of our GTV of platform services, from 2019 to 2020, primarily due to our strengthened brand awareness in the markets where we operate. The increase in the aggregate amount of incentives to transacting users and drivers, in both absolute terms and as a percentage of our GTV of platform services, from 2020 to 2021 primarily reflected our efforts to attract transacting users of platform services reflecting a more aggressive growth strategy and the intensified competition in the online intra-city logistics market in mainland China as a major mobility technology platform started its freight services in June 2020 and further entered into more cities in April 2021, some of which are our key regional markets, such as Beijing and Hefei.

### **Impairment of Non-financial Assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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### **Goodwill and Intangible Assets**

#### ***Goodwill***

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses, if any. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

#### ***Brand name***

Brand name acquired in a business combination are recognized at fair value on acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses, if any.

#### ***Other intangible assets***

Other intangible assets mainly include service platform, customer relationship and computer software. They are initially recognized and measured at cost or fair value of intangible assets acquired through business combination. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses, if any.

#### ***Amortization methods and periods***

We amortize these intangible assets with a limited useful life using the straight-line method over the following periods:

Computer software	Three to ten years
Service platform	Three years
Brand name	Ten years
Customer relationship	Six years

When determining the length of useful lives of these intangible assets, management take into account the (i) estimated period during which such asset can bring economic benefits to us; and (ii) the useful life estimated by comparable companies in the market.

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### *Research and development*

Research expenditure and development expenditure that do not meet the following criteria are recognized as an expense as incurred:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

### **Equity-settled Share-based Payments**

#### *Equity-settled share-based compensation relating to 58 Daojia and GoGoVan Cayman*

Share-based compensation to our employees and consultants providing similar services as employee are granted under a share incentive plan of 58 Daojia, our parent company, and non-controlling interest in GoGoVan Cayman (“Investor’s Incentive Plan”). The investors grant their share options to our eligible employees and consultants. We have no obligation to settle the share-based payment transactions and measures the services received as an equity-settled share-based payment transaction.

In terms of the share options awarded to employees, the total amount to be expensed is determined by reference to the fair value of options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

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Non-marketing performance and service conditions are included in calculation of the number of share options that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, we revise our estimates of the number of share options that are expected to vest based on the non-marketing performance and service conditions. We recognize the impact of the revision to original estimates, if any, in the combined statement of comprehensive income, with a corresponding adjustment to equity.

In some circumstances, employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date.

### *Share-based awards relating to Daojia Limited*

Daojia Limited, of which 58 Daojia is a principal shareholder, operates a share-based compensation plan which covers our certain employees. We have no obligation to settle the share-based payment transaction but also apply the principles of IFRS 2 to measure the service received as an equity-settled share-based payment transaction.

### *Equity-settled share-based compensation relating to the Company*

We operate the Share Incentive Plan, under which we either (i) receive services from directors, employee and consultants providing similar services as employee in exchange for equity instruments of our Company or (ii) grant share options to other individuals under 58 Daojia or Daojia Limited. The fair value of options granted to directors, employee and consultants providing similar services as employee under the Share Incentive Plan is recognised as expenses over the requisite service period, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted on grant date:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, we revise our estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. We recognise the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. The fair value of options granted to other individuals under 58 Daojia or Daojia Limited where we have obligation to settle is recognised as a deemed distribution to shareholders over the vesting period with a corresponding increase in equity in accordance with IFRS 2.

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### ***Modification***

We may modify the terms and conditions on which share incentive awards were granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognized for the services received over the remaining of the vesting period.

### ***Other share-based payments***

Cash-settled share-based payments transactions are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the financial instrument granted. The share-based payments are recognized as expenses in accordance with IFRS 2, "Share-based payment" unless the goods or services qualify for recognition as assets.

### **Discontinued Operation**

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statements of comprehensive income.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of our historical financial information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying our accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### **Impairment of Non-financial Assets**

Goodwill is tested annually for impairment or more frequently if events or change in circumstances indicate that it might be impaired while non-financial assets included property, plant and equipment, intangible assets and other non-financial assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates.

Management judgement is required in the impairment assessment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable

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amount, being the higher of fair value less costs of disposal and value-in-use; (iii) the selection of the most appropriate valuation techniques; and (iv) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the recoverable amount used in the impairment test and as a result affect our financial condition and results of operations. If there is a significant adverse change in the projected performance and future cash flow projections, it may be necessary to take an impairment charge to the consolidated statements of comprehensive income.

### **Fair Value Measurement of Financial Liabilities at Fair Value through Profit or Loss**

The fair values of our convertible redeemable preferred shares and other financial liabilities at fair value through profit or loss, which are not traded in an active market, are determined by using valuation techniques. Significant judgements and assumptions are exercised by management in selecting valuation models and unobservable inputs at the end of each reporting periods. Changing the key assumptions used by management could materially affect the fair value of these financial liabilities and as a result affect our financial position and results of operation. Details of the valuation models, key assumptions and inputs are disclosed in Note 30 to the Accountant's Report in Appendix I to this prospectus.

### **Consolidation of Structured Entities through Contractual Arrangements**

As disclosed in Note 2.2 (b) to the Accountant's Report in Appendix I to this prospectus, we exercise control over certain structured entities and have the right to recognize and receive substantially all the economic benefits from them through the Contractual Arrangements. Management considers that we control these structured entities notwithstanding that we do not have direct or indirect legal ownership in equity of these entities as we have power over the financial and operating policies of these entities and receives substantially all the economic interest returns generated from the business activities of these entities through these Contractual Arrangements. Accordingly, all these structured entities are accounted for as controlled structured entities and their financial statements have also been consolidated by us throughout the Track Record Period.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing us with direct control over the structured entities. Uncertainties presented by the PRC legal system could impede the our beneficiary rights of the results, assets and liabilities of the structured entities. Significant judgement is involved in determining whether we are able to control these entities through these Contractual Arrangements. Management, after taking into account of the advice from our external legal advisors, considered that the Contractual Arrangements entered by us are in compliance with the relevant PRC laws and regulations and are therefore legally binding and enforceable.

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### **Principal Versus Agent Considerations**

Determining whether we are acting as a principal or as an agent in the provision of certain services to our customers requires judgement and consideration of all relevant facts and circumstances. In evaluation of our role as a principal or agent, we consider, individually or in combination, whether we (i) control the service provided to the customer, (ii) are primarily responsible for fulfilling the contract, and (iii) have discretion in establishing prices.

We determined we act a principal in enterprise services as we are primarily responsible for the enterprise services and regard the transacting users who place the logistic and delivery orders via platforms or other means as customers.

Meanwhile, we determined we act an agent in platform services as we facilitate the logistic and delivery transactions between the transacting users and the logistic and delivery service providers. We have charged service fees to the logistic and delivery service providers for their use of platform. However, we have no performance obligation to the transacting users and they access and use our platform for free. Accordingly, we regard the logistic and delivery service providers as customers but not for transacting users in platform services.

### **Share-based Compensation**

We measure the cost of share-based payments transactions with employees who provide service to us and other consultants who provide similar services as employees with reference to the fair value of the instruments at grant date when services are rendered, whichever appropriate. Significant estimates and assumptions are involved in the determination of the fair value of financial instruments, which include the use of the most appropriate valuation model and inputs based on the terms and conditions of the grant. The assumptions and models used for the share-based payments are disclosed in Note 24 to the Accountant's Report in Appendix I to this prospectus.

### **Income Taxes**

We are subject to income taxes in the PRC and other jurisdictions. Significant judgement is required in determining the provision for income taxes in each of these jurisdictions. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provision in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.



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### DESCRIPTION OF MAJOR COMPREHENSIVE INCOME LINE ITEMS

The following table sets forth a summary of our consolidated statements of comprehensive income and as percentages of our revenue for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	<i>(RMB in thousands, except for percentages)</i>							
<b>Continuing operations</b>								
<b>Revenue</b>	<b>453,145</b>	<b>100.0%</b>	<b>548,457</b>	<b>100.0%</b>	<b>530,409</b>	<b>100.0%</b>	<b>660,857</b>	<b>100.0%</b>
<b>Cost of revenue</b>	(348,781)	(77.0%)	(375,361)	(68.4%)	(347,041)	(65.4%)	(419,133)	(63.4%)
<b>Gross profit</b>	<b>104,364</b>	<b>23.0%</b>	<b>173,096</b>	<b>31.6%</b>	<b>183,368</b>	<b>34.6%</b>	<b>241,724</b>	<b>36.6%</b>
Selling and marketing expenses	(524,093)	(115.7%)	(295,970)	(54.0%)	(194,844)	(36.7%)	(334,966)	(50.7%)
General and administrative expenses	(325,996)	(71.9%)	(218,224)	(39.8%)	(152,121)	(28.7%)	(186,828)	(28.3%)
Research and development expenses	(76,337)	(16.8%)	(64,604)	(11.8%)	(34,608)	(6.5%)	(34,748)	(5.3%)
(Impairment losses)/reversal of impairment losses on financial assets	(83,149)	(18.3%)	5,191	0.9%	1,995	0.4%	50	0.0%
Other income	5,567	1.2%	3,435	0.6%	10,825	2.0%	4,163	0.6%
Other losses, net	(823)	(0.2%)	(3,775)	(0.7%)	(180)	(0.0%)	(3,425)	(0.5%)
<b>Operating loss</b>	<b>(900,467)</b>	<b>(198.7%)</b>	<b>(400,851)</b>	<b>(73.1%)</b>	<b>(185,565)</b>	<b>(35.0%)</b>	<b>(314,030)</b>	<b>(47.5%)</b>
Finance income/(costs), net	2,704	0.6%	2,504	0.5%	(3,666)	(0.7%)	1,039	0.2%
Changes in fair value of financial liabilities at fair value through profit or loss <sup>(1)</sup>	(168,648)	(37.2%)	227,973	41.6%	(464,080)	(87.5%)	(559,613)	(84.7%)
Share of net profit of a joint venture accounted for using the equity method	-	-	-	-	-	-	28	0.0%
<b>Loss before income tax</b>	<b>(1,066,411)</b>	<b>(235.3%)</b>	<b>(170,374)</b>	<b>(31.1%)</b>	<b>(653,311)</b>	<b>(123.2%)</b>	<b>(872,576)</b>	<b>(132.0%)</b>
Income tax credit/(expenses)	5,039	1.1%	(3,618)	(0.7%)	(460)	(0.1%)	(259)	0.0%
<b>Loss from continuing operations</b>	<b>(1,061,372)</b>	<b>(234.2%)</b>	<b>(173,992)</b>	<b>(31.7%)</b>	<b>(653,771)</b>	<b>(123.3%)</b>	<b>(872,835)</b>	<b>(132.1%)</b>
Loss from discontinued operation	(9,564)	(2.1%)	(9,853)	(1.8%)	(4,455)	(0.8%)	(19)	0.0%
<b>Loss for the year attributable to equity holders of the Company</b>	<b>(1,070,936)</b>	<b>(236.3%)</b>	<b>(183,845)</b>	<b>(33.5%)</b>	<b>(658,226)</b>	<b>(124.1%)</b>	<b>(872,854)</b>	<b>(132.1%)</b>

*Note:*

- (1) Represents gain or loss from changes in fair value of our convertible redeemable preferred shares, warrants to convertible redeemable preferred shares and convertible notes.

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## FINANCIAL INFORMATION

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### Non-IFRS Measures

To supplement our consolidated financial statements which are presented under IFRS, we also use adjusted net loss (a non-IFRS measure) and adjusted EBITDA as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items. We believe that such measures provide 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 net loss (a non-IFRS measure) and adjusted EBITDA may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net loss (a non-IFRS measure) as loss for the year adjusted for (i) share-based compensation expenses, and (ii) changes in fair value of financial liabilities at fair value through profit and loss. Share-based compensation expenses consist of (i) non-cash expenses arising from granting options, restricted shares and restricted share units to eligible individuals under the Share Incentive Plan, and (ii) expense incurred in connection with issuance of a warrant to an investor in Series B financing. See “Statutory and General Information – D. Share Incentive Plan” in Appendix IV and Note 24 to the Accountant’s Report in Appendix I to this prospectus. The convertible redeemable preferred shares will be automatically converted into ordinary shares upon completion of the Listing and we do not expect to record further gains or losses in relation to valuation changes in such instruments after the Listing.

We define adjusted EBITDA as adjusted net loss for the year adjusted for (i) income tax (credit)/expenses, (ii) depreciation and amortization, and (iii) net finance (income)/costs.

We believe that these items should be adjusted for when calculating our adjusted net loss (a non-IFRS measure) and adjusted EBITDA in order to provide potential investors with a complete and fair understanding of our operating results, especially in making period-to-period comparisons of, and assessing the profile of, our operating and financial performance, and making comparisons with other comparable companies with similar business operations.

## FINANCIAL INFORMATION

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

	Year ended December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
<b>Loss for the year</b>	<b><u>(1,070,936)</u></b>	<b><u>(183,845)</u></b>	<b><u>(658,226)</u></b>	<b><u>(872,854)</u></b>
Adjusted for:				
Share-based compensation expenses <sup>(1)</sup>	118,249	14,954	8,713	2,125
Changes in fair value of financial liabilities at fair value through profit or loss <sup>(2)</sup>	<u>168,648</u>	<u>(227,973)</u>	<u>464,080</u>	<u>559,613</u>
<b>Non-IFRS measure:</b>				
<b>Adjusted net loss for the year</b>	<b><u><u>(784,039)</u></u></b>	<b><u><u>(396,864)</u></u></b>	<b><u><u>(185,433)</u></u></b>	<b><u><u>(311,116)</u></u></b>
	Year ended December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
<b>Adjusted net loss for the year</b>	<b><u>(784,039)</u></b>	<b><u>(396,864)</u></b>	<b><u>(185,433)</u></b>	<b><u>(311,116)</u></b>
Adjusted for:				
Income tax (credit)/expenses	(5,039)	3,618	460	259
Depreciation and amortization	29,292	35,950	33,992	29,457
Finance (income)/costs, net	<u>(2,704)</u>	<u>(2,504)</u>	<u>3,666</u>	<u>(1,039)</u>
<b>Non-IFRS measure:</b>				
<b>Adjusted EBITDA for the year</b>	<b><u><u>(762,490)</u></u></b>	<b><u><u>(359,800)</u></u></b>	<b><u><u>(147,315)</u></u></b>	<b><u><u>(282,439)</u></u></b>

Notes:

- (1) Represents share-based compensation expenses for our employees and consultants, and a share-based compensation of RMB33.0 million incurred in 2018 attributable to the issuance of warrant to an investor in Series B financing.
- (2) Represents gain or loss from changes in fair value of our convertible redeemable preferred shares, warrants to convertible redeemable preferred shares and convertible notes.

## FINANCIAL INFORMATION

### Revenue

During the Track Record Period, we generated revenue from enterprise services, platform services and value-added services. The following table sets forth a breakdown of our revenue by business line and geographical region, in both absolute terms and as a percentage of our revenue for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	<u>Amount</u>	<u>% of total revenue</u>	<u>Amount</u>	<u>% of total revenue</u>	<u>Amount</u>	<u>% of total revenue</u>	<u>Amount</u>	<u>% of total revenue</u>
	<i>(RMB in thousands, except for percentages)</i>							
<b>Enterprise services</b>								
Mainland China	187,853	41.5%	142,960	26.1%	90,343	17.0%	123,359	18.7%
Overseas	91,158	20.1%	148,827	27.1%	198,918	37.6%	249,447	37.7%
Subtotal	<u>279,011</u>	<u>61.6%</u>	<u>291,787</u>	<u>53.2%</u>	<u>289,261</u>	<u>54.6%</u>	<u>372,806</u>	<u>56.4%</u>
<b>Platform services</b>								
Mainland China	143,371	31.6%	198,068	36.1%	184,093	34.7%	210,803	31.9%
Overseas	24,996	5.5%	39,960	7.3%	41,502	7.8%	47,342	7.2%
Subtotal	<u>168,367</u>	<u>37.1%</u>	<u>238,028</u>	<u>43.4%</u>	<u>225,595</u>	<u>42.5%</u>	<u>258,145</u>	<u>39.1%</u>
<b>Value-added services</b>								
Mainland China	1,735	0.4%	13,225	2.4%	5,959	1.1%	9,398	1.4%
Overseas	4,032	0.9%	5,417	1.0%	9,594	1.8%	20,508	3.1%
Subtotal	<u>5,767</u>	<u>1.3%</u>	<u>18,642</u>	<u>3.4%</u>	<u>15,553</u>	<u>2.9%</u>	<u>29,906</u>	<u>4.5%</u>
<b>Total revenue</b>	<b><u>453,145</u></b>	<b><u>100.0%</u></b>	<b><u>548,457</u></b>	<b><u>100.0%</u></b>	<b><u>530,409</u></b>	<b><u>100.0%</u></b>	<b><u>660,857</u></b>	<b><u>100.0%</u></b>

## FINANCIAL INFORMATION

The following table sets forth a breakdown of revenue by geographical region, in both absolute terms and as a percentage of our revenue for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue
	<i>(RMB in thousands, except for percentages)</i>							
Mainland China	332,959	73.5%	354,253	64.6%	280,395	52.9%	343,560	52.0%
Hong Kong	79,264	17.5%	120,826	22.0%	148,346	28.0%	173,331	26.2%
Singapore	28,597	6.3%	39,447	7.2%	52,760	9.9%	56,915	8.6%
Korea	10,585	2.3%	31,067	5.7%	44,858	8.5%	81,890	12.4%
Other countries	1,740	0.4%	2,864	0.5%	4,050	0.7%	5,161	0.8%
<b>Total revenue</b>	<b>453,145</b>	<b>100.0%</b>	<b>548,457</b>	<b>100.0%</b>	<b>530,409</b>	<b>100.0%</b>	<b>660,857</b>	<b>100.0%</b>

### *Enterprise services*

We provide planned and on-demand intra-city logistics services for enterprise customers. As a freight carrier, we usually enter into logistics services agreements with enterprises and fulfill shipment orders by matching them with drivers registered on our platform. We consider enterprises who enter into logistics services agreements with us as our customers. Our revenue represents the shipping fares charged by us to enterprises for all shipment orders they place with us. The amount we pay for services provided by drivers is recorded in our cost of revenue. We negotiate our service fees with our enterprise customers on a case-by-case basis. We typically have a fee schedule in the framework agreements entered into with enterprise customers, pursuant to which the service fee for each order is determined, taking into account, among others, the type of vehicles used, the length of time needed for the delivery and the weight of the freight to be delivered.

In 2018, 2019, 2020 and 2021, our revenue generated from enterprise services was RMB279.0 million, RMB291.8 million, RMB289.3 million and RMB372.8 million, respectively, representing 61.6%, 53.2%, 54.6% and 56.4% of our total revenue, respectively.

Our revenue from enterprise services is primarily driven by the number of shipment orders placed by enterprise customers with us, as well as the number of shipper MAU and our ability to increase monetization from them.

## FINANCIAL INFORMATION

### *Platform services*

We facilitate on-demand intra-city logistics by matching drivers with shippers on our platform. We generate revenue from charging service fees to drivers for their use of our platform to provide logistics services for shippers. We consider drivers as customers of our platform services. We charge service fees either in the form of commission or membership fee. For the shipment orders on which we charge a commission to drivers, the commission earned by us is the difference between the amount paid by the shipper for a shipment order and the amount earned by the driver from fulfilling that order. We launched our membership program in mainland China in 2019. Drivers who make a stable and frequent use of our platform generally prefer to join our membership program. During the membership period, we charge no commission on all or part of the shipment orders completed by the drivers, depending on the tier of their memberships. The following table sets forth a breakdown of our revenue generated from platform services by commission and membership fees for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	<i>(RMB in thousands, except for percentages)</i>							
<b>Platform services</b>								
Commission	168,367	100.0%	236,950	99.5%	133,747	59.3%	205,425	79.6%
Membership fees	–	–	1,078	0.5%	91,848	40.7%	52,720	20.4%
<b>Total</b>	<b>168,367</b>	<b>100.0%</b>	<b>238,028</b>	<b>100.0%</b>	<b>225,595</b>	<b>100.0%</b>	<b>258,145</b>	<b>100.0%</b>

In 2018, 2019, 2020 and 2021, our revenue generated from platform services was RMB168.4 million, RMB238.0 million, RMB225.6 million and RMB258.1 million, accounting for 37.1%, 43.4%, 42.5% and 39.1% of our total revenue, respectively. Membership fees from drivers' subscriptions of our memberships amounted to RMB1.1 million, RMB91.8 million and RMB52.7 million in 2019, 2020 and 2021, respectively, representing 0.5%, 40.7% and 20.4% of revenue of platform services in the same periods. From 2019 to 2020, the significant increase in membership fees was primarily because we started our membership program for drivers in a limited number of cities on a trial basis in 2019 and attracted an increasing number of members when we rolled the program out on a larger scale in 2020. From 2020 to 2021, the percentage of membership fees generated from platform services as to our total revenue decreased from 40.7% to 20.4% as we strategically acquired new drivers to register on our platform through fleet operators in 2021, and such drivers are automatically designated as premium drivers. Drivers registered as premium drivers through fleet operators cannot join the membership program concurrently.

Our revenue from platform services is primarily driven by (i) the GTV of shipment orders placed by shippers on our platform, which is in turn determined by the number of shipment orders, (ii) the number of shipper MAU and our ability to increase monetization from them, and (iii) the number of drivers who subscribe for our memberships.

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### *Value-added services*

We generate revenue from various value-added services for shippers, drivers and other participants in our ecosystem. We generate sales leads for business partners by promoting their services to users on our platform. In mainland China, we provide drivers with information about locations of fuel stations and vehicle maintenance and repair centers through our mobile apps and charge commission from these service providers. We cooperate with automobile manufacturers and dealers to offer discounted prices for drivers who intend to purchase or rent vehicles and choose to join our platform and charge commission from the manufacturers and dealers for referrals.

In overseas markets, we provide fuel cards services through our collaboration with fuel companies in Hong Kong and Singapore. Our revenue from fuel cards services represents the service fee earned by us based on the difference between the amount we charge drivers for fuel cards and the amount we pay to fuel companies. We provide vehicle maintenance and repair services at our proprietary service center in Hong Kong and generating revenue from charging service fees.

During the Track Record Period, our value-added services also included vehicle rental business with a partner. We started the vehicle rental business in the second half of 2018. Although the cooperation relationship with the business partner ended in September 2019, we still generated income from the then-existing lease agreements with drivers in 2020.

In 2018, 2019, 2020 and 2021, our revenue generated from value-added services was RMB5.8 million, RMB18.6 million, RMB15.6 million and RMB29.9 million, respectively, accounting for 1.3%, 3.4%, 2.9% and 4.5% of our total revenue.

### **Cost of Revenue**

Our cost of revenue consists primarily of (i) subcontracting fees for logistics services providers, representing the service fees that we paid for drivers' services through the human resources agencies and operators of vehicle fleets who retain individual drivers as their independent contractors, (ii) employee benefit expenses for our user services and call center staff, (iii) payment processing costs paid to third-party payment processors, and (iv) depreciation and amortization cost, consisting primarily of amortization of intangible assets acquired through our merger with GoGoVan Cayman.

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The following table sets forth a breakdown of our cost of revenue by nature and as percentages of our revenue for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	<i>(RMB in thousands, except for percentages)</i>							
Subcontracting fees for logistics services providers	268,463	59.2%	272,037	49.6%	261,128	49.2%	309,708	46.9%
Employee benefit expenses	24,673	5.5%	40,001	7.3%	30,838	5.8%	20,832	3.2%
Depreciation and amortization	22,011	4.9%	22,539	4.1%	20,524	3.9%	17,967	2.7%
Payment processing cost	11,973	2.6%	11,951	2.2%	8,104	1.5%	7,934	1.2%
Others <sup>(1)</sup>	21,661	4.8%	28,833	5.2%	26,447	5.0%	62,692	9.4%
<b>Total</b>	<b>348,781</b>	<b>77.0%</b>	<b>375,361</b>	<b>68.4%</b>	<b>347,041</b>	<b>65.4%</b>	<b>419,133</b>	<b>63.4%</b>

*Note:*

- (1) Consists primarily of (i) management services fee charged by entities controlled by 58 Daojia allocated to cost of revenue, (ii) telecommunication costs, including text message fees and rental fees of servers, (iii) outsourced services costs, consisting primarily of the costs for outsourced call center services during the Track Record Period, (iv) lease cost and (v) other miscellaneous costs. The management services fee charged by entities controlled by 58 Daojia which were allocated to our cost of revenue was approximately RMB3,800, nil, RMB3.8 million and RMB0.2 million in 2018, 2019, 2020 and 2021, respectively. For more details about the management services fee charged by entities controlled by 58 Daojia, see “– General and Administrative Expenses.”

Payment processing costs represent the fees that online payment processors charge us for processing the payments made by shippers to us for the completed shipment orders through our platform services in mainland China. We have primarily cooperated with Alipay and WeChat Pay, which are the major online payment processing service providers in China, since the inception of our platform services in mainland China. Alipay is an affiliate of our Shareholder, Taobao China, and WeChat Pay is a third party to us. Payment processing costs are generally determined based on the amounts paid by shippers to us for the shipment orders multiplied by the fee rates charged by third-party payment processors. Our payment processing costs remained relatively stable at RMB12.0 million in 2018 and 2019, primarily because the GTV of our platform services in mainland China remained stable at RMB2,481.2 million in 2018 and RMB2,416.9 million in 2019. Our payment processing costs decreased by 32.5% from RMB12.0 million in 2019 to RMB8.1 million in 2020, primarily because (i) the fee rate charged by WeChat Pay decreased in April 2020 from 0.60% to 0.30% which is currently applicable to the logistics and delivery sector, and (ii) the GTV of our platform services in mainland China decreased in 2020. Our payment processing costs remained stable at RMB7.9 million in 2021, as compared to RMB8.1 million in 2020.



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In 2018, 2019, 2020 and 2021, our cost of revenue was RMB348.8 million, RMB375.4 million, RMB347.0 million and RMB419.1 million, accounting for 77.0%, 68.4%, 65.4% and 63.4% of our total revenue, respectively.

### Gross Profit and Gross Profit Margin

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

	Year ended December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands, except for percentages)</i>			
Gross profit	104,364	173,096	183,368	241,724
Gross profit margin	23.0%	31.6%	34.6%	36.6%

In 2018, 2019, 2020 and 2021, our gross profit was RMB104.4 million, RMB173.1 million, RMB183.4 million and RMB241.7 million, representing a gross profit margin of 23.0%, 31.6%, 34.6% and 36.6%, respectively.

### Selling and Marketing Expenses

Our selling and marketing expenses consist primarily of (i) employee benefit expenses for sales and marketing personnel, (ii) promotion and advertising expenses, and (iii) incentives to transacting users, representing incentives that we offer shippers to enhance their stickiness to our platform.

The following table sets forth a breakdown of our selling and marketing expenses and as percentages of our revenue for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	<i>(RMB in thousands, except for percentages)</i>							
Employee benefit expenses (including share-based compensation)	183,210	40.4%	136,429	24.9%	95,290	18.0%	68,186	10.3%
Promotion and advertising	191,539	42.3%	82,495	15.0%	47,230	8.9%	49,392	7.5%
Incentives to transacting users from platform services <sup>(1)</sup>	98,140	21.7%	38,048	6.9%	27,486	5.2%	166,520	25.2%
Others <sup>(2)</sup>	51,204	11.3%	38,998	7.2%	24,838	4.6%	50,868	7.7%
<b>Total</b>	<b>524,093</b>	<b>115.7%</b>	<b>295,970</b>	<b>54.0%</b>	<b>194,844</b>	<b>36.7%</b>	<b>334,966</b>	<b>50.7%</b>

## FINANCIAL INFORMATION

*Notes:*

- (1) Primarily represents incentives we offer to shippers who are regarded as transacting users of our platform.
- (2) Consists primarily of (i) management services fee charged by entities controlled by 58 Daojia, (ii) depreciation and amortization, (iii) outsourced services costs, consisting primarily of the costs for outsourced sales services during the Track Record Period, (iv) travel expenses and (v) other miscellaneous expenses. The management services fee charged by entities controlled by 58 Daojia which were allocated to our selling and marketing expenses was approximately RMB19.0 million, RMB4.8 million, RMB5.0 million and RMB1.6 million in 2018, 2019, 2020 and 2021, respectively. For more details about the management services fee charged by entities controlled by 58 Daojia, see “– General and Administrative Expenses.”

In 2018, 2019, 2020 and 2021, our selling and marketing expenses were RMB524.1 million, RMB296.0 million, RMB194.8 million and RMB335.0 million, respectively, accounting for 115.7%, 54.0%, 36.7% and 50.7% of our total revenue, respectively.

### General and Administrative Expenses

Our general and administrative expenses consist primarily of (i) employee salaries and benefits for administrative personnel, (ii) management fees charged by entities controlled by 58 Daojia, (iii) professional service fees paid to third-party consultants, (iv) share-based compensation expense incurred in 2018 attributable to the issuance of a warrant to an investor in Series B financing, and (v) depreciation and amortization of electronic equipment and office supplies.

The following table sets forth a breakdown of our general and administrative expenses and as percentages of our revenue for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
<i>(RMB in thousands, except for percentages)</i>								
Employee benefit expenses (including share-based compensation)	120,336	26.6%	78,250	14.3%	64,425	12.1%	88,693	13.4%
Management services fee charged by entities controlled by 58 Daojia	133,246	29.4%	104,297	19.0%	41,802	7.9%	1,667	0.3%
Professional service cost	23,664	5.2%	18,194	3.3%	25,597	4.8%	25,642	3.9%
Depreciation and amortization	4,289	0.9%	7,071	1.3%	7,422	1.4%	4,423	0.7%
Listing expenses	–	–	–	–	–	–	33,812	5.1%
Other share-based compensation <sup>(1)</sup>	33,018	7.3%	–	–	–	–	–	–
Others <sup>(2)</sup>	11,443	2.5%	10,412	1.9%	12,875	2.5%	32,591	4.9%
<b>Total</b>	<b>325,996</b>	<b>71.9%</b>	<b>218,224</b>	<b>39.8%</b>	<b>152,121</b>	<b>28.7%</b>	<b>186,828</b>	<b>28.3%</b>

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*Notes:*

- (1) Represents share-based compensation expense of RMB33.0 million incurred in 2018 attributable to the issuance of a warrant to an investor in Series B financing.
- (2) Consists primarily of (i) office expenses, (ii) lease and facilities expenses, (iii) recruitment expenses, and (iv) other miscellaneous expenses.

In 2018, 2019, 2020 and 2021, our general and administrative expenses were RMB326.0 million, RMB218.2 million, RMB152.1 million and RMB186.8 million, respectively, accounting for 71.9%, 39.8%, 28.7% and 28.3% of our total revenue, respectively.

During the Track Record Period, certain entities controlled by 58 Daojia provided us with comprehensive support services, consisting primarily of administrative and management services, technological support, marketing services, after-sales services and other advisory services. As a result, we recorded management services fee charged by entities controlled by 58 Daojia during the Track Record Period. The management services fee charged by entities controlled by 58 Daojia was determined based on the costs and expenses incurred by these entities in connection with their services to us with a 5% to 7.5% markup, which we believe is in line with the market standard for similar services. Such costs and expenses consisted primarily of staff costs, offices leases and facilities expenses, professional service expenses, depreciation and amortization expenses, information technology costs, recruitment expenses, marketing expenses and other miscellaneous costs. Below is a summary of the bases on which 58 Daojia allocated each type of costs or expenses to us:

- Staff costs were allocated on a monthly basis to us based on the proportion of 58 Daojia staff's working hours on the work with respect to us out of such staff's total working hours;
- Office leases and facilities expenses, depreciation and amortization expenses and other miscellaneous costs were allocated on a monthly basis to us (i) based on the proportion of the number of our employees out of the total number of employees of 58 Daojia in 2018 and 2019 as our employees worked in the office space which was commonly used by 58 Daojia and us, and (ii) based on the proportion of the work area used by us out of the total work area that was leased by 58 Daojia from 2020 as we started to use office space which is physically separated from the office space used by 58 Daojia;
- Recruitment expenses, professional service expenses and information technology costs were allocated on a monthly basis to us based on to the proportion of the number of our employees out of the total number of employees of 58 Daojia; and
- Marketing expenses were allocated to us in 2018 and there was no marketing expense allocated by 58 Daojia to us in 2019, 2020 and 2021 as we formulated our own marketing strategies. The amount allocated to us in 2018 was determined based on the proportion of the marketing resources consumed by us out of the total marketing expenses incurred by 58 Daojia.

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During the Track Record Period, a majority of the management services fee charged by entities controlled by 58 Daojia was recorded in our general and administrative expenses and the rest was recorded in our cost of revenue and selling and marketing expenses, respectively. See “– Cost of Revenue” and “– Selling and Marketing Expenses.” The Directors are of the view that the allocation bases described above are reasonable, and the relevant expenses recorded by the Group during the Track Record Period are accurate and complete in all material aspects.

### Research and Development Expenses

Our research and development expenses consist primarily of salaries and benefits for research and development personnel.

The following table sets forth a breakdown of our research and development expenses and as percentages of our revenue for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	<i>(RMB in thousands, except for percentages)</i>							
Employee benefit expenses (including share-based compensation)	73,123	16.1%	61,999	11.3%	32,853	6.2%	32,842	5.0%
Others <sup>(1)</sup>	3,214	0.7%	2,605	0.5%	1,755	0.3%	1,906	0.3%
<b>Total</b>	<b>76,337</b>	<b>16.8%</b>	<b>64,604</b>	<b>11.8%</b>	<b>34,608</b>	<b>6.5%</b>	<b>34,748</b>	<b>5.3%</b>

*Note:*

- (1) Consists primarily of depreciation and amortization expenses, office expenses and other miscellaneous expenses.

In 2018, 2019, 2020 and 2021, our research and development expenses were RMB76.3 million, RMB64.6 million, RMB34.6 million and RMB34.7 million, respectively, accounting for 16.8%, 11.8%, 6.5% and 5.3% of our total revenue, respectively.

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

Our impairment losses or reversal of impairment losses on financial assets consist primarily of the impairment losses on accounts receivables due from certain customers or reversal of impairment losses if we expect our credit loss to decrease.

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We had impairment loss on financial assets of RMB83.1 million in 2018, primarily due to the impairment on the accounts receivables due from a major enterprise customer, a Chinese bike-sharing company which experienced credit deterioration. For more details, see “— Discussion of Selected Items from the Consolidated Statements of Financial Position — Assets — Accounts receivables.” We had reversal of impairment losses of RMB5.2 million, RMB2.0 million and RMB0.1 million in 2019, 2020 and 2021, respectively.

For accounts receivables, we apply the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognized since initial recognition. For more details, see Note 2.14 and Note 3.1(b) to the Accountant’s Report in Appendix I to this prospectus.

### **Other Income**

Our other income represents government subsidies which consist primarily of financial subsidies with no condition attached granted by the local governments. In 2018, 2019, 2020 and 2021, our other income was RMB5.6 million, RMB3.4 million, RMB10.8 million and RMB4.2 million, respectively.

### **Other Net Losses**

Our other net losses consist primarily of net foreign exchange gains or losses and other gain or loss. In 2018, 2019, 2020 and 2021, our other net losses were RMB0.8 million, RMB3.8 million, RMB0.2 million and RMB3.4 million, respectively.

### **Net Finance Income and Costs**

Our finance income consists of interest income from bank deposit. Our finance cost consists of interest expense on lease liabilities and interest expense on other borrowing from group company. In 2018, 2019 and 2021, we had net finance income of RMB2.7 million, RMB2.5 million and RMB1.0 million, respectively. In 2020, we had net finance costs of RMB3.7 million.

### **Changes in Fair Value of Financial Liabilities at Fair Value through Profit or Loss**

Changes in fair value of financial liabilities at fair value through profit or loss represent gain or loss from changes in fair value of our convertible redeemable preferred shares, warrants to convertible redeemable preferred shares and convertible notes issued to certain investors. We have engaged an independent third party valuer to conduct valuation to determine the fair value of these financial instruments. For more details, see Note 30 to the Accountant’s Report in Appendix I to this prospectus. In 2018, we had a loss in fair value of financial liabilities at fair value through profit or loss of RMB168.6 million. In 2019, we had a gain in fair value of financial liabilities at fair value through profit or loss of RMB228.0 million, primarily due to a change in fair value caused by (i) a decrease in the valuation of our Company in 2019, and (ii) the expiry of warrants issued to Series B investors to subscribe for our convertible

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## FINANCIAL INFORMATION

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redeemable preferred shares that occurred in July 2019. In 2020, we had a loss in fair value of financial liabilities at fair value through profit or loss of RMB464.1 million. In 2021, we had a loss in fair value of financial liabilities at fair value through profit or loss of RMB559.6 million.

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

We had income tax credit of RMB5.0 million in 2018, and incurred income tax expenses of RMB3.6 million, RMB0.5 million and RMB0.3 million in 2019, 2020 and 2021, respectively.

In 2018, 2019, 2020 and 2021, the weighted average applicable tax rate was 16.8%, 48.1%, 5.0% and 7.0%, respectively. The weighted average applicable tax rate is calculated by dividing the sum of the taxable profit or loss of each entity within our Group based on their respective income tax rate by our consolidated loss before income tax. During the Track Record Period, our consolidated loss before income tax included changes in fair value of financial liabilities at fair value through profit or loss which were subject to a zero tax rate. The weighted average applicable tax rate significantly increased from 16.8% in 2018 to 48.1% in 2019, primarily because we recognized a gain of RMB228.0 million from a decrease in fair value of our convertible redeemable preferred shares in 2019 attributable to a decrease in the valuation of our Company, which resulted in a decrease in our consolidated loss before income tax. The weighted average applicable tax rate decreased from 48.1% in 2019 to 5.0% in 2020, primarily because we recognized a loss of RMB464.1 million from an increase in fair value of our convertible redeemable preferred shares in 2020 attributable to an increase in the valuation of Company, which resulted in an increase in our consolidated loss before income tax. The weighted average applicable tax rate increased from 5.0% in 2020 to 7.0% in 2021, primarily because our taxable income increased as certain of our entities are more profitable in 2021. Without giving the effect of changes in fair value of financial liabilities at fair value through profit or loss, the weighted average applicable tax rate during the Track Record Period was within the range of 19% to 25% and the fluctuations were mainly caused by a change in the mix of profits earned, or losses incurred, by the group entities.

### **Loss from Discontinued Operation**

In April 2020, we ceased the operations of GoGo Tech Taiwan, our subsidiary in Taiwan, pursuant to the order of the Taiwan government. Loss from discontinued operation represents the net loss which we recorded for the operations of this subsidiary during the Track Record Period. In 2018, 2019, 2020 and 2021, our loss from discontinued operation was RMB9.6 million, RMB9.9 million, RMB4.5 million and RMB19,000, respectively.

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### TAXATION

#### Cayman Islands and British Virgin Islands

Under the current laws of the Cayman Islands and British Virgin Islands, entities incorporated in the Cayman Islands and British Virgin Islands are not subject to tax on income or capital gain. In addition, the Cayman Islands and British Virgin Islands do not impose a withholding tax on payments of dividend to shareholders.

#### Hong Kong

Hong Kong has adopted a two-tiered profits tax rates regime since March 2018. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The two-tiered profits tax rates would only apply to the one which is nominated to be chargeable at the two-tiered rates. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5%.

No provision for Hong Kong profits tax was made as we did not have any assessable income subject to Hong Kong profits tax during the Track Record Period.

#### Other Countries

Tax in other countries has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

#### PRC

Our income tax provision in respect of operations in mainland China was calculated at tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretations and practices in respect thereof. For risks relating to our preferential tax treatments, see “Risk Factors – Risks Related to Our Business and Industry – Failure to obtain or maintain any of the preferential tax treatments and government subsidies or imposition of any additional taxes and surcharges could adversely affect our financial condition and results of operations.”

Further, according to the relevant laws and regulations promulgated by the State Council, enterprises engaging in research and development activities are entitled to claim 175% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits. We have made our best estimate of the tax deductibles to be claimed by our entities in ascertaining their assessable profits during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we had no disputes or unresolved tax issues with relevant tax authorities.

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### **PATH TO PROFITABILITY**

The logistics industry is a mission critical business, providing services essential for a business's normal operations. Compared to many other online platforms, we have a clearly defined monetization model. The online intra-city logistics market in Asia is still at a nascent stage and has tremendous market potential. Frost & Sullivan estimates that the size of the intra-city logistics market in Asia was US\$422.9 billion in 2021 and is expected to grow to US\$658.0 billion in 2026, representing a CAGR of 9.0% from 2022 to 2026, driven by continued urbanization, e-commerce growth and new retail development. According to the same source, the online logistics platform penetration rate, in terms of the GTV of online intra-city logistics platform out of the total GTV of the intra-city logistics market, increased from 0.4% in 2017 to 3.1% in 2021, and is expected to increase to 15.9% in 2026 in Asia. We are an early mover in digitalizing the intra-city logistics industry in Asia and have established our competitive edges in user base, operational efficiency and technologies. We are confident to capture the massive market opportunities presented.

We have been focused on building our user network, increasing our business scale and optimizing our business models to lay a solid foundation for profitability and long-term development. We had net loss, net operating loss and adjusted net loss (a non-IFRS measure) during the Track Record Period, primarily because our intra-city logistics business is at its early stage and we have made substantial investments to drive the growth of our business, which we believe are indispensable to establish compelling competitive advantages for the growth of our business.

Between 2018 and the first half of 2021, in comparison to other major players in the online intra-city logistics industry in mainland China, we adopted a prudent strategy to focus on operational efficiency and to narrow the negative profit margin. Owing to this prudent strategy, from 2018 to 2020, we consistently generated growing gross profit, our gross profit margin had been on a rising trend, and our adjusted net loss (a non-IFRS measure) decreased significantly. However, we faced challenges arising from the market competition and the COVID-19 pandemic. For example, in line with the prudent business strategy, we followed a conservative financing strategy and were cautious in selecting pre-IPO investors who share our key values and vision. While we had continued to make efforts in raising capital during the Track Record Period, the level of capital raised was insufficient to compete against the high level of incentives offered by some major competitors in mainland China. In addition, in 2020, our operations were affected by the COVID-19 pandemic, as well as the intensified competition in mainland China which reflected that a major mobility technology platform started its freight services in June 2020. According to Frost & Sullivan, this competitor used an aggressive policy of offering incentives to users in order to expand into the market. Our business performance during the first half of 2021 was further impacted by the intensified competition as this competitor continued to expand into new cities in mainland China. As a result, some of our key operating metrics in mainland China did not achieve a significant growth or had even decreased during the Track Record Period.



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During the second half of 2021, we initiated a more aggressive strategy in mainland China to increasingly focus on user retention and acquisition as (i) we received additional funding from our Series B and Series C financing and (ii) the mobile app of a major competitor was removed from app marketplaces due to administrative sanctions. Seizing the opportunity, we significantly increased our incentives to transacting users of platform services to increase our market share. As a result of the aggressive strategy, in the second half of 2021, we witnessed positive trends in our key operating metrics in mainland China as compared to those for the first half of 2021. Between June 2021 and December 2021, our GTV achieved a compound monthly growth rate of 3.0%, as compared to 0.7%, 0.8% and 0.0% for the same periods in 2018, 2019 and 2020, respectively. We achieved the higher-than-average compound monthly growth rate in GTV owing to our strong performance in target cities, which were driven by (1) strong success in gaining market share in our target cities, (2) high popularity of NEVs, the use of which we have been pioneering for intra-city logistics services, and (3) our existing pool of high quality drivers in a number of key cities.

While our revenue and gross profit grew in 2021 as compared to 2020, our operating loss, net loss and adjusted net loss (a non-IFRS measure) increased in 2021, primarily due to (i) an increase in selling and marketing expenses both in absolute amount and as a percentage of our total revenue, and (ii) a loss from changes in fair value of financial liabilities at fair value through profit or loss due to the increased valuation of our Company. The following table sets forth our gross profit, gross profit margin and three non-IFRS measures, namely adjusted net loss (a non-IFRS measure), adjusted net loss margin and adjusted EBITDA for the periods indicated.

	Year ended December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands, except for percentages)</i>			
Gross profit	104,364	173,096	183,368	241,724
Gross profit margin	23.0%	31.6%	34.6%	36.6%
<b>Non-IFRS measures:</b>				
Adjusted net loss for the year	(784,039)	(396,864)	(185,433)	(311,116)
Adjusted net loss margin for the year	(173.0%)	(72.4%)	(35.0%)	(47.1%)
Adjusted EBITDA for the year	(762,490)	(359,800)	(147,315)	(282,439)

As of December 31, 2021, we had a total deficit of RMB2,075.8 million. As of the same date, we had convertible redeemable preferred shares of RMB3,224.4 million, all of which will, upon the Listing and the completion of the Global Offering, be converted into Shares on a one-to-one basis by way of re-designation to Shares. The convertible redeemable preferred shares which were accounted for as liabilities will be re-designated from liabilities to equity. Therefore, we expect to return to a net asset position upon the Listing.

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Upon the Listing, with proceeds from the Global Offering and other financial resources, we plan to continue to implement a more aggressive growth strategy. We intend to allocate approximately 60%, or HK\$340.4 million (equivalent to RMB289.2 million), of the net proceeds from the Global Offering to support our growth plan, including 40% to enlarge our user base and strengthen our brand awareness, and 20% to pursue strategic alliances, investments and acquisitions in overseas markets. Up to the Latest Practicable Date, we had raised an aggregate amount of RMB1,429.0 million through our pre-IPO financings and used a significant portion of these proceeds to expand our businesses. Specifically, we plan to achieve profitability primarily by (i) growing our user base and enhancing user engagement, (ii) enhancing and diversifying monetization opportunities, and (iii) further improving our operational efficiency.

### **Grow Our User Base and Enhance User Engagement**

Our ability to attract and retain shippers and drivers is crucial to our business growth. As of December 31, 2021, we had approximately 27.6 million registered shippers and 5.2 million registered drivers on our platform. Our massive driver-shipper network has the potential to generate powerful flywheel effects, driving our long-term sustainable growth. We believe as we attract and retain a larger base of drivers, our platform offers more logistics capacity and can respond to shippers' demand more promptly. As a result, more shippers will choose to deliver their freight and goods via our platform due to shorter response time, higher order completion rate and better user satisfaction. The increased order volume will enhance vehicle utilization rate and improve drivers' earnings, which will in turn raise drivers' engagement with and loyalty to our platform. We believe that the strong flywheel effects contributed to our increasing take rate and gross profit margin during the Track Record Period.

We take a sustainable approach in growing our user base. We focus on improving our service quality and operational efficiency and cultivating drivers' loyalty to our platform. Based on our strong brand recognition and high-quality services, we believe that we can effectively acquire new users through diverse channels, including word-of-mouth referrals by existing users, effective marketing and promotional activities, such as incentives, on-the-ground direct sales, online targeted advertisements, and offline leaflets distribution. In 2021, a majority of newly-registered users on our platform were referred by our existing users.

We intend to continue to enhance user engagement by prioritizing user satisfaction and improving our value proposition. We believe that our high-quality services will contribute to increased users' lifetime value and elevated wallet share. In 2018, 2019, 2020 and 2021, the average number of orders completed by our active shippers amounted to 7.3, 7.9, 8.4 and 9.8, respectively. As our user base and user engagement continue to grow, we believe our business scale, combined with strong flywheel effects, will allow us to benefit from substantial economies of scale and enhance our monetization abilities.

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We will grow our user base primarily by (i) increasing our geographical coverage in mainland China, (ii) expanding our overseas business, (iii) continuing to broaden our enterprise customer base, and (iv) improving our marketing and promotional efforts.

### *Increase our geographical coverage in mainland China*

The online intra-city logistics industry in mainland China has a large addressable market. In mainland China, we plan to increase our market share in existing cities, and to unlock the market potentials of lower-tier cities. Driven by a growing e-commerce penetration rate, rising disposable income and improved infrastructure, we see tremendous potential in the online intra-city logistics market in lower-tier cities. As the growth of the first- and second-tier market slows down, e-commerce platforms in mainland China are accelerating efforts to expand their presence into lower-tier cities to further unleash consumption potential. According to Frost & Sullivan, in 2021, lower-tier cities accounted for approximately 64% of the intra-city logistics market in mainland China in terms of GTV. We have developed a highly scalable and repeatable expansion model with a successful track record demonstrated by our increasing gross profit margin. We will invest in recruitment of dedicated local teams and personnel, lease of offices and facilities, pre-stage market surveys, as well as advertising and offering incentives to both new shippers and drivers to grow our user base in local markets. When we enter into a new city, we deploy on-the-ground sales personnel to quickly build up our local user network. By 2025, we plan to make our services available in over 90 additional lower-tier cities in mainland China, including cities in Guangdong, Jiangsu, Shandong, Zhejiang, Henan, Hunan, Anhui provinces. In selecting the cities to expand into, we will carefully assess their market potential and existing presence of competitors, among other factors.

### *Expand our overseas business*

We currently operate in Hong Kong, Singapore, Korea and India outside of mainland China. Our overseas business had seen robust growth during the Track Record Period, despite the impact of the COVID-19 pandemic, and its revenue contribution increased steadily. The revenue generated from our overseas business accounts for 26.5%, 35.4%, 47.1% and 48.0% of our total revenue in 2018, 2019, 2020 and 2021. The following table sets forth our revenue generated from overseas markets, in both absolute terms and as a percentage of our total revenue for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue
	<i>(RMB in thousands, except for percentages)</i>							
<b>Overseas</b>	120,186	26.5%	194,204	35.4%	250,014	47.1%	317,297	48.0%

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We have established a strong brand influence in overseas markets, especially in Hong Kong, attracting more users to our platform. We plan to continue to expand in our existing overseas markets, and to explore other potential markets in the Asia-Pacific region through strategic partnerships, investments and acquisitions. In particular, we believe there is huge market potential in Southeast Asia, which, according to Frost & Sullivan, is one of the fastest-growing economic regions in the world. The digitalization trend in the region is intensifying, while the intra-city logistics market remains highly fragmented with low but growing technological adoption. We intend to take advantage of the growth potential in Southeast Asia, such as Vietnam and Indonesia. We have entered into a joint venture agreement with a reputable logistics company in Vietnam who has local market expertise and maintains its own fleet. The subsidiary in Vietnam was established in October 2021 and has obtained the enterprise registration certificate. We plan to focus on opportunities that will help to strengthen our digital logistics platform with long-term sustainable development. For instance, we believe technology-driven trucking, freight hauling and delivery service providers in Southeast Asia may contribute to our business expansion in this market. We may also consider investment opportunities in platforms which are able to address inefficiencies in the last mile logistics sector, have an innovative approach to transporting freight in big cities to achieve higher efficiency and/or enhance our courier service capabilities.

We have a seasoned and experienced management team with global vision and entrepreneurship DNA. Our senior management team have proficient industry background, deep expertise and diverse culture experience, which will enable us to create differentiated strategies in expanding our global footprint.

### *Continue to broaden our enterprise customer base*

During the Track Record Period, we derived a majority of our revenue from our enterprise services. We target enterprise customers with recurring logistics needs, including supermarkets, restaurants, building materials suppliers, furniture retailers, community group purchasing platforms, e-commerce platforms and government organizations. The following table sets forth a breakdown of our revenue by business lines, in both absolute terms and as a percentage of our revenue for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	<i>(RMB in thousands, except for percentages)</i>							
Enterprise Services	279,011	61.6%	291,787	53.2%	289,261	54.6%	372,806	56.4%
Platform Services	168,367	37.1%	238,028	43.4%	225,595	42.5%	258,145	39.1%
Value-added Services	5,767	1.3%	18,642	3.4%	15,553	2.9%	29,906	4.5%
<b>Total</b>	<b>453,145</b>	<b>100.0%</b>	<b>548,457</b>	<b>100.0%</b>	<b>530,409</b>	<b>100.0%</b>	<b>660,857</b>	<b>100.0%</b>

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The following table sets forth a breakdown of our GTV generated from platform and enterprise services by geographical region for the periods indicated.

	Year ended December 31,			
	2018	2019	2020	2021
<b>Platform services:</b>				
GTV (RMB in millions)				
Mainland China	2,481.2	2,416.9	1,884.9	1,752.7
Overseas markets	558.8	590.1	508.4	548.8
Total	<u>3,040.0</u>	<u>3,007.0</u>	<u>2,393.3</u>	<u>2,301.4</u>
<b>Enterprise services:</b>				
GTV (RMB in millions)				
Mainland China	224.9	156.1	99.9	128.0
Overseas markets	92.0	149.8	201.2	247.2
Total	<u>316.9</u>	<u>305.9</u>	<u>301.1</u>	<u>375.2</u>

We see massive growth potential from our enterprise services. According to Frost & Sullivan, GTV contribution from SMEs and large enterprises for the intra-city logistics market in mainland China increased from 75.9% in 2017 to 84.9% in 2021. We plan to continue to focus on cultivating our enterprise customer base and to increase revenue contribution from enterprise customers. We also plan to take advantage of business opportunities in emerging industries, such as social e-commerce and community group purchasing services. For further details, see “Business — Our Growth Strategies — Continue to broaden our enterprise customer base.”

Our extensive experience in serving enterprise customers differentiates us from our competitors. As of December 31, 2018, 2019, 2020 and 2021, we had cumulatively served more than 16,000, 21,000, 30,000 and 39,000 enterprise customers in our enterprise services, respectively. We believe business development for our enterprise services relies heavily on winning flagship sales. We have a proven track record in serving leading players in key sectors, such as furniture retailers, which proves our credentials and lays a solid foundation for our future customer acquisition.

### ***Improving marketing and promotional efforts***

We intend to acquire new shippers and retain existing shippers using our platform services by continuing our sales and marketing efforts by experienced and efficient on-the-ground business development teams and by offering competitive yet efficient incentives to increase their engagement and loyalty with our platform. We will increase our investments on online advertisements and promotional campaigns to enhance public awareness of our brand and service offerings in mainland China and overseas markets. We will continue to promote our platform through major social media platforms. We will also apply display advertising on internet websites and third-party platforms through banners or other various advertising formats to obtain a broader exposure for our platform.

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### Enhance and Diversify Monetization Opportunities

We believe that we have built a vibrant ecosystem comprising a broad base of shippers and drivers and a growing group of advertisers and merchants. In 2021, approximately 2.9 million shippers fulfilled 28.4 million shipment orders on our platform, generating a total GTV of RMB2.7 billion. As our user base and user engagement continue to grow, we expect to enjoy powerful flywheel effects which will in turn generate more social interactions and transactions on our platform and attract more users, advertisers, merchants and other business partners to our platform.

Our monetization ability with respect to our platform services depends in a large part on our take rate. Our average take rate for platform services had steadily improved in both mainland China and overseas markets during the Track Record Period. As our operations in Hong Kong and Singapore reach a relatively mature stage of development, we expect to see a steady increase in the take rate for our platform business in these markets. In Korea, we have been operating under a freemium model and have not yet charged service fees for our platform services. As our business scales in Korea, we may commence to charge service fees, which will become another revenue stream.

For our enterprise services, we will continue to improve our operational efficiency and increase our profit margin. For example, we use data-driven algorithms to group multiple orders from different shippers in real time. Our algorithms help drivers to fulfill multiple orders back-to-back and choose the best sequence of loads. This will keep their vehicles full more often, improve their earnings and reduce carbon footprint. It will also allow us to offer more competitive prices to our enterprise customers, while at the same time generating higher profits.

We plan to further expand our service offerings to improve our monetization capabilities and enhance our profitability. We provide a growing range of value-added services for shippers, drivers and other participants in our ecosystem, including vehicle purchase and rental referral services, fuel cards services, and vehicle maintenance and repair services. We will continue to operate under an asset-light business model, while covering other logistics components valued by SMEs such as warehousing, inventory management, e-commerce integration, pick and pack, and reverse logistics, through collaboration with third parties. We intend to further capture monetization opportunities along the value chain of the logistics market, such as launching new energy vehicle rental services. Our monetization initiatives may require us to devote significant financial and managerial resources, particularly in the early stage of development. In addition, as we monitor market developments, we may adjust our monetization strategies from time to time to seek better return of investments. Some of these opportunities may require longer investment horizon and higher risk-reward appetite.

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### Further Improve Our Operational Efficiency

The largest component of our cost of revenue is subcontracting fee for logistics services providers, which varies in correlation with revenue from enterprise services. We expect such cost as a percentage of revenue from enterprise services to decrease slightly in the future due to (i) expected improvement in our bargaining position with logistics service providers as our business scale grows, and (ii) increasing logistics efficiency due to popularization of NEVs which will reduce the total cost of ownership for vehicles.

As we continued to grow our user base and expand into new markets, we incurred significant selling and marketing expenses during the Track Record Period. Our selling and marketing expenses consist primarily of (i) employee benefits for sales and marketing personnel, (ii) promotion and advertising expenses, and (iii) incentives to transacting users. In 2018, we invested heavily in our marketing initiatives to expand our user base and incurred selling and marketing expenses of RMB524.1 million. We reduced our selling and marketing expenses by 43.5% to RMB296.0 million in 2019, and further by 34.2% to RMB194.8 million in 2020 as a result of our efforts on cost control while maintaining business scale and user base. Our selling and marketing expenses increased to RMB335.0 million in 2021, primarily due to a significant increase in incentives that we offered transacting users of platform services.

We believe that our sales and marketing efforts have helped us grow our user base, enhance user engagement and increase brand recognition and will increase the attractiveness of our platform in the long run. As we continue to acquire and retain users, expand into new markets as well as enhance our brand image, we expect our selling and marketing expenses will continue to account for a considerable portion of our expenses. Incentives offered to transacting users from platform services are a key component of our selling and marketing expenses. We strategically reduced our incentives to transacting users from RMB98.1 million in 2018 to RMB27.5 million in 2020, primarily attributable to our strengthened brand awareness in certain markets and our strategy to focus on service quality rather than growth of scale. Our incentives to transacting users increased to RMB166.5 million in 2021 due to our efforts to attract transacting users of platform services. As we shifted to a more aggressive growth strategy, our average incentive to transacting users per order in mainland China increased significantly in the second half of 2021 as compared to both the second half of 2020 and the first half of 2021. Going forward, once we have completed the Global Offering and raised additional capital, we plan to maintain a level of average incentive per order in 2022 and 2023 similar to or slightly higher than the level offered in 2021, subject to evolving market conditions and the competitive landscape. We believe this will allow us to seize market opportunities in the rapidly expanding online intra-logistics market in Asia and better adapt to changing competitive landscape of the industry, particularly in mainland China where market competition has intensified.

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While competitors may adopt a similar strategy of increasing incentives and hiring sales and marketing personnel, we believe that we can compete effectively against other major market players due to our differentiated business model. Our business model has given great significance to the driver welfare which we believe is pivotal to our long-term success and represents our distinctive competitive strength. We offer drivers a choice between paying commissions for each order they fulfill on our platform or paying membership fees, instead of primarily operating under a membership model, based on which drivers who do not pay membership fees can only take a limited number of orders per day. Our business strategy represents a more driver-friendly model and is more in line with the government's recent efforts on promoting driver welfare. In addition, our premium driver program in mainland China dispatches orders to drivers with higher ratings on a priority basis. Premium drivers generally make more stable earnings and provide better services, which increase their order completion rate and loyalty toward our platform. Improved satisfaction of shippers about drivers' services and our platform in turn brings us a higher transaction volume. We believe the key to our success and differentiation compared to our peers is in our relentless focus on constant improvement of user experience and satisfaction. Our focus on driver welfare is pivotal to the sustainable fulfillment of intra-city logistics and we believe by giving our drivers the choice instead of committing to a membership model, our drivers are able to service our shippers more effectively. We believe our driver-friendly model will allow us to seize market opportunities in the rapidly expanding online intra-logistics market in Asia and better adapt to changing competitive landscape of the industry, particularly in mainland China where market competition has intensified.

In the medium to long term, we plan to gradually reduce incentives paid to transaction users once users develop an increasing dependence and familiarity with our products and services, and the competitive landscape of the industry stabilizes, which is consistent with the pattern observed in industries that have reached a mature level of online penetration, such as the food delivery industry, according to Frost & Sullivan. When we achieve a larger scale, we are expected to benefit from the network effect of our enlarged user base and our stronger brand name to organically retain and acquire users in the long term. We expect other components of our selling and marketing expenses to increase at a lower pace than our total revenue because (i) we are reinforcing our strong brand recognition which will enable us to manage our promotion and advertising expenses, and (ii) we plan to increase collaboration with strategic partners instead of using direct sales team to expand into selected new markets.

Our other major operating expenses include general and administrative expenses as well as research and development expenses. As our business continues to grow, we expect that we would enjoy cost advantages from economies of scale. Our general and administrative expenses are mostly fixed in nature. Our general and administrative expenses as a percentage of our revenue decreased significantly from 71.9% in 2018 to 28.7% in 2020, and remained stable at 28.3% in 2021. As our business scale grows, we expect our general and administrative expenses to increase in absolute amounts along with the growth of our business but to decrease as a percentage of our revenue, as we benefit from economies of scale and improved operational efficiency. We believe that we can control our general and administrative expenses through effective management and streamlined corporate structure.



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We will continue to invest in the technological capabilities of our platform to improve efficiency and user satisfaction, and as a result, we expect our research and development expenses to increase in absolute amounts along with the growth of our business. We plan to upgrade our information and technology systems to enhance our ability to adapt to the ever-evolving market conditions and to strengthen our pricing efficiency and procure advanced technologies from third-party service providers. In the next three years, we plan to focus our research and development initiatives on the following aspects: (1) improving user experience and upgrading mobile applications; (2) enhancing transaction efficiency and optimizing the matching process by improving our algorithms and strengthening our big data capabilities; (3) improving our user management system by refining user labels and providing customized incentives to different groups of shippers and drivers; and (4) expanding into more online channels to broaden user acquisition sources. We expect our research and development expenses to decrease as a percentage of our revenue in the medium to long term as we have already established a robust technology foundation which can support our expanding business scale and we expect to benefit from economies of scale and an enlarged revenue base.

The following table sets forth our cost of revenue, selling and marketing expenses, general and administrative expenses, and research and development expenses, in both absolute terms and as a percentage of our revenue for the periods indicated.

	Year ended December 31,							
	2018		2019		2020		2021	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	<i>(RMB in thousands, except for percentages)</i>							
Cost of revenue	348,781	77.0%	375,361	68.4%	347,041	65.4%	419,133	63.4%
Selling and marketing expenses	524,093	115.7%	295,970	54.0%	194,844	36.7%	334,966	50.7%
General and administrative expenses	325,996	71.9%	218,224	39.8%	152,121	28.7%	186,828	28.3%
Research and development expenses	76,337	16.8%	64,604	11.8%	34,608	6.5%	34,748	5.3%

If the foregoing strategies are implemented as planned, we expect our total revenue to increase significantly in the next few years, against the backdrop of the rapid growth of the online intra-city logistics market in Asia.

- We forecast our revenue from platform services to increase, mainly attributable to (i) an increase in GTV, driven by increasing logistics demand, enhanced conversion of traditional offline intra-city logistics users to online platforms, and our ability to benefit from the increasing online penetration rate due to our strong brand and effective selling and marketing efforts; and (ii) moderate increases in our take rates in line with the historical trend and mainly driven by our increasing pricing power and the lowering effective cost of providing logistics services due to electrification.

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- We forecast our revenue from enterprise services to increase. In mainland China, the forecasted increase is in line with our corporate strategy to capture the logistics demand from enterprises. The market presents enormous growth opportunities in certain emerging sectors, such as social e-commerce and community group purchase. There is strong demand from a growing number of enterprises who would choose to outsource logistics services from third-party platforms. In overseas markets, the forecasted increase is mainly driven by an increase in both the total number of customers and the average order amount per customer in key regions including Hong Kong, Singapore and Korea. We expect retailers and other enterprises with logistics demand to increasingly adopt our enterprise solutions.
- We expect to have an increase in revenue from value-added services which is mainly driven by our expanding user base and diversifying monetization channels.

We believe that the forecasted robust revenue growth and increasing operating leverage will drive our profitability. We plan to improve profitability mainly through realizing benefits from economies of scale and from effective selling and marketing efforts. During the Track Record Period, our financial performance showed a positive trend towards reaching breakeven. As our profitability improves, we also expect to record positive cash flows from operations in the future. **We expect to remain loss-making at least for the years ending December 31, 2022, 2023 and 2024, given the planned business investments.**

Based on the foregoing, our Directors believe that our business is sustainable. Taking into consideration of financial resources presently available to us, including cash and cash equivalents on hand, internally generated funds and the estimated proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present needs and at least for the next 12 months from the date of this prospectus during which we plan to maintain a relatively high level of incentives, subject to evolving market conditions and competitive landscape. Having taken into account the factors above and the view of the Directors, the Joint Sponsors concur with the above-mentioned Directors' view.

The foregoing forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. For related risks, see “Risk Factors — Risks Related to Our Business and Industry — If we fail to manage our growth or execute our strategies effectively, our results of operations, financial condition and growth prospects may be materially and adversely affected.”

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### PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

#### Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

##### *Revenue*

Our revenue increased by 24.6% from RMB530.4 million in 2020 to RMB660.9 million in 2021, primarily due to the reduced negative impact of the COVID-19 pandemic on our business in 2021 and the organic growth in our enterprises services and platform services.

##### *Enterprise services*

Our revenue generated from enterprise services increased by 28.9% from RMB289.3 million in 2020 to RMB372.8 million in 2021, primarily due to an increase in revenue generated in overseas markets and, to a lesser extent, an increase in revenue generated in mainland China.

- Our revenue generated in mainland China increased by 36.7% from RMB90.3 million in 2020 to RMB123.4 million in 2021, primarily due to an increase in the number of shipment orders in 2021 compared to 2020 as we resumed our services in certain cities and expanded into some new cities in 2021 since (i) the COVID-19 pandemic was largely under control in mainland China and commercial activities gradually recovered in 2021, and (ii) during the second half of 2021, we initiated a more aggressive growth strategy in mainland China to focus on user retention and acquisition.
- Our revenue generated in overseas market increased by 25.4% from RMB198.9 million in 2020 to RMB249.4 million in 2021, primarily because (i) our operations in most overseas markets returned to normal as the COVID-19 in these markets had been gradually controlled since the first quarter of 2021, and (ii) the demand for logistics services from customers in the e-commerce industry continued to increase.

##### *Platform services*

Our revenue generated from platform services increased by 14.4% from RMB225.6 million in 2020 to RMB258.1 million in 2021, primarily due to an increase in revenue generated in mainland China and, to a lesser extent, an increase in revenue generated in overseas markets.

- Our revenue generated in mainland China increased by 14.5% from RMB184.1 million in 2020 to RMB210.8 million in 2021, primarily due to (i) an increase in the average take rate reflecting our strengthened pricing power attributable to the flywheel effect realized from a growing driver-shipper network, and (ii) the discontinuance of our policy to temporarily exempt service fees charged from drivers in certain cities in order to retain our user base during the COVID-19 pandemic in 2020.

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- Our revenue generated in overseas markets increased by 14.0% from RMB41.5 million in 2020 to RMB47.3 million in 2021, primarily due to the continued growth in our business scale in overseas markets and reduced negative impact of the COVID-19 pandemic in 2021.

### *Value-added services*

Our revenue generated from value-added services increased by 91.7% from RMB15.6 million in 2020 to RMB29.9 million in 2021, primarily driven by the increased revenue from value-added services in overseas markets, primarily reflecting increased demand for fuel cards services and vehicle maintenance and repair services in overseas markets as the negative impact of the COVID-19 pandemic in these markets reduced.

### *Cost of revenue*

Our cost of revenue increased by 20.8% from RMB347.0 million in 2020 to RMB419.1 million in 2021, primarily due to (i) an increase in subcontracting fees for logistics service providers from RMB261.1 million in 2020 to RMB309.7 million in 2021 in line with the increased number of shipment orders, and (ii) an increase in outsourced services costs as we started to outsource certain call center functions to a third-party service provider in order to control costs and expenses. The increase in our cost of revenue was partially offset by a decrease in our employee benefit expenses from RMB30.8 million in 2020 to RMB20.8 million in 2021, primarily due to a decrease in the number of our customer services staff as a result of outsourcing.

### *Gross profit and gross profit margin*

Our gross profit increased by 31.8% from RMB183.4 million in 2020 to RMB241.7 million in 2021, and our gross profit margin increased from 34.6% in 2020 to 36.6% in 2021, primarily because the growth in revenue outpaced the growth in cost of revenue, which reflected (i) recovered commercial activities in 2021 as the COVID-19 pandemic was largely under control, (ii) the increases in the average take rate for our platform services in both mainland China and overseas markets, reflecting our strengthened pricing power, and (iii) our efforts to control costs and expenses related to call center functions.

### *Selling and marketing expenses*

Our selling and marketing expenses increased by 72.0% from RMB194.8 million in 2020 to RMB335.0 million in 2021, primarily due to (i) an increase in incentives to transacting users to attract shippers and enhance their stickiness in mainland China, and (ii) an increase in outsourced services costs as we started to outsource on-the-ground sales and marketing activities in certain cities to a third-party service provider to reduce the employee benefit expenses for sales personnel. This increase was partially offset by (i) a decrease in employee benefit expenses attributable to a decreased number of sales personnel in 2021 as a result of outsourcing, and (ii) a decrease in promotion and advertising expenses primarily because we adjusted our marketing strategy to allocate more financial resources to offer incentives to transacting users of our platform services in order to further grow our use base.

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### *General and administrative expenses*

Our general and administrative expenses increased by 22.8% from RMB152.1 million in 2020 to RMB186.8 million in 2021, primarily due to (i) an increase in the listing expenses in connection with the Global Offering in 2021, and (ii) increases in other general and administrative expenses and employee benefit expenses, which are in line with the overall growth of our business. The increase was partially offset by a decrease in management services fee charged by entities controlled by 58 Daojia attributable to the decrease in 58 Daojia's administrative expenses as a result of its improved operational efficiency and the reduced services from 58 Daojia as we gradually established our own administrative and management functions.

### *Research and development expenses*

Our research and development expenses were relatively stable, amounting to RMB34.6 million and RMB34.7 million in 2020 and 2021, respectively.

### *Reversal of impairment losses on financial assets*

Our reversal of impairment losses on financial assets decreased by 95.0% from RMB2.0 million in 2020 to RMB0.1 million in 2021, primarily due to a decrease in the expected credit loss rate.

### *Other income*

Our other income decreased by 61.1% from RMB10.8 million in 2020 to RMB4.2 million in 2021, primarily due to a decrease in government subsidies as a result of the reduced negative impact of the COVID-19 pandemic in 2021.

### *Other net losses*

Other net losses increased to RMB3.4 million in 2021 compared to RMB0.2 million in 2020, primarily due to the fluctuations in the exchange rate of Renminbi against the U.S. dollars from 2020 to 2021.

### *Operating loss*

Our operating loss increased by 69.2% from RMB185.6 million in 2020 to RMB314.0 million in 2021, primarily due to the substantial increase in our selling and marketing expenses as we increased the incentives to transacting users.

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### *Net finance income/(Costs)*

We recorded net finance income of RMB1.0 million in 2021, primarily due to the increase in our bank deposits as a result of our financing activities in 2021. We had net finance costs of RMB3.7 million in 2020, primarily due to the interest expense on other borrowing from group company attributable to the borrowing from Tianjin 58 Daojia Life Services Co., Ltd. (天津五八到家生活服務有限公司).

### *Changes in fair value of financial liabilities at fair value through profit or loss*

We recorded a loss of RMB559.6 million from changes in fair value of financial liabilities at fair value through profit or loss in 2021, as compared to a loss of RMB464.1 million in 2020, primarily due to the increased valuation of our Company as assessed by an independent third party valuer.

### *Income tax expenses*

We had income tax expenses of RMB0.5 million and RMB0.3 million in 2020 and 2021, respectively, primarily representing income tax incurred by our profitable subsidiaries.

### *Loss from discontinued operation*

We had loss from discontinued operation of RMB4.5 million in 2020 and RMB19,000 in 2021. Loss from discontinued operation represents the net loss which we recorded for the operations of the now dissolved subsidiary in Taiwan.

### *Loss for the year*

As a result of the foregoing, our net loss increased by 32.6% from RMB658.2 million in 2020 to RMB872.9 million in 2021.

## **Year Ended December 31, 2020 Compared to Year Ended December 31, 2019**

### *Revenue*

Our revenue decreased by 3.3% from RMB548.5 million in 2019 to RMB530.4 million in 2020, reflecting decreases in revenue generated from platform services, revenue generated from enterprise services and revenue generated from value-added services.

### *Enterprise services*

Our revenue generated from enterprise services slightly decreased by 0.9% from RMB291.8 million in 2019 to RMB289.3 million in 2020, primarily due to a decrease in revenue generated in mainland China, which was partially offset by an increase in revenue generated in overseas markets.

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- Our revenue generated in mainland China decreased by 36.9% from RMB143.0 million in 2019 to RMB90.3 million in 2020, primarily due to (i) a decrease in the number of shipment orders, primarily due to reduced shipper activities during the first half of 2020 attributable to strict requirements on quarantines and social distancing, and temporary closure of business venues and facilities in China in response to the COVID-19 outbreak, and (ii) a decrease in the average GTV per order primarily reflecting the increase in on-demand orders, which generally have a lower average order value as compared to planned orders, as a percentage of our total shipment orders.
- Our revenue generated in overseas markets increased by 33.7% from RMB148.8 million in 2019 to RMB198.9 million in 2020, primarily due to an increase in the number of shipment orders reflecting the increased demand for logistics services of e-commerce enterprises driven by the growth in online purchases in lieu of offline transactions in overseas markets during the COVID-19 pandemic.

### *Platform services*

Our revenue generated from platform services decreased by 5.2% from RMB238.0 million in 2019 to RMB225.6 million in 2020, primarily due to a decrease in revenue generated in mainland China, which was partially offset by an increase in revenue generated in overseas markets.

- Our revenue generated in mainland China decreased by 7.1% from RMB198.1 million in 2019 to RMB184.1 million in 2020, primarily due to the decrease in the GTV from RMB2,416.9 million in 2019 to RMB1,884.9 million in 2020, which was partially offset by an increase in the take rate. The decrease in the GTV was primarily due to (i) reduced shipper activities during the first half of 2020 as a result of the COVID-19 pandemic, and (ii) the decreased number of shipper MAU attributable to the intensified competition in the online intra-city logistics market in mainland China. Our average take rate of platform services in mainland China increased from 8.2% in 2019 to 9.8% in 2020.
- Our revenue generated in overseas markets increased by 3.8% from RMB40.0 million in 2019 to RMB41.5 million in 2020, primarily due to the increased take rate which was partially offset by the decrease in the GTV attributable to the negative impact of the COVID-19 pandemic. Our average take rate of platform services in overseas markets increased from 6.8% in 2019 to 8.2% in 2020.

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### *Value-added services*

Our revenue generated from value-added services decreased by 16.1% from RMB18.6 million in 2019 to RMB15.6 million in 2020, primarily due to a decrease in revenue generated in mainland China, which was partially offset by an increase in revenue generated in overseas markets. Due to its business nature, our value-added services were impacted by the COVID-19 pandemic to a lesser extent.

- Our revenue generated from value-added services in mainland China decreased by 54.5% from RMB13.2 million in 2019 to RMB6.0 million in 2020, primarily because our cooperation relationship with the business partner for our vehicle rental business ended in September 2019.
- Our revenue generated from value-added services in overseas markets increased by 77.8% from RMB5.4 million in 2019 to RMB9.6 million in 2020, primarily due to the increased service fees from fuel cards services primarily due to more favourable business terms negotiated with our fuel cards business partners.

### *Cost of revenue*

Our cost of revenue decreased by 7.6% from RMB375.4 million in 2019 to RMB347.0 million in 2020, primarily due to (i) a decrease in subcontracting fees for logistics service providers, reflecting the decreased service fees for drivers' services, attributable to the impact of COVID-19 pandemic which resulted in the decrease in the number of shipment orders of our enterprise services, and (ii) a decrease in employee salaries and benefits as a result of our cost control measures during the COVID-19 pandemic.

### *Gross profit and gross profit margin*

As a result of the foregoing, our gross profit increased by 6.0% from RMB173.1 million in 2019 to RMB183.4 million in 2020, and our gross profit margin increased from 31.6% in 2019 to 34.6% in 2020. The increase in the gross profit margin primarily due to (i) an increase in take rates of our platform services and (ii) our efforts on cost control to improve our operational efficiency.

### *Selling and marketing expenses*

Our selling and marketing expenses decreased by 34.2% from RMB296.0 million in 2019 to RMB194.8 million in 2020, primarily due to (i) a decrease in employee benefit expenses attributable to reduced number of sales personnel in 2020, (ii) a decrease in promotion and advertising expenses primarily because we reduced our investments in advertisements and promotions to control our costs considering the negative impacts from the COVID-19 pandemic, and (iii) a decrease in user incentive for shippers as a result of our strengthened brand awareness in the markets where we operate.



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### *General and administrative expenses*

Our general and administrative expenses decreased by 30.3% from RMB218.2 million in 2019 to RMB152.1 million in 2020, primarily due to (i) a decrease in management services fee charged by entities controlled by 58 Daojia, primarily due to the reduced services from 58 Daojia as we gradually established our own administrative and management functions, and (ii) a decrease in employee benefit expenses attributable to reduced number of administrative personnel as we optimized our administrative structure.

### *Research and development expenses*

Our research and development expenses decreased by 46.4% from RMB64.6 million in 2019 to RMB34.6 million in 2020, primarily due to a decrease in employee benefit expenses attributable to reduced number of research and development personnel. Prior to 2018, our research and development expenses were mainly related to those used in building our platform, which required a large amount of investments. As a substantial portion of our IT infrastructure was established by 2018, our research and development expenses continued to decrease in 2019 and 2020.

### *Reversal of impairment losses on financial assets*

Our reversal of impairment losses on financial assets decreased by 61.5% from RMB5.2 million in 2019 to RMB2.0 million in 2020, primarily due to a decrease in expected credit loss rate.

### *Other income*

Our other income increased significantly from RMB3.4 million in 2019 to RMB10.8 million in 2020, primarily due to the anti-epidemic fund granted by the Hong Kong and Singapore governments in 2020.

### *Other net gains and losses*

We had other losses of RMB0.2 million in 2020, compared with other losses of RMB3.8 million in 2019, primarily due to fluctuations in the exchange rate of Renminbi against the U.S. dollars from 2019 to 2020.

### *Operating loss*

Our operating loss decreased by 53.7% from RMB400.9 million in 2019 to RMB185.6 million in 2020, primarily due to decreases in our cost of revenue and operating expenses reflecting our effective cost control measures to reduce the negative impact of the COVID-19 on our operations.

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### *Net finance income and costs*

We incurred net finance costs of RMB3.7 million in 2020, primarily due to the interest expense on other borrowing from group company attributable to the borrowing from Tianjin 58 Daojia Life Services Co., Ltd. (天津五八到家生活服務有限公司). We recorded net finance income of RMB2.5 million in 2019 from interest income on our cash deposits with commercial banks.

### *Changes in fair value of financial liabilities at fair value through profit or loss*

We recognized a loss of RMB464.1 million from changes in fair value of financial liabilities at fair value through profit or loss in 2020, as compared to a gain of RMB228.0 million in 2019, primarily due to an increase in the valuation of our Company.

### *Income tax expenses*

Our income tax expenses decreased by 86.1% from RMB3.6 million in 2019 to RMB0.5 million in 2020, primarily due to a decrease in current taxable income.

### *Loss from discontinued operation*

We had loss from discontinued operation of RMB9.9 million in 2019 and RMB4.5 million in 2020.

### *Loss for the year*

Though our operating loss decreased from RMB400.9 million in 2019 to RMB185.6 million in 2020, our net loss increased significantly from RMB183.8 million in 2019 to RMB658.2 million in 2020. The increase in our net loss was primarily due to an increase in the loss from changes in fair value of our convertible redeemable preferred shares attributable to the increased valuation of our Company. After the adjustments for share-based compensation expenses and the changes in fair value of financial liabilities at fair value through profit or loss, our adjusted net loss (a non-IFRS measure) in 2020 was RMB185.4 million, a decrease of 53.3% from RMB396.9 million in 2019.

## **Year Ended December 31, 2019 Compared to Year Ended December 31, 2018**

### *Revenue*

Our revenue increased by 21.1% from RMB453.1 million in 2018 to RMB548.5 million in 2019 primarily due to increases in revenue generated from platform services, revenue generated from enterprise services and revenue generated from value-added services.

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### *Enterprise services*

Our revenue generated from enterprise services increased by 4.6% from RMB279.0 million in 2018 to RMB291.8 million in 2019 due to a combination of an increase in revenue in overseas markets and a decrease in revenue in mainland China.

- Our revenue generated in overseas markets increased by 63.2% from RMB91.2 million in 2018 to RMB148.8 million in 2019, primarily due to (i) the increased number of shipment orders from certain key corporate customers, and (ii) the organic growth of our business scale.
- Our revenue generated in mainland China decreased by 23.9% from RMB187.9 million in 2018 to RMB143.0 million in 2019, primarily due to a decrease in the number of shipment orders and a decrease in the average GTV per order. The decrease in the number of shipment orders of enterprise services in mainland China primarily reflected that we strategically adjusted the structure of our enterprise customers to focus on large-size enterprises with strong credit and terminated our business with certain enterprise customers with a weaker credit profile. The decrease in the average GTV per order of our enterprise services in mainland China was primarily due to the increased proportion of on-demand orders among the total shipment orders.

### *Platform services*

Our revenue generated from platform services increased by 41.3% from RMB168.4 million in 2018 to RMB238.0 million in 2019 due to an increase in revenue in mainland China and, to a lesser extent, an increase in revenue in overseas markets.

- Our revenue generated in mainland China increased by 38.1% from RMB143.4 million in 2018 to RMB198.1 million in 2019, primarily due to (i) an increase in the take rate for service fees charged from drivers reflecting our strengthened pricing power, and (ii) an increase in the number of shipment orders completed on our platform attributable to our efforts to improve user satisfaction of our services. Our average take rate of platform services in mainland China increased from 5.8% in 2018 to 8.2% in 2019.
- Our revenue generated in overseas markets increased by 60.0% from RMB25.0 million in 2018 to RMB40.0 million in 2019, primarily due to our increased take rate reflecting our strengthened pricing power. Our average take rate of platform services in overseas markets increased from 4.5% in 2018 to 6.8% in 2019.

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### *Value-added services*

Our revenue generated from value-added services increased significantly from RMB5.8 million in 2018 to RMB18.6 million in 2019, primarily due to increases in revenue generated in both mainland China and overseas markets.

- Our revenue generated from value-added services in mainland China increased significantly from RMB1.7 million in 2018 to RMB13.2 million in 2019, primarily because we started our vehicle rental business with a partner since the second half of 2018 and had a significant growth in revenue in 2019.
- Our revenue generated from value-added services in overseas markets increased by 35.0% from RMB4.0 million in 2018 to RMB5.4 million in 2019, primarily due to the increased fuel cards services we offered to meet users' demand in line with the growth of drivers using our platform in Hong Kong and Singapore.

### *Cost of revenue*

Our cost of revenue increased by 7.6% from RMB348.8 million in 2018 to RMB375.4 million in 2019, primarily due to (i) an increase in employee salaries and benefit attributable to the increased number of user services personnel as we started the vehicle rental business, and (ii) an increase in subcontracting fees for logistics service providers, reflecting the increased service fees for drivers' services. Such increase was driven by the increased number of shipment orders in line with the growth of our enterprise services in overseas markets.

### *Gross profit and gross profit margin*

As a result of the foregoing, our gross profit increased by 65.8% from RMB104.4 million in 2018 to RMB173.1 million in 2019, and our gross profit margin increased from 23.0% in 2018 to 31.6% in 2019. These increases were primarily due to (i) our increased take rates for the platform services both in mainland China and in overseas markets, and (ii) our cost control measures resulting in a lower increase in cost of revenue than that of revenue.

### *Selling and marketing expenses*

Our selling and marketing expenses decreased by 43.5% from RMB524.1 million in 2018 to RMB296.0 million in 2019, primarily due to (i) decreases in promotion and advertising expenses and incentive to transacting users reflecting our reduced advertisement placements and user incentives as a result of the strengthened brand awareness in certain markets where we operate, and (ii) a decrease in employee benefit expenses primarily attributable to our efforts to optimize our sales and marketing team structure to increase operational efficiency.

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### *General and administrative expenses*

Our general and administrative expenses decreased by 33.1% from RMB326.0 million in 2018 to RMB218.2 million in 2019, primarily due to (i) a decrease in employee salaries and benefit reflecting the reduced share-based compensation expenses in 2019, (ii) a decrease in other share-based compensation expense because of a share-based compensation of RMB33.0 million incurred in 2018 attributable to the issuance of a warrant to an investor in Series B financing, and (iii) a decrease in management services fee charged by entities controlled by 58 Daojia, primarily due to the reduced services from 58 Daojia as we gradually established our own administrative and management functions.

### *Research and development expenses*

Our research and development expenses decreased by 15.3% from RMB76.3 million in 2018 to RMB64.6 million in 2019, primarily due to a decrease in employee salaries and benefit as we optimized our research and development team following our IT infrastructure being substantially established in 2018.

### *(Impairment losses)/reversal of impairment losses on financial assets*

We had reversal of impairment losses on financial assets of RMB5.2 million in 2019 as we collected part of accounts receivables from certain customers for which we previously recorded impairment loss. We incurred impairment losses of financial assets of RMB83.1 million in 2018 primarily due to accounts receivables due from a major enterprise customer, a Chinese bike-sharing company which experienced credit deterioration. We wrote off all the balance amounts of RMB61.4 million with such customer in 2018. See “– Discussion of Selected Items from the Consolidated Statements of Financial Position – Assets – Accounts Receivables.”

### *Other income*

Our other income decreased by 39.3% from RMB5.6 million in 2018 to RMB3.4 million in 2019, primarily due to a decrease in government subsidies we received in 2019.

### *Other net losses*

Our other net losses increased significantly from RMB0.8 million in 2018 to RMB3.8 million in 2019, primarily due to drastic fluctuations in the exchange rate of Renminbi against the U.S. dollars from 2018 to 2019.

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### *Operating loss*

Our operating loss decreased by 55.5% from RMB900.5 million in 2018 to RMB400.9 million in 2019, primarily due to (i) the increase in our revenue reflecting the overall growth of our businesses, and (ii) decreases in our operating expenses, reflecting our improved operational efficiency as a result of our economies of scale.

### *Net finance income*

Our net finance income decreased by 7.4% from RMB2.7 million in 2018 to RMB2.5 million in 2019, primarily reflecting a combination of (i) a decrease in interest income from bank deposit attributable to our decreased bank deposits, and (ii) an increase in interest expenses on lease liabilities.

### *Changes in fair value of financial liabilities at fair value through profit or loss*

We recognized a gain of RMB228.0 million from changes in fair value of financial liabilities at fair value through profit or loss in 2019, as compared to a loss of RMB168.6 million in 2018, primarily due to a change in fair value caused by (i) a decrease in the valuation of our Company, and (ii) the expiry of warrants issued to Series B investors to subscribe for our convertible redeemable preferred shares that occurred in July 2019.

### *Income tax credit and expenses*

We had income tax expenses of RMB3.6 million in 2019, primarily due to income tax incurred by our profitable subsidiaries in 2019. We had income tax credit of RMB5.0 million in 2018, primarily due to the decrease in our deferred income tax liabilities which arose in connection with our acquisition of subsidiaries of GoGoVan Cayman.

### *Loss from discontinued operation*

We had loss from discontinued operation of RMB9.6 million in 2018 and RMB9.9 million in 2019.

### *Loss for the year*

As a result of the foregoing, our net loss decreased by 82.8% from RMB1,070.9 million in 2018 to RMB183.8 million in 2019. The decrease in our net loss primarily reflected (i) the decrease in our operating loss, and (ii) a gain from the change in fair value of our convertible redeemable preferred shares due to the decreased valuation of our Company. After the adjustments for share-based compensation expenses and the changes in fair value of financial liabilities at fair value through profit or loss, our adjusted net loss (a non-IFRS measure) in 2019 was RMB396.9 million, a decrease of 49.4% from RMB784.0 million in 2018.

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### DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountant's Report included in Appendix I to this prospectus.

	As of December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
<b>ASSETS</b>				
<b>Non-current assets</b>				
Right-of-use assets	8,171	14,557	7,760	8,467
Property, plant and equipment	10,086	13,817	7,628	5,116
Intangible assets	132,798	110,410	87,028	68,346
Goodwill	1,041,799	1,048,669	1,029,128	1,020,338
Prepayments, deposits and other receivables	2,213	8,391	1,455	3,061
Investment in a joint venture	–	–	–	2,028
<b>Total non-current assets</b>	<b>1,195,067</b>	<b>1,195,844</b>	<b>1,132,999</b>	<b>1,107,356</b>
<b>Current assets</b>				
Accounts receivables	52,857	53,081	53,695	65,232
Prepayments, deposits and other receivables	28,649	47,335	24,536	36,940
Restricted cash	921	2,182	1,885	101,477
Cash and cash equivalents	348,269	247,107	217,253	312,997
<b>Total current assets</b>	<b>430,696</b>	<b>349,705</b>	<b>297,369</b>	<b>516,646</b>
<b>Total asset</b>	<b>1,625,763</b>	<b>1,545,549</b>	<b>1,430,368</b>	<b>1,624,002</b>
<b>EQUITY HOLDERS' DEFICIT</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	7	7	7	6
Other reserves	1,990,580	1,961,606	2,137,572	2,513,753
Accumulated losses	(2,876,697)	(3,060,542)	(3,718,768)	(4,589,568)
<b>Total deficit</b>	<b>(886,110)</b>	<b>(1,098,929)</b>	<b>(1,581,189)</b>	<b>(2,075,809)</b>

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	As of December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Convertible redeemable preferred shares	1,596,491	1,745,775	1,960,399	3,224,447
Other financial liabilities at fair value through profit or loss	165,197	167,973	188,626	–
Lease liabilities	3,176	7,553	2,421	907
Deferred tax liabilities	28,901	24,141	19,175	15,092
<b>Total non-current liabilities</b>	<b><u>1,793,765</u></b>	<b><u>1,945,442</u></b>	<b><u>2,170,621</u></b>	<b><u>3,240,446</u></b>
<b>Current liabilities</b>				
Accounts payables	38,180	28,574	31,391	43,594
Accruals and other payables	434,579	344,457	316,128	370,183
Contract liabilities	4,358	6,421	9,353	8,147
Other borrowing	–	–	104,652	–
Amounts due to related parties	116,566	291,157	309,697	–
Current tax liabilities	4,929	13,551	18,511	22,694
Other tax liabilities	3,260	4,246	5,748	6,779
Other financial liabilities at fair value through profit or loss	111,141	3,327	39,847	–
Lease liabilities	5,095	7,303	5,609	7,968
<b>Total current liabilities</b>	<b><u>718,108</u></b>	<b><u>699,036</u></b>	<b><u>840,936</u></b>	<b><u>459,365</u></b>
<b>Total liabilities</b>	<b><u>2,511,873</u></b>	<b><u>2,644,478</u></b>	<b><u>3,011,557</u></b>	<b><u>3,699,811</u></b>
<b>Total deficit and liabilities</b>	<b><u>1,625,763</u></b>	<b><u>1,545,549</u></b>	<b><u>1,430,368</u></b>	<b><u>1,624,002</u></b>

### Assets

#### *Intangible assets*

Our intangible assets represent identifiable intangible assets including our service platform, brand name, customer relationship and computer software. We had intangible assets of RMB132.8 million, RMB110.4 million, RMB87.0 million and RMB68.3 million as of December 31, 2018, 2019, 2020 and 2021, respectively. Our intangible assets decreased during the Track Record Period primarily because we amortize these intangible assets (excluding goodwill) with a limited useful life using the straight-line method.

#### *Goodwill*

Our goodwill represents the excess of (i) the aggregate of the fair value of consideration transferred over and (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as of the acquisition date. Our goodwill mainly arose from the acquisition of subsidiaries of GoGoVan Cayman ("GoGo Van") in 2017. The goodwill in connection with this acquisition is attributable to the acquired market shares, future expansion prospect, economies



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of scale and synergies expected to be derived from combining the resources and operations of our Group following the acquisition. As of December 31, 2018, 2019, 2020 and 2021, our goodwill was RMB1,041.8 million, RMB1,048.7 million, RMB1,029.1 million and RMB1,020.3 million, respectively.

Upon completion of the acquisition of GoGoVan, we integrated GoGoVan's business in the PRC into our Group's PRC operations in order to improve the operational efficiency. The business of GoGoVan Cayman in Hong Kong and other countries and regions in Asia has been managed separately. Therefore, our management considers that the operating segment which is the lowest level within our Group at which the goodwill is allocated for internal management purpose.

Our management reviews the business performance and monitors the goodwill arising from the acquisition on the operating segment level. We performed an annual impairment test on goodwill by comparing the recoverable amounts of CGU or group of CGUs to the respective carrying amounts.

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

	<b>As of December 31,</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>(RMB in thousands)</i>			
PRC operations	720,902	720,902	720,902	720,902
Hong Kong and overseas operations	320,897	327,767	308,226	299,436
	<b>1,041,799</b>	<b>1,048,669</b>	<b>1,029,128</b>	<b>1,020,338</b>

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or group of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes. The carrying value of the CGUs containing goodwill is compared to the recoverable amount, which is the higher of value in use ("VIU") and the fair value less costs of disposal ("FVLCOD"). Any impairment is recognized immediately as an expense and is not subsequently reversed.

Such groups of CGUs represent our lowest level for which the goodwill is monitored for internal management purpose. The recoverable amount of a CGU is determined based on FVLCOD calculations by using discounted cash flow projections based on financial budgets approved by our management with a terminal value related to the future cash flows extrapolated using the estimated growth rates. The FVLCOD approach generally reflects the

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assumptions that market participants would use when pricing the asset. Therefore, when assessing the fair values, our management has considered and taken reference to the fair value calculations adopted in various rounds of fundraising completed with investors, in which our equity value continued to increase with a pre-money valuation of US\$1.0 billion (equivalent to a total equity value of approximately RMB6.4 billion) in 2018, US\$1.05 billion (equivalent to a total equity value of approximately RMB6.7 billion) in 2019 and US\$1.5 billion (equivalent to a total equity value of approximately RMB10.2 billion) in 2021. For details about our Pre-IPO Investments, see “History, Reorganization and Corporate Structure – Pre-IPO Investments.” The fair values of our equity values were well above our net liabilities as of December 31, 2018, 2019, 2020 and 2021 which included the carrying amount of goodwill of approximately RMB1.0 billion as of December 31, 2018, 2019, 2020 and 2021. We believe that these valuations supported the market participants’ view towards our business and prospects, as well as our abilities to capture the opportunities from the growth in the emerging online logistic platform business. The factors above indicate the recoverable amounts of goodwill were well above its carrying amount at each financial year end.

We believe that it is appropriate to cover eight years in our cash flow projections according to the approved budget, because the growth rate of the emerging online logistics platform industry is still in a rapid growth stage in the coming five years and we estimated that our business and the technology-driven logistics platform sector will need a longer period to reach a stage with steady and stable growth aligned with the overall logistics market in Asia. According to Frost & Sullivan, the historical CAGR of online intra-city logistics market size in Asia from 2018 to 2021 was 76.5% and the expected CAGR from 2022 to 2026 is 45.6%. See “Industry Overview – Overview of Asia Intra-city Logistics Market – Market Overview.” Such growth is not expected to decrease dramatically but is expected to gradually decrease subsequent to 2026. Instead of preparing a five-year cash flow budget with an extraordinarily high terminal growth rate, our management prepared an eight-year cash flow forecast which captures the rapid growth stage of the technology-driven logistic platform business until such business reaches a stage with steady and stable growth aligned with the growth of overall logistics market in Asia, while the terminal growth rate will gradually grow steadily at 3% after eight years. The accuracy and reliability of the information is reasonably assured by the appropriate budgeting, forecast and control process established by us. Our management leveraged their extensive experience in the industries and provided forecasts based on past performance and their expectation of future business plans and market developments.

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The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

	<b>PRC operations</b>	<b>HK &amp; Overseas operations</b>
<b>December 31, 2018</b>		
Compound annual growth rate of revenue	47%	57%
Compound annual growth rate of operating cost and expenses	22%	34%
Long term growth rate	3%	3%
Post-tax discount rate	18.5%	18.5%
<b>December 31, 2019</b>		
Compound annual growth rate of revenue	40%	52%
Compound annual growth rate of operating cost and expenses	23%	38%
Long term growth rate	3%	3%
Post-tax discount rate	18.5%	18.5%
<b>December 31, 2020</b>		
Compound annual growth rate of revenue	43%	43%
Compound annual growth rate of operating cost and expenses	29%	34%
Long term growth rate	3%	3%
Post-tax discount rate	18%	18%
<b>December 31, 2021</b>		
Compound annual growth rate of revenue	50%	50%
Compound annual growth rate of operating cost and expenses	36%	43%
Long term growth rate	3%	3%
Post-tax discount rate	16.5%	16.5%

### *Operations in mainland China*

Based on the result of the goodwill impairment testing, the estimated recoverable amount exceeded its carrying amount as of December 31, 2018, 2019, 2020 and 2021 by RMB3.7 billion, RMB2.7 billion, RMB3.1 billion and RMB4.6 billion, respectively. For sensitivity analysis, there had been compound annual growth rates for revenue of 17%, 12%, 15% and 17% in the FVLCOD calculations to arrive a breakeven recoverable amount in 2018, 2019, 2020 and 2021, respectively, while other assumptions remain unchanged. In addition, any reasonable possible changes in the other key assumptions used in the fair value less cost of disposal calculation would not affect management's view on impairment as at the end of each of the Track Record Periods.

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### *Operations in overseas markets*

Based on the result of the goodwill impairment testing, the estimated recoverable amount exceeded its carrying amount as of December 31, 2018, 2019, 2020 and 2021 by RMB1.9 billion, RMB2.7 billion, RMB2.1 billion and RMB4.4 billion, respectively. For sensitivity analysis, there had been compound annual growth rates for revenue of 26%, 16%, 11% and 6% in the FVLCOD calculations to arrive a breakeven recoverable amount in 2018, 2019, 2020 and 2021, respectively, while other assumptions remain unchanged. In addition, any reasonable possible changes in the other key assumptions used in the fair value less cost of disposal calculation would not affect management's view on impairment as at the end of each of the Track Record Periods.

### *Accounts receivables*

Our accounts receivables primarily include amounts due from our enterprise customers for our enterprise services. We generally grant our enterprise customers a credit period of 30 to 60 days.

We seek to maintain strict control over our outstanding accounts receivables. Our management regularly reviews the recoverability of overdue balances and when appropriate and decides the allowance made for impairment loss on such accounts receivables. Our sales and marketing personnel closely follow up with our corporate customers on payment status and take prompt actions to collect the accounts receivables when they become due. We apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and have been collectively assessed on likelihood of recovery, taking into account the industries which the customers are operating in, their aging category and past collection history.

The following table sets forth the details of our accounts receivables as of the dates indicated.

	<b>As of December 31,</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>(RMB in thousands)</i>			
Accounts receivables	81,587	74,857	72,071	83,405
Less: loss allowance	(28,730)	(21,776)	(18,376)	(18,173)
<b>Accounts receivables, net</b>	<b>52,857</b>	<b>53,081</b>	<b>53,695</b>	<b>65,232</b>
Expected loss rate	35%	29%	25%	22%

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The expected credit loss rate for accounts receivables represents the weighted average expected loss rate for accounts receivables arising from our mainland China operations and overseas operations. Our overall weighted average expected loss rate decreased from 35% in 2018 to 29% in 2019, primarily because accounts receivables for our mainland China operations, which had a higher expected credit loss compared to that for accounts receivables for our overseas operations, accounted for a lower proportion in our total accounts receivables in 2019 compared to that in 2018. Our overall weighted average expected loss rate further decreased to 25% in 2020 and 22% in 2021, respectively, primarily as we have implemented a series of control measures since 2019 and our continuous efforts to control credit risks.

Our net accounts receivables were RMB52.9 million, RMB53.1 million, RMB53.7 million and RMB65.2 million as of December 31, 2018, 2019, 2020 and 2021, respectively.

The following table sets forth an aging analysis of the net amount our accounts receivables (after deducting the loss allowance) as of the dates indicated.

	As of December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
0 to 30 days	29,286	30,290	32,525	45,055
31 to 60 days	16,035	12,486	14,979	12,902
61 to 90 days	5,196	5,695	5,230	3,887
Over 90 days	2,340	4,610	961	3,388
<b>Total</b>	<b>52,857</b>	<b>53,081</b>	<b>53,695</b>	<b>65,232</b>

During the Track Record Period, a majority of our accounts receivables were outstanding for less than 60 days. However, we will allow additional flexibility by offering a credit period longer than 90 days to certain customers who are strategically important or with whom we have established a long-term relationship based on the evaluation result and depending on our business development objectives.

The following table sets forth the details of allowance to our accounts receivables for the periods indicated.

	Year ended December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
<b>At the beginning of the year</b>	7,711	28,730	21,776	18,376
Provision/(reversal of provision) for impairment of accounts receivables				
– from continuing operations	82,406	(4,798)	(3,204)	(50)
– from discontinuing operations	–	–	2,600	–
Write-off of provision for impairment	(61,395)	(2,347)	(2,795)	(136)
Currency translation differences	8	191	(1)	(17)
<b>At the end of the year</b>	<b>28,730</b>	<b>21,776</b>	<b>18,376</b>	<b>18,173</b>

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We made provision for impairment of accounts receivables of RMB82.4 million in 2018 primarily due to the impairment on the accounts receivables due from a major enterprise customer, a Chinese bike-sharing company which experienced credit deterioration. We wrote off the provision for impairment of RMB61.4 million in 2018 primarily because we determined that this enterprise customer was unable to perform its payment obligation based on our credit valuation of this enterprise customer.

To minimize the credit risks arising from collection of accounts receivables from our enterprise customers, we have implemented a series of control measures since 2018. We have adopted a white list mechanism for enterprise customers in mainland China, through which we grade them by evaluating their financial conditions and repayment abilities. We generally grant more favorable credit periods to high-quality customers with high grades on the list. We frequently update the list with reference to customers' recent transacting amounts and their payment of the amounts due to us. If we identify any customer who fail to perform its payment obligation in a timely manner, we may take action including freezing their transacting account and reject their order request depending on the severity. We also have a dedicated team responsible for monitoring repayments from enterprise customers and facilitate communications with those who have breached repayment terms.

The following table sets forth our accounts receivables turnover days for the periods indicated.

	Year ended December 31,			
	2018	2019	2020	2021
Accounts receivables turnover days <sup>(1)</sup>	51	52	51	43

*Note:*

- (1) Accounts receivables turnover days for each period equals the average of the beginning and ending balances of accounts receivables (without giving effect to allowance we made for accounts receivables) for that period divided by revenue for the period and multiplied by the number of days in that period.

Our accounts receivables turnover days were 51 days, 52 days, 51 days and 43 days in 2018, 2019, 2020 and 2021, respectively, primarily due to our continuous efforts to control credit risks.

As of April 30, 2022, approximately RMB65.6 million, or 78.6% of our gross accounts receivables outstanding as of December 31, 2021, or 100.0% of our net account receivables outstanding as of December 31, 2021, had been subsequently settled. As of April 30, 2022, we had impairment loss allowance of RMB18.2 million covering all the accounts receivables outstanding as of December 31, 2021 which had aged over 365 days. After deducting the accounts receivables for which impairment loss allowance was made, as of April 30, 2022, all outstanding accounts receivables as of December 31, 2021 had been settled.

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### *Prepayments, deposits and other receivables*

Our prepayments, deposits and other receivables consist primarily of prepaid rental expenses, promotion and advertising expenses and value-added tax recoverables.

The following table sets forth the details of our prepayments, deposits and other receivables as of the dates indicated.

	As of December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
<b>Non-current assets</b>				
Rental and other deposits	2,186	2,074	1,440	3,061
Prepayments	21	6,132	–	–
Other receivables	6	185	15	–
Subtotal	<u>2,213</u>	<u>8,391</u>	<u>1,455</u>	<u>3,061</u>
<b>Current assets</b>				
Prepayments	7,455	20,492	11,940	5,746
Prepayments for listing expenses	–	–	–	7,014
Value-added tax recoverables	7,079	12,354	1,981	4,637
Rental and other deposits	9,957	12,066	10,007	12,012
Other receivables	4,901	2,773	2,167	8,331
Subtotal	<u>29,392</u>	<u>47,685</u>	<u>26,095</u>	<u>37,740</u>
Less: loss allowance	<u>(743)</u>	<u>(350)</u>	<u>(1,559)</u>	<u>(800)</u>
<b>Total prepayments, deposits and other receivables</b>	<b><u>30,862</u></b>	<b><u>55,726</u></b>	<b><u>25,991</u></b>	<b><u>40,001</u></b>

Our prepayments, deposits and other receivables increased by 53.8% from RMB26.0 million as of December 31, 2020 to RMB40.0 million as of December 31, 2021, primarily due to (i) prepayments for listing expenses made in 2021, and (ii) an increase in rental and other deposits attributable to the growth of our business.

Our prepayments, deposits and other receivables decreased by 53.3% from RMB55.7 million as of December 31, 2019 to RMB26.0 million as of December 31, 2020, primarily due to (i) a decrease in prepaid promotion and advertising expenses as the service providers delivered their services based on service schedules and (ii) a decrease in value-added tax recoverables attributable to more value-added output tax than value-added input tax.

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Our prepayments, deposits and other receivables increased by 80.3% from RMB30.9 million as of December 31, 2018 to RMB55.7 million as of December 31, 2019, primarily due to (i) an increase in prepaid promotion and advertising service fees to certain service providers and (ii) an increase in value-added tax recoverables attributable to more value-added input tax than value-added output tax.

### *Restricted cash*

Our restricted cash was RMB0.9 million, RMB2.2 million, RMB1.9 million and RMB101.5 million as of December 31, 2018, 2019, 2020 and 2021, respectively.

Our restricted cash as of December 31, 2021 consisted primarily of fares paid by shippers deposited in our bank account with a licensed commercial bank in mainland China which we started to cooperate with from January 2021. This bank account is jointly administered by the commercial bank and us and is classified as a restricted account by the bank. As a result, the cash deposited in this account has been recorded as restricted cash. Our restricted cash as of December 31, 2018, 2019 and 2020 consisted primarily of the cash deposited with banks to guarantee our payments to the suppliers for our fuel cards services in the overseas markets.

### *Cash and cash equivalents*

Our cash and cash equivalents were RMB348.3 million, RMB247.1 million, RMB217.3 million and RMB313.0 million as of December 31, 2018, 2019, 2020 and 2021, respectively. Our cash and cash equivalents consist primarily of cash deposited with banks on demand and cash deposited with online payment platforms on demand.

## **Liabilities**

### *Accounts payables*

Our accounts payables consist primarily of (i) subcontracting fees for logistics service providers payable to human resources service providers and operators of vehicle fleets and (ii) amounts payable to fuel suppliers in connection with our fuel cards services. As of December 31, 2018, 2019, 2020 and 2021, we had accounts payables of RMB38.2 million, RMB28.6 million, RMB31.4 million and RMB43.6 million, respectively. During the Track Record Period, substantially all of our accounts payables were unsecured and were usually settled within 30 days. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in or subject to any disputes or disagreements with our service providers or suppliers over accounts payables that we believe would have a material adverse effect on our results of operations and financial condition.



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The following table sets forth an aging analysis of our accounts payables as of the dates indicated.

	As of December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
0 to 30 days	38,180	28,429	31,376	40,500
31 to 60 days	–	134	–	1,100
61 to 90 days	–	–	–	37
Over 90 days	–	11	15	1,957
<b>Total</b>	<b>38,180</b>	<b>28,574</b>	<b>31,391</b>	<b>43,594</b>

The following table sets forth our accounts payables turnover days for the periods indicated.

	Year ended December 31,			
	2018	2019	2020	2021
Accounts payables turnover days <sup>(1)</sup>	25	32	32	33

*Note:*

- (1) Accounts payables turnover days for each period equals the average of the beginning and ending balances of accounts payables for that period divided by cost of revenue for the period and multiplied by the number of days in that period.

As of April 30, 2022, approximately RMB40.5 million, or 92.9% of our accounts payables as of December 31, 2021, had been subsequently settled.

### *Accruals and other payables*

We had accrual and other payables of RMB434.6 million, RMB344.5 million, RMB316.1 million and RMB370.2 million as of December 31, 2018, 2019, 2020 and 2021, respectively. The following table sets forth the details of our accruals and other payables as of the dates indicated.

	As of December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
Deposits from platform users	233,696	242,328	200,531	236,214
Deposits from corporate customers	15,899	16,573	26,102	17,114
Accrued listing expenses	–	–	–	11,605
Accrued salaries and staff benefits	51,432	57,531	60,616	75,732
Accrued professional fee	10,248	9,797	10,764	4,255
Accrued promotion and marketing expenses	110,185	4,240	1,216	2,311
Others <sup>(1)</sup>	13,119	13,988	16,899	22,952
<b>Total</b>	<b>434,579</b>	<b>344,457</b>	<b>316,128</b>	<b>370,183</b>

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*Note:*

- (1) Consists primarily of (i) withholding taxes for our employees and (ii) telecommunication costs for server hosting and cloud services.

Our accrual and other payables consist primarily of deposits from platform users, deposits from corporate customers and accrued salaries and staff benefits.

Deposits from platform users were the largest component of our accruals and other payables as of December 31, 2018, 2019, 2020 and 2021. Deposits from platform users represent (i) the balance of cash deposited on our platform by shippers, and (ii) balances that can be withdrawn by drivers who use our platform services. All the funds received from the shippers and payable to the drivers are maintained in accounts with commercial banks and online payment platforms. The drivers may apply to withdraw the funds on a daily basis. Deposits from corporate customers represent the prepayments by enterprise shippers who use our enterprise services.

### ***Amounts due to related parties***

Our amounts due to related parties represented (i) liabilities due to 58 Daojia, and (ii) our borrowings from affiliated entities of 58 Daojia. The amounts due to related parties are of non-trade nature and unsecured, interest-free and repayable on demand.

Our amounts due to related parties increased from RMB116.6 million as of December 31, 2018 to RMB291.2 million as of December 31, 2019 and further to RMB309.7 million as of December 31, 2020, primarily due to management fee charged by 58 Daojia on a monthly basis. Our amounts due to related parties decreased from RMB309.7 million as of December 31, 2020 to nil as of December 31, 2021 because 58 Daojia agreed to waive our obligation to pay a total amount of RMB298.6 million in April 2021, and we settled the remaining amounts in October 2021, which consisted of (i) amounts owed to Daojia Limited primarily in connection with our office rent, and (ii) amounts owed to 58 Daojia of RMB1.2 million.

### ***Financial Liabilities at Fair Value Through Profit or Loss***

Financial liabilities at fair value through profit or loss mainly represent our convertible redeemable preferred shares, warrants to convertible redeemable preferred shares and convertible notes. Changes in fair value of these financial liabilities had been recognized in the consolidated statements of profit or loss.

### ***Convertible redeemable preferred shares***

Since the date of our incorporation, we have completed four rounds of financing by issuing preferred Shares to our investors. See “History, Reorganization and Corporate Structure” and Note 30 to the Accountant’s Report in Appendix I to this prospectus.

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As of December 31, 2018, 2019, 2020 and 2021, the convertible redeemable preferred shares were RMB1,596.5 million, RMB1,745.8 million, RMB1,960.4 million and RMB3,224.4 million. For the years ended December 31, 2018, 2019, 2020 and 2021, changes in fair value through profit or loss of convertible redeemable preferred shares amounted to loss of RMB142.8 million, gain of RMB96.4 million, loss of RMB397.1 million and loss of RMB564.3 million, respectively. See Note 3.3 and Note 30 to the Accountant's Report in Appendix I to this prospectus for details of fair value estimation of convertible redeemable preferred shares.

### *Other financial liabilities at fair value through profit or loss*

Our other financial liabilities at fair value through profit or loss primarily represent (i) warrant to convertible redeemable preferred shares and (ii) convertible notes.

Our other financial liabilities at fair value through profit or loss decreased from RMB228.5 million as of December 31, 2020 to nil as of December 31, 2021, primarily because warrants to convertible redeemable preferred shares were expired or exercised in 2021.

Our other financial liabilities at fair value through profit or loss increased by 33.4% from RMB171.3 million as of December 31, 2019 to RMB228.5 million as of December 31, 2020, primarily due to increases in the valuation of our Company.

Our other financial liabilities at fair value through profit or loss decreased by 38.0% from RMB276.3 million as of December 31, 2018 to RMB171.3 million as of December 31, 2019, primarily due to expiration of part of our warrant to convertible redeemable preferred shares in 2019.

We classified the convertible redeemable preferred shares, warrants and related financial liabilities and convertible notes as financial liabilities at fair value through profit or loss of which no quoted prices in an active market exist. The fair value is established by using valuation techniques which include discounted cash flow and Binomial option pricing model. Valuation techniques are certified by an independent and recognized international business valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by the valuer make use of market inputs and our own specific data. However, it should be noted that some inputs, such as discount rate, risk-free interest rate, discount for lack of marketability and volatility, require management estimates. Our management estimates and assumptions are reviewed periodically and are adjusted if necessary. Should any of the estimates and assumptions changed, it may lead to a change in the fair value of the financial liabilities at fair value through profit or loss.

In relation to the valuation of the financial liabilities at fair value through profit or loss, our Directors, based on the professional advice received, adopted the following procedures: (i) reviewed the terms of the subscription agreements for Preferred Shares, warrants and convertible notes; (ii) engaged an independent qualified valuer, provided necessary financial and non-financial information so as to enable the valuer to perform valuation procedures and

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discussed with the valuer on relevant assumptions; (iii) carefully considered all information especially those non-market related information inputs, such as discount rate, risk-free interest rate, discount for lack of marketability and volatility, which require the management's assessments and estimates; and (iv) reviewed the valuation working papers and valuation results prepared by the valuer. Based on the above procedures, our Directors are of the view that the valuation analysis performed by the valuer is fair and reasonable, and the consolidated financial statements of our Group are properly prepared.

Details of the fair value measurement of the financial liabilities at fair value through profit or loss, particularly the fair value hierarchy, the valuation techniques and key inputs, including significant unobservable inputs and the relationship of unobservable inputs to fair value and reconciliation of level 3 measurements are disclosed in Note 3.3 and Note 30(d) as set out in the historical financial information of our Group in Appendix I to this prospectus. The Reporting Accountant's opinion on the historical financial information of our Group for the Track Record Period as a whole in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants is set out on pages I-1 to I-3 of Appendix I to this prospectus.

In relation to the valuation analysis performed by the independent qualified valuer on the financial liabilities at fair value through profit or loss, the Joint Sponsors have conducted relevant due diligence work, including but not limited to, (i) reviewed relevant notes of the historical financial information of our Group as contained in Appendix I to this prospectus; (ii) reviewed relevant valuation documents prepared by the valuer; and (iii) discussed with the Reporting Accountant on the independent audit procedures performed on the financial liabilities. Having considered the work done by the Directors and the Reporting Accountant and the relevant due diligence done as stated above, nothing has come to the Joint Sponsors' attention that would reasonably cause the Joint Sponsors to question the valuation analysis performed by the valuer on the financial liabilities at fair value through profit or loss.

### LIQUIDITY AND CAPITAL RESOURCES

#### Sources of Liquidity and Working Capital

Our primary use of cash is to fund our working capital requirements and other recurring expenses. During the Track Record Period, we had financed our operations primarily through cash generated from our operating activities and equity financing activities. In the foreseeable future, we believe that our liquidity requirements will be satisfied with a combination of cash flow generated from our operating activities, the net proceeds received from the Global Offering, and other funds raised from the capital markets from time to time. We will closely monitor the level of our working capital, and diligently review future cash flow requirements and adjust our operation and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations.

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### Current Assets and Current Liabilities

The following table sets forth a summary of our current assets and liabilities as of the dates indicated.

	As of December 31,				As of
	2018	2019	2020	2021	April 30, 2022
	<i>(RMB in thousands)</i>				<i>(unaudited)</i>
<b>Current assets</b>					
Accounts receivables	52,857	53,081	53,695	65,232	75,746
Prepayments, deposits and other receivables	28,649	47,335	24,536	36,940	34,025
Restricted cash	921	2,182	1,885	101,477	86,812
Cash and cash equivalent	348,269	247,107	217,253	312,997	202,667
<b>Total current assets</b>	<b>430,696</b>	<b>349,705</b>	<b>297,369</b>	<b>516,646</b>	<b>399,250</b>
<b>Current liabilities</b>					
Accounts payables	38,180	28,574	31,391	43,594	43,923
Accruals and other payables	434,579	344,457	316,128	370,183	325,619
Contract liabilities	4,358	6,421	9,353	8,147	7,406
Other borrowing	–	–	104,652	–	–
Amounts due to related parties	116,566	291,157	309,697	–	–
Current tax liabilities	4,929	13,551	18,511	22,694	22,694
Other tax liabilities	3,260	4,246	5,748	6,779	4,423
Other financial liabilities at fair value through profit or loss	111,141	3,327	39,847	–	–
Lease liabilities	5,095	7,303	5,609	7,968	6,206
<b>Total current liabilities</b>	<b>718,108</b>	<b>699,036</b>	<b>840,936</b>	<b>459,365</b>	<b>410,271</b>
<b>Net current (liabilities)/assets</b>	<b>(287,412)</b>	<b>(349,331)</b>	<b>(543,567)</b>	<b>57,281</b>	<b>(11,021)</b>

We recorded net current liabilities of RMB11.0 million as of April 30, 2022, primarily due to the decrease of our cash and cash equivalents of RMB110.3 million, which was partially offset by the decrease of accruals and other payables of RMB44.6 million, as a result of our operating activities.

We recorded net current assets of RMB57.3 million as of December 31, 2021, primarily because (i) our other borrowings, consisting of a borrowing provided by Tianjin 58 Daojia Life Services Co., Ltd. (天津五八到家生活服務有限公司), an entity controlled by 58 Daojia, were fully settled in June 2021; (ii) our amounts due to related parties, which represented our liabilities due to 58 Daojia and our borrowings from affiliated entities of 58 Daojia, were waived by 58 Daojia and settled with affiliated entities of 58 Daojia in 2021; and (iii) our cash and cash equivalents amounted to RMB313.0 million, primarily representing proceeds from our Series C financing.

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Our net current liabilities increased by 55.6% from RMB349.3 million as of December 31, 2019 to RMB543.6 million as of December 31, 2020, primarily due to (i) a borrowing from Tianjin 58 Daojia Life Services Co., Ltd. of RMB104.7 million, and (ii) a decrease in cash and cash equivalents of RMB29.9 million as a result of use of cash in our operations.

Our net current liabilities increased by 21.5% from RMB287.4 million as of December 31, 2018 to RMB349.3 million as of December 31, 2019, primarily due to (i) an increase in amounts due to related parties of RMB174.6 million reflecting interest-free funds provided by 58 Daojia to us, and (ii) a decrease in cash and cash equivalents of RMB101.2 million as a result of use of cash in our operations.

We had net liabilities, representing the equity holder's deficit, of RMB886.1 million as of December 31, 2018, primarily due to (i) our net loss of RMB1,070.9 million in 2018 and (ii) the deemed distribution to shareholder of RMB843.0 million in 2018, which were partially offset by the amount of equity holder's equity of RMB894.6 million as of January 1, 2018. Our net liabilities amounted to RMB1,098.9 million, RMB1,581.2 million and RMB2,075.8 million as of December 31, 2019, 2020 and 2021, respectively, primarily due to our net loss of RMB183.8 million, RMB658.2 million and RMB872.9 million in 2019, 2020 and 2021, respectively.

### Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for periods indicated.

	Year ended December 31,			
	2018	2019	2020	2021
	<i>(RMB in thousands)</i>			
Net cash used in operating activities	(380,121)	(456,229)	(126,383)	(358,624)
Net cash (used in)/ generated from investing activities	(8,205)	(6,405)	3,382	(1,651)
Net cash generated from financing activities	601,282	360,047	96,223	460,881
Net increase/(decrease) in cash and cash equivalents	212,956	(102,587)	(26,778)	100,606
Cash and cash equivalents at the beginning of the year	133,784	348,269	247,107	217,253
Effect of foreign exchange rate changes	1,529	1,425	(3,076)	(4,862)
Cash and cash equivalents at the end of the year	<u>348,269</u>	<u>247,107</u>	<u>217,253</u>	<u>312,997</u>

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### *Operating activities*

We had net cash used in operating activities of RMB358.6 million in 2021, primarily due to a loss before tax of RMB872.6 million, as adjusted by (i) add-back of non-cash items primarily comprising of fair value changes on convertible redeemable preferred shares of RMB564.3 million and (ii) changes in working capital, which primarily comprised of an increase in other operating assets of RMB109.2 million and an increase in other operating liabilities of RMB53.1 million.

We had net cash used in operating activities of RMB126.4 million in 2020, primarily due to a loss before tax of RMB653.3 million, as adjusted by (i) the add-back of non-cash items primarily comprising fair value changes on convertible preferred shares, warrants and convertible bonds of RMB464.1 million and (ii) changes in working capital, which primarily comprised of an increase in amounts due to related companies of RMB19.5 million.

We had net cash used in operating activities of RMB456.2 million in 2019, primarily due to a loss before tax of RMB170.4 million, as adjusted by (i) the deduction of non-cash items primarily comprising fair value changes on convertible preferred shares, warrants and convertible bonds of RMB228.0 million and (ii) changes in working capital, which primarily comprised of an increase in amounts due to related parties of RMB23.1 million.

We had net cash used in operating activities of RMB380.1 million in 2018, primarily due to a loss before tax of RMB1,066.4 million, as adjusted by (i) the add-back of non-cash items primarily comprising fair value changes on convertible preferred shares, warrants and convertible bonds of RMB168.6 million, equity-settled share based payment of RMB87.4 million and other share compensations of RMB33.0 million and (ii) changes in working capital, which primarily comprised of an increase in amounts due to related parties of RMB333.1 million and a decrease in other operating assets of RMB31.9 million.

We expect our net operating cash outflows position to improve concurrently with our profitability, mainly through: (i) growing our user base and enhancing user engagement by increasing our geographical coverage, expanding our overseas business and further enlarging our enterprise customer base, which we believe will enable us to achieve a higher penetration rate in the market and drive the growth in our GTV and revenue, (ii) enhancing and diversifying monetization opportunities by optimizing the prices for our services and expanding our service offerings, and (iii) further improving our operational efficiency by reducing general and administrative expenses and research and development expenses as a percentage to our revenue as our business scale expands and we expect to benefit from economies of scale and an enlarged revenue base. See “Financial Information – Path to Profitability.”

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### *Investing activities*

We had net cash used in investing activities of RMB1.7 million in 2021, primarily due to purchase of property, plant and equipment of RMB2.4 million and investment in a joint venture in PRC of RMB2.0 million, which was partially offset by interest received from bank deposits of RMB2.7 million.

We had net cash generated from investing activities of RMB3.4 million in 2020, primarily due to interest received from bank deposits of RMB4.2 million which was partially offset by purchase of property, plant and equipment of RMB1.2 million.

We had net cash used in investing activities of RMB6.4 million in 2019, primarily due to purchase of property, plant and equipment of RMB9.9 million which was partially offset by interest received from bank deposits of RMB3.2 million.

We had net cash used in investing activities of RMB8.2 million in 2018, primarily due to purchase of property, plant and equipment of RMB9.7 million and purchase of intangible assets of RMB1.7 million which were partially offset by interest received from bank deposits of RMB3.0 million.

### *Financing activities*

We had net cash generated from financing activities of RMB460.9 million in 2021, primarily due to proceeds from our issuances of convertible redeemable preferred shares of RMB737.7 million, which was partially offset by repayment of other convertible notes of RMB167.2 million and repayment of other borrowings of RMB104.7 million.

We had net cash generated from financing activities of RMB96.2 million in 2020, primarily due to proceeds of other borrowings of RMB104.7 million, which was partially offset by repayment of principal and interest portion of lease liabilities of RMB7.5 million.

We had net cash generated from financing activities of RMB360.0 million in 2019, primarily due to advance from related parties of RMB151.7 million which was provided by 58 Daojia and one associated entity of 58 Daojia, proceeds from issuance of preferred shares of RMB194.3 million and proceeds from issuance of warrant of RMB20.3 million.

We had net cash generated from financing activities of RMB601.3 million in 2018, primarily due to proceeds from issuance of preferred shares of RMB422.3 million, proceeds from issuance of warrants of RMB122.6 million and proceeds from issuance of convertible notes of RMB96.8 million, which was partially offset by repayment to related parties of RMB70.1 million.



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### Working Capital

We had negative operating cash flows during the Track Record Period. We may continue to record negative cash flows from operating activities in the future, in which case our working capital may be limited and our business, financial condition, results of operations and prospects may be materially and adversely affected. See “Risk Factors – Risks Related to Our Business and Industry – We had net current liabilities, total deficit and negative operating cash flows during the Track Record Period, which may expose us to liquidity risk.”

Although we had negative operating cash flows during the Track Record Period, we believe we have sufficient working capital required for our operations based on our financial condition and financing capabilities as below:

- In April 2021, 58 Daojia, our major shareholder, agreed to waive our obligation to pay it a total amount of RMB298.6 million and such waived amount was treated as shareholder’s contribution.
- In June 2021, we completed the Series C financing with certain investors, including 58 Daojia, with gross proceeds of approximately US\$63.2 million (equivalent to approximately RMB409.1 million) to subscribe for 27,000,838 Series C Preferred Shares. We have used a portion of the proceeds to repay our other borrowings.
- In June 2021, one of our investors exercised its warrant option to subscribe for 13,068,244 Series B Preferred Shares with gross proceeds of approximately US\$24.8 million (equivalent to approximately RMB160.8 million). We received the proceeds in July 2021.
- On August 30, 2021 and September 22, 2021, as part of our pre-listing reorganization, three investors holding the Warrants granted in connection with our Series B financing exercised their right to subscribe Series B Preferred Shares. We received the subscription proceed of approximately US\$10.4 million (equivalent to RMB67.0 million) in September 2021 and the remaining part of the subscription proceed of approximately US\$15.6 million (equivalent to RMB100.8 million) in October 2021.
- All of our convertible redeemable preferred shares, warrants and convertible notes are not redeemable at the option of the holders within 12 months from December 31, 2021.

Taking into consideration of financial resources presently available to us, including cash and cash equivalents on hand, internally generated funds and the estimated proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present needs and at least for the next 12 months from the date of this prospectus. After making reasonable inquiries of our management about our working capital, the Joint Sponsors concur with the Directors’ view.

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### INDEBTEDNESS

The following table sets forth the details of our indebtedness as of the dates indicated.

	As of December 31,				As of
	2018	2019	2020	2021	April 30, 2022
	<i>(RMB in thousands)</i>				<i>(unaudited)</i>
<b>Current</b>					
Other borrowings	–	–	104,652	–	–
Amounts due to related parties	116,566	291,157	309,697	–	–
Lease liabilities	5,095	7,303	5,609	7,968	6,206
Other financial liabilities at fair value through profit or loss	111,141	3,327	39,847	–	–
	<b>232,802</b>	<b>301,787</b>	<b>459,805</b>	<b>7,968</b>	<b>6,206</b>
<b>Non-current</b>					
Lease liabilities	3,176	7,553	2,421	907	3,438
Convertible redeemable preferred shares	1,596,491	1,745,775	1,960,399	3,224,447	3,266,470
Other financial liabilities at fair value through profit or loss	165,197	167,973	188,626	–	–
	<b>1,764,864</b>	<b>1,921,301</b>	<b>2,151,446</b>	<b>3,225,354</b>	<b>3,269,908</b>
<b>Total</b>	<b>1,997,666</b>	<b>2,223,088</b>	<b>2,611,251</b>	<b>3,233,322</b>	<b>3,276,114</b>

### Other Borrowings

Our other borrowings represent a borrowing from Tianjin 58 Daojia Life Services Co., Ltd. (天津五八到家生活服務有限公司), an entity controlled by 58 Daojia, provided on February 12, 2020. As of December 31, 2020, the balances of such borrowing were RMB104.7 million. We primarily used the funds for replenishment of working capital. The borrowing is interest-bearing at a fixed rate of 8% per annum, repayable in 12 months from the end of 2020. Such borrowings were fully settled in June 2021.

### Amounts due to Related Parties

As of December 31, 2018, 2019 and 2020, we had amounts due to related parties of RMB116.6 million, RMB291.2 million and RMB309.7 million, respectively, among which RMB91.8 million, RMB114.9 million and RMB134.3 million were trade in nature, and RMB24.8 million, RMB176.3 million, RMB175.4 million and RMB0.5 million were non-trade in nature. As of December 31, 2021, our amounts due to related parties were nil. For details of our amounts due to related parties, see Note 34 to the Accountant's Report in Appendix I to this prospectus.

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### **Lease Liabilities**

Our lease liabilities primarily comprise leases of offices with a term of one year or more. The interest rate of each lease contract is fixed at its contract date, and the weighted average interest rate of lease liabilities ranged from 1.42% to 4.9% throughout the Track Record Period.

### **Convertible Redeemable Preferred Shares**

As of December 31, 2018, 2019, 2020 and 2021, the convertible redeemable preferred shares had fair values of RMB1,596.5 million, RMB1,745.8 million, RMB1,960.4 million and RMB3,224.4 million, respectively. See Note 30 to the Accountant's Report in Appendix I to this prospectus for more details.

### **Indebtedness Statement**

We did not have any bank loans or borrowings or other bank facilities on a consolidated basis as of April 30, 2022, being the latest practicable date for the purpose of our indebtedness statement.

Our Directors confirm that there has not been any material adverse change in our indebtedness since April 30, 2022 and up to the date of this prospectus. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the date of this prospectus. As of the Latest Practicable Date, we did not have plans for other material external debt financing.

### **CONTINGENT LIABILITIES**

As of the Latest Practicable Date, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

### **CAPITAL EXPENDITURES**

Our capital expenditures during the Track Record Period were primarily related to purchases of property, plant and equipment, intangible assets and office renovation expenditures. Our capital expenditures were RMB11.5 million, RMB10.1 million, RMB1.3 million and RMB2.4 million in 2018, 2019, 2020 and 2021, respectively. We plan to fund our planned capital expenditure primarily by using the cash on our consolidated statements of financial position, and the net proceeds from the issuance of our Preferred Shares and from the Global Offering.

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### CAPITAL COMMITMENTS

From January 1, 2018, we have recognized right-of-use assets for leases, except for short-term and low-value leases. For more information, please see Note 15 to the Accountant's Report in Appendix I to this prospectus. As of December 31, 2018, 2019, 2020 and 2021, we did not have any material capital commitments.

### DIVIDEND

During the Track Record Period, we did not declare or distribute any dividend.

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

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

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

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### DISTRIBUTABLE RESERVES

We had no reserve available for distribution to the Shareholders as of December 31, 2021.

### KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates and for the periods indicated.

	Year ended/As of December 31,			
	2018	2019	2020	2021
Gross margin <sup>(1)</sup>	23.0%	31.6%	34.6%	36.6%
Current ratio <sup>(2)</sup>	60.0%	50.0%	35.4%	112.5%

*Notes:*

- (1) Calculated by dividing gross profit for the year by total revenue for the year and multiplied by 100%.
- (2) Calculated by dividing total current assets by total current liabilities at the end of the year and multiplied by 100%.

Our current ratio decreased from 60.0% as of December 31, 2018 to 50.0% as of December 31, 2019, primarily due to a decrease in our current assets as a result of the use of cash and cash equivalents for our business operations. Our current ratio decreased from 50.0% as of December 31, 2019 to 35.4% as of December 31, 2020, primarily attributable to (i) an increase in our current liabilities, primarily due to a borrowing from Tianjin 58 Daojia Life Services Co., Ltd. (天津五八到家生活服務有限公司) in 2020, (ii) a decrease in our current assets, primarily due to the use of cash and cash equivalents for our business operations, and (iii) decreases in prepayments, deposits and other receivables. Our current ratio increased to 112.5% as of December 31, 2021, primarily due to a significant decrease in our current liabilities attributable to our settlement of amounts due to related parties and other borrowings.

### DISCLOSURE ABOUT FINANCIAL RISKS

Our activities are exposed to a variety of financial risks, including market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. Our overall risk management strategy seeks to minimize the potential adverse effects on our financial performance. Our senior management is responsible for the risk management.

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### **Market Risk**

#### *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 and South Korean Won. 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.

#### *Interest rate risk*

Our interest rate risk primarily arises from restricted cash and cash equivalents and other borrowing. Restricted cash and cash and cash equipment carried at floating rates expose us to cash flow interest rate risk whereas other borrowing carried at fixed rate exposes us to fair value interest rate risk.

As of December 31, 2018, 2019, 2020 and 2021, management considered that any reasonable changes in interest rate would not result in a significant impact on our results and financial position, no sensitivity analysis is thus presented.

We regularly monitor our interest rate risk to ensure no undue exposure to significant interest rate movements.

### **Credit Risk**

Credit risk arises from accounts receivables, deposits and other receivables, restricted cash and cash and cash equivalents. The carrying amount of each class of these financial assets represents our maximum exposure to credit risk in relation to the corresponding class of financial assets.

For cash and cash equivalents and restricted cash, we generally transact with state-owned or reputable financial institutions and licensed payment platforms. There has been no recent history of default in relation to these financial institutions and licensed payment platforms.

For accounts receivables, we have practices in place to ensure that sales with credit terms are made to counterparties with an appropriate credit history. Our management performs ongoing credit evaluations of our counterparties which the credit quality of these customers are assessed by taking into account their financial position, past experience and other factors.

For deposits and other receivables, our management makes regular collective assessments on the recoverability of deposits and other receivables based on historical settlement records and past experiences. In view of the history of cooperation with debtors and the sound collection history of receivables due from them, our management believes that the credit risk inherent in our outstanding deposits and other receivables balances due from them is low.

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## FINANCIAL INFORMATION

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### Liquidity Risk

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

### OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We have not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We also have not entered into any financial guarantees or other relevant commitments. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging with us.

### RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, we entered into various related party transactions. For more details about our related party transactions, see Note 34 to the Accountant's Report in Appendix I to this prospectus and "Relationship with Our Controlling Shareholders."

Our Directors believe that each of the related party transactions set out in Note 34 to the Accountant's Report in Appendix I to this prospectus was conducted on an arm's length basis and would not distort our track record results or make our historical results not reflective of our future performance.

### LISTING EXPENSES

Our listing expenses mainly include underwriting commissions, incentive fees, professional fees paid to legal advisors and the Reporting Accountant for their services rendered in relation to the Listing and the Global Offering. The estimated total listing expenses (assuming an Offer Price of HK\$21.50 per Offer Share and assuming that the Over-allotment Option is not exercised) for the Global Offering are approximately RMB88.0 million (approximately HK\$103.5 million), representing 15.4% of the gross proceeds from the Global Offering. The estimated total listing expenses consist of professional fees of RMB84.8 million (approximately HK\$99.8 million) and non-professional fees of RMB3.1 million (approximately HK\$3.7 million). The estimated total listing expenses consist of underwriting fees of RMB22.8 million (approximately HK\$26.8 million), and non-underwriting fees of RMB65.2 million (approximately HK\$76.7 million). During the Track Record Period, we incurred listing expenses of RMB33.8 million, which have been charged to our consolidated statement of comprehensive income. We expect to incur additional listing expenses of

## FINANCIAL INFORMATION

approximately RMB41.4 million which are expected to be charged to our consolidated statements of comprehensive income subsequent to the Track Record Period and RMB12.8 million will be accounted for as a deduction from equity upon the completion of the Global Offering.

### UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is an illustrative statement of our unaudited pro forma adjusted consolidated net tangible assets prepared in accordance with paragraph 4.29 of the Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering on our consolidated net tangible assets attributable to equity holders of the Company as if the Global Offering had taken place on December 31, 2021. This unaudited pro forma statement of our adjusted consolidated net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of our consolidated net tangible assets had the Global Offering been completed as of December 31, 2021 or any future dates.

Audited consolidated net tangible liabilities attributable to equity holders of the Company as at December 31, 2021 <sup>(1)</sup>	Estimated net proceeds from the Global Offering <sup>(2)</sup>	Estimated impact related to the conversion of convertible redeemable preferred shares <sup>(3)</sup>	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity holders of the Company	Unaudited pro forma adjusted net tangible assets per Share <sup>(4), (5)</sup>		
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB</i>	<i>HK\$</i>	
Based on an Offer Price of HK\$21.50 per Share	(3,164,493)	515,742	3,224,447	575,696	0.94	1.10

*Notes:*

- (1) The audited consolidated net tangible liabilities attributable to equity holders of the Company as at December 31, 2021 is extracted from the Accountant's Report as set out in Appendix I to this prospectus, which is based on the audited consolidated net liabilities of the Group attributable to equity holders of the Company as at December 31, 2021 of approximately RMB2,075,809,000 with adjustments for the intangible assets and goodwill as at December 31, 2021 of RMB68,346,000 and RMB1,020,338,000 respectively.
- (2) The estimated net proceeds to be received by the Company from the Global Offering are based on 31,200,000 new Shares to be issued and the indicative Offer Price of HK\$21.5 per Share, after deduction of the underwriting fees and other related expenses (excluding listing expenses of approximately RMB33,812,000 which have been accounted for in the consolidated statements of comprehensive income of the Group prior to December 31, 2021) payable by the Company, and takes no account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option, any Shares which may be issued under the Share Incentive Plan or any Shares which may be issued or repurchased by the Company under the general mandate to issue Shares and general mandate to repurchase Shares as described in the section headed "Share Capital" in this prospectus.



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## FINANCIAL INFORMATION

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- (3) Upon the Listing and the completion of the Global Offering, all the Preferred Shares will be converted into Shares on a one-to-one basis by way of re-designation to Shares. The convertible redeemable preferred shares which were accounted for as liabilities will be re-designated from liabilities to equity. Also, the convertible notes and the warrants issued to certain investors in the PRC for subscription of the Preferred Shares are also assumed to be converted into Shares for the purpose of this unaudited pro forma financial information. Accordingly, the unaudited pro forma adjusted consolidated net tangible assets attributable to equity holders of the Company will be increased by RMB3,224,447,000, being the carrying amount of the convertible redeemable preferred shares issued to the PRC investors, respectively, which were accounted for as liabilities as of December 31, 2021.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 615,527,987 Shares were in issue assuming that the Global Offering and the re-designation of the Preferred Shares, Class A ordinary shares and Class B ordinary shares into Shares had been completed on December 31, 2021 but does not take into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, any Shares which may be issued under the Share Incentive Plan or any Shares which may be issued or repurchased by the Company under the general mandate to issue Shares and general mandate to repurchase Shares as described in the section headed “Share Capital” in this prospectus.
- (5) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, the amounts stated in RMB are converted into Hong Kong dollars at rate of RMB0.84956 to HK\$1. No representation is made that RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
- (6) Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to December 31, 2021.

### **NO MATERIAL ADVERSE CHANGE**

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in financial and trading positions or prospects of our Group since December 31, 2021, being the date on which our latest audited consolidated financial statements were prepared, and there has been no event since December 31, 2021 which would materially affect the information in the Accountant’s Report set out in Appendix I to this prospectus.

### **DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE LISTING RULES**

Except as otherwise disclosed in this prospectus, our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

See “Business – Our Growth Strategies” for a detailed description of our future business plans and strategies.

### USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$567.3 million, after deducting estimated underwriting commissions, fees and expenses payable by us in connection with the Global Offering, assuming an Offer Price of HK\$21.50 per Share, and assuming the Over-allotment Option is not exercised.

We currently intend to apply the net proceeds from the Global Offering for the following purposes:

- Approximately 40% of the net proceeds, or HK\$226.9 million, is expected to be used to enlarge our user base and strengthen our brand awareness, including:
  - (i) Approximately 30% of the net proceeds, or HK\$170.2 million for expanding our user base and enhancing the network effect of our platform. On the one hand, we intend to enter new cities in mainland China and will invest in recruitment of dedicated local teams and personnel, lease of offices and facilities, pre-stage market surveys, as well as advertising and offering incentives to both new shippers and drivers to grow our user base in local markets. By 2025, we plan to make our services available in over 90 additional lower-tier cities in mainland China, including cities in Guangdong, Jiangsu, Shandong, Zhejiang, Henan, Hunan, Anhui provinces. We believe that the intra-city logistics market in mainland China has a significant growth potential. According to Frost & Sullivan, with increases in urbanization rate, improvement of transport infrastructure and development of e-commerce, the intra-city logistics market in mainland China in terms of GTV is expected to increase from RMB1,498.0 billion in 2022 to RMB2,300.8 billion in 2026, representing a CAGR of 11.3%. According to Frost & Sullivan, the online penetration rate of the intra-city logistics market is expected to increase from 4.5% in 2021 to 19.8% in 2026, which presents immense market opportunities for online logistics platforms. For details, see “Industry Overview – Overview of Mainland China’s Intra-City Logistics Market.” In selecting the cities to expand into, we will carefully assess their market potential and existing presence of competitors, among other factors. We will formulate our expansion strategy in each city taking into account the sales and marketing strategy of existing competing platforms, if any, including their local level of incentives. Our expected investment cost in setting up operations in a new city in mainland China varies depending on the operational scale, and the initial setup process typically takes two months. We estimate that establishing operations in a new

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## FUTURE PLANS AND USE OF PROCEEDS

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city in mainland China, which generate a daily average of 1,000 shipment orders, would usually require an investment ranging from approximately RMB0.9 million to RMB1.2 million during the first two months. We believe that by expanding our service coverage we can attract more users and improve our leadership in the intra-city logistics industry. On the other side, we intend to retain existing shippers using our platform services by offering incentives to increase their engagement and loyalty with our platform. By 2025, we plan to allocate approximately HK\$138.2 million of the proceeds to offering incentives to shippers and drivers, HK\$29.0 million to recruiting approximately 85 supporting employees, and HK\$3.0 million to lease of offices and facilities, and market research associated with our efforts to expand our user base.

- (ii) Approximately 10% of the net proceeds, or HK\$56.7 million for increasing our investments on online advertisements and promotional campaigns to enhance public awareness of our brand and service offerings in mainland China and overseas markets. We will continue to promote our platform through major social media platforms. We will also apply display advertising on internet websites and third-party platforms through banners or other various advertising formats to obtain a broader exposure for our platform.
- Approximately 20% of the net proceeds, or HK\$113.5 million, is expected to be used to develop new services and products to enhance our monetization capabilities. We aim to become a one-stop logistics platform while continuing to operate under an asset-light model. We intend to develop diversified value-added services to shippers and drivers, to the extent permitted by applicable laws and regulations, such as warehousing, inventory management, order management, picking and packing, cross-border shipping, through collaboration with third-party partners instead of acquiring assets directly. We also intend to supplement our service offerings and further grow our business ecosystem by introducing additional third-party service providers, such as automobile manufacturers and dealers and fuel station operators. For details of such initiatives, see “Business – Our Growth Strategies – Explore diversified monetization opportunities and grow our ecosystem.” We plan to use the net proceeds for (i) recruitment of talents to establish the dedicated professional team for new services and products, (ii) lease and purchase of infrastructure, such as servers and other facilities, needed for the digital platform, and (iii) expenditure arising from the operations of such new services and products.
- Approximately 20% of the net proceeds, or HK\$113.5 million, is expected to be used to pursue strategic alliances, investment and/or acquisitions in overseas markets that are complementary to our business and in line with our strategies. We plan to focus on opportunities that will help to strengthen our digital logistics platform with long-term sustainable development. For instance, we believe technology-driven trucking, freight hauling and delivery service providers in Southeast Asia may contribute to our business expansion in this market. We may

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## FUTURE PLANS AND USE OF PROCEEDS

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also consider investment opportunities in platforms which are able to address inefficiencies in the last mile logistics sector, have an innovative approach to transporting freight in big cities to achieve higher efficiency and/or enhance our courier service capabilities. We believe the proposed acquisition will gain us more market opportunities and increase our profitability. When selecting targets for strategic alliances, investments and/or acquisitions, we will consider various criteria including but not limited to, (1) the target's ability to achieve synergies with our existing business operations; (2) the target's geographic coverage; (3) the target's financial performance, preferably with a proven track record and forecast of steady growth; and (4) targets with a stable, established and effective management team that can complement, provide synergy and business acumen to our existing management. By 2025, we plan to complete strategic alliances, investments and/or acquisitions with one to three targets. For strategic alliances, we plan to make a capital contribution in each target ranging between HK\$25 million to HK\$110 million. For potential acquisitions, we plan to acquire targets with a valuation ranging between HK\$200 million and HK\$600 million, and will determine whether to acquire controlling or minority stakes based on the specific profiles of the target.

Based on our industry intelligence and concurred by Frost & Sullivan, our Directors believe that we will be able to identify suitable targets that satisfy our selection criteria. As advised by Frost & Sullivan, there are at least 20 suitable targets for strategic alliances, investments and acquisitions in the Asia-Pacific region. We will leverage our industry resources and network and continue to monitor the market conditions. We may also engage financial and legal advisors to explore and evaluate, from time to time, potential acquisition opportunities when they arise.

- Approximately 10% of the net proceeds, or HK\$56.7 million, is expected to be used to advance our technological capabilities and enhance our research and development capabilities, including upgrade our information and technology systems to enhance our ability to adapt to the ever-evolving market conditions and to strengthen our pricing efficiency and procure advanced technologies from third-party service providers. In the next three years, we plan to focus our research and development initiatives on the following aspects: (1) improving user experience and upgrading mobile applications; (2) enhancing transaction efficiency and optimizing the matching process by improving our algorithms and strengthening our big data capabilities; (3) improving our user management system by refining user labels and providing customized incentives to different groups of shippers and drivers; and (4) expanding into more online channels, to broaden user acquisition sources. We intend to attract and cultivate talents in the areas of machine learning, intelligent algorithms, big data analysis, data privacy and security in the next few years to maintain and strengthen our competitive edge. We plan to recruit approximately 85 additional professional research and development personnel for upgrading various systems, such as sales system, big data and intelligent matching system, user service system, as well as our mobile apps. We also plan to invest in procurement of

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## FUTURE PLANS AND USE OF PROCEEDS

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industry-leading hardware and software of big data analysis, virtual servers and database technology. In the next three years, we plan to allocate approximately 68%, 18% and 14% of the net proceeds allocated to this purpose to recruitment of personnel, lease of internet data centers, and procurement of third-party technologies and services, respectively.

- Approximately 10% of the net proceeds, or HK\$56.7 million, is expected to be used for working capital and general corporate purposes.

If we urgently need the funds for the above purposes, but cannot immediately obtain the net proceeds from the Global Offering, we will use self-raised funds to meet the relevant funding requirements and replace these self-raised funds with the net proceeds from the Global Offering when the proceeds become available to us. If the net proceeds of the Global Offering are not immediately applied to the above purposes, we will only deposit those net proceeds into short-term interest-bearing accounts at licensed commercial banks or other authorized financial institutions.

If the Over-allotment Option is exercised in full, the net proceeds that we will receive will be approximately HK\$663.9 million, assuming an Offer Price of HK\$21.50 per Share. To the extent that the net proceeds from the Global Offering (including the net proceeds from the exercise of the Over-allotment Option) are either more or less than expected, we intend to adjust our allocation of the net proceeds to the above purposes in the proportions stated above on a pro rata basis.

If any part of our plan does not proceed as planned for reasons such as changes government policies that would render any of our plans not viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering.

We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

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## UNDERWRITING

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### HONG KONG UNDERWRITERS

UBS AG Hong Kong Branch

China International Capital Corporation Hong Kong Securities Limited

BOCOM International Securities Limited

ABCI Securities Company Limited

Futu Securities International (Hong Kong) Limited

Zhongtai International Securities Limited

Fosun Hani Securities Limited

Tiger Brokers (HK) Global Limited

CEB International Capital Corporation Limited

Eddid Securities and Futures Limited

Livermore Holdings Limited

### UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement.

The Global Offering comprises the Hong Kong Public Offering of initially 3,120,000 Hong Kong Offer Shares and the International Offering of initially 28,080,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in “Structure of the Global Offering” as well as to the Over-allotment Option in the case of the International Offering.

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## UNDERWRITING

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### UNDERWRITING ARRANGEMENTS AND EXPENSES

#### Hong Kong Public Offering

##### *Hong Kong Underwriting Agreement*

Pursuant to the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares (subject to adjustment) for subscription by the public in Hong Kong in accordance with the terms and conditions of this prospectus, the **GREEN** Application Form relating thereto and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Hong Kong Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Hong Kong Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set forth in the Hong Kong Underwriting Agreement (including the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and our Company agreeing upon the Offer Price) being satisfied (or, as the case may be, waived), the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable portions of the Hong Kong Offer Shares in aggregate, now being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions of this prospectus, the **GREEN** Application Form relating thereto and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

##### *Grounds for Termination*

The Joint Global Coordinators, for themselves and on behalf of the Hong Kong Underwriters, may in their absolute discretion and upon giving notice in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

- (1) there develops, occurs, exists or comes into effect:
  - (i) any event or circumstance in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreak or escalations of infectious disease (but excluding such epidemic, pandemic and infectious disease subsisting as of the date of the Hong Kong Underwriting Agreement which have not materially escalated thereafter), economic sanctions, strikes, other industrial actions, lock-outs, fire, explosion, flooding, earthquake, tsunami, volcanic eruption, civil commotion, riots, severe

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## UNDERWRITING

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transport disruption, paralysis in government operation, public disorder, political instability, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism) in or affecting Hong Kong, PRC, the Cayman Islands, the British Virgin Islands, the United States, the United Kingdom, any member of the European Union or any other jurisdictions relevant to any member of the Group or the Global Offering (collectively, the “**Relevant Jurisdictions**”); or

- (ii) any change, or any development involving a prospective change, or any event or circumstance likely to result in any change or development involving a prospective change in local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or affecting any of the Relevant Jurisdictions; or
- (iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or
- (iv) any general moratorium on commercial banking activities in the Cayman Islands, Singapore, Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at Federal or New York State level or other competent Authority), London, the PRC, the European Union (or any member thereof) or any other Relevant Jurisdictions, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (v) any new laws, or any change or any development involving a prospective change in existing laws or any event or circumstance likely to result in a change or a development involving a prospective change in, or in the interpretation or application by any court or other competent authorities of, existing laws, in each case, in or affecting any of the Relevant Jurisdictions; or
- (vi) the imposition of sanctions in whatever form, directly or indirectly, under any sanction laws, or regulations in, Hong Kong, the PRC or any of the Relevant Jurisdictions; or



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- (vii) a change or development involving a prospective change in or affecting taxation or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the United States dollar, Euro, Hong Kong dollar or the Renminbi against any foreign currencies or a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or Renminbi is linked to any foreign currency), or the implementation of any exchange control, in any of the Relevant Jurisdictions; or
- (viii) any proceedings of any third party being threatened or instigated against any Director, member of the Group or the Controlling Shareholders; or
- (ix) any change or development or event involving a prospective change, or a materialization of, any of the risk set out in the section headed “Risk Factors” in this prospectus; or
- (x) non-compliance of this prospectus (or any other documents used in connection with the contemplated offer of the Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or
- (xi) the issue or requirement to issue by the Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated offer and sale of the Shares) pursuant to the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC;

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Global Coordinators and the Joint Sponsors:

- (a) has or will have or may have a material adverse effect on the assets, liabilities, business, management, prospects, shareholders’ equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole or to any present or prospective shareholder of the Company in its capacity as such; or
- (b) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or
- (c) makes or will make or may make it inadvisable or inexpedient or impracticable for the Global Offering to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents (as defined in the Hong Kong Underwriting Agreement); or

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## UNDERWRITING

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- (d) has or will have or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (2) there has come to the notice of the Joint Global Coordinators and the Joint Sponsors:
- (a) a Director or member of senior management of the Company as disclosed in this prospectus being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or
  - (b) a Director or the chairman or the chief executive officer or the chief financial officer or the chief operating officer of the Company vacating his office which would affect or could reasonably be expected to affect the suitability or eligibility of the Company for listing in the sole and absolute opinion of the Joint Global Coordinators and the Joint Sponsors; or
  - (c) an authority or a political body or organization in any of the Relevant Jurisdictions commencing any investigation or other action, or announcing an intention to investigate or take other action, against any member of the Group, any Director or any director of any subsidiary of the Company or the chairman or the Controlling Shareholders; or
  - (d) a contravention by the Company, any member of the Group or any Director of the Listing Rules or applicable laws; or
  - (e) a prohibition by any competent authority on the Company for whatever reason from offering, allotting, issuing or delivering any of the Offer Shares (including any additional Shares which may be issued by the Company pursuant to the exercise of the Over-allotment Option) pursuant to the terms of the Global Offering; or
  - (f) a valid demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity which may result in a material adverse change or has a material adverse effect to the Global Offering; or
  - (g) an order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the

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## UNDERWRITING

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appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group; or

- (h) that any statement contained in any of the Hong Kong Public Offering Documents (as defined in the Hong Kong Underwriting Agreement) and/or in any notices or announcements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect, inaccurate or misleading in any respect unless such untrue, incorrect, inaccurate or misleading statement has been properly rectified by the Company in a timely manner in the sole and absolute opinion of the Joint Global Coordinators and the Joint Sponsors, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of the Hong Kong Public Offering Documents and/or any notices, announcements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions; or
- (i) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material misstatement or omission from any of the Hong Kong Public Offering Documents and/or any notices, announcements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or
- (j) any material breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or
- (k) any event, act or omission which gives or is likely to give rise to any liability of any of the Indemnifying Parties as defined in the Hong Kong Underwriting Agreement; or
- (l) any adverse change, or any development involving a prospective adverse change, in or affecting the assets, liabilities, business, management, prospects, Shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of any member of the Group; or

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## UNDERWRITING

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- (m) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the warranties in the Hong Kong Underwriting Agreement; or
- (n) approval by the Stock Exchange of the listing of, and permission to deal in, the Shares in issue or to be issued pursuant to the Global Offering (including any additional Shares that may be issued pursuant to the exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
- (o) the Company withdraws this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or
- (p) any of the experts named in this prospectus (other than the Joint Sponsors) has withdrawn or is subject to withdrawal of its consent to being named in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement) or to the issue of any of the Offering Documents; or
- (q) a material portion of the orders in the book-building process or the investment commitments by any cornerstone investors after signing of the Cornerstone Investment Agreements, have been withdrawn, terminated or cancelled.

### ***Undertakings to the Stock Exchange Pursuant to the Listing Rules***

#### *Undertakings by our Company*

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Hong Kong Stock Exchange that, no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) the issue of Shares or securities pursuant to the Global Offering, the Over-allotment Option and the Share Incentive Plan or (b) in certain circumstances prescribed by Rule 10.08 of the Listing Rules.

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## UNDERWRITING

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### *Undertakings by our Controlling Shareholders*

Pursuant to Rule 10.07(1) of the Listing Rules, the Controlling Shareholders have undertaken to the Hong Kong Stock Exchange that, except pursuant to the Global Offering and the Over-allotment Option, he/it shall not and shall procure that the relevant registered holders of the Shares in which he/it is beneficially interested shall not, unless in compliance with the requirements of the Listing Rules,

- (a) in the period commencing on the date by reference to which disclosure of his/its shareholding is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which he/it is shown by this prospectus to be the beneficial owner; and
- (b) in the period of six months commencing on the date on which the period referred to in the preceding paragraph expires, dispose of, or enter into any agreement to dispose of or otherwise create, any options, rights, interests or encumbrances in respect of, any of the Shares referred to in the preceding paragraph to such an extent that immediately following such disposal, or upon the exercise or enforcement of such options, rights, interests or encumbrances, he or it would cease to be a Controlling Shareholder of our Company or a member of the group of Controlling Shareholders of our Company or would together with the other Controlling Shareholders cease to be Controlling Shareholders of our Company.

Pursuant to Note (3) to Rule 10.07(2) of the Listing Rules, the Controlling Shareholders have further undertaken to the Hong Kong Stock Exchange and to our Company that within the period commencing on the date by reference to which disclosure of his/its shareholding is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/it shall:

- (a) when he/it pledges or charges any Shares beneficially owned by him/it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a *bona fide* commercial loan pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform our Company of such pledge or charge together with the number of Shares so pledged or charged; and
- (b) when he/it receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform our Company in writing of such indications.

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## UNDERWRITING

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### *Undertakings by Our Certain Shareholders*

Each of GoGoVan Cayman, Taobao China, Smart Pioneer Inc Limited, Alibaba Hong Kong Entrepreneurs Fund, L.P., BOCOM International Asset Management Limited and Dawanqu SPC – GBA Logistics SP (the “Undersigned Shareholders”) has agreed to enter into a lock-up undertaking deed (each a “Lock-up Undertaking Deed” and altogether the “Lock-up Undertaking Deeds”) in favor of the Joint Sponsors and the Joint Global Coordinators (on behalf of the Underwriters). Pursuant to the Lock-up Undertaking Deeds (which are in largely similar form, except certain special circumstances), each of the Undersigned Shareholders agrees that, it will not, from the date of the respective Lock-up Undertaking Deed and ending on, and including, the date that is six months after the Listing Date (the “Six-Month Period”), dispose of any Relevant Shares or any interest in any company or entity holding or controlling (directly or indirectly) any Relevant Shares or, permit or cause a change in control of any company or entity holding or controlling (directly or indirectly) any Relevant Shares (the “Lock-up Undertaking”).

“Relevant Shares” mean any and all Shares, as reclassified, redesignated and subdivided from the Shares as held by the relevant Undersigned Shareholder on the date of the Lock-up Undertaking Deed it signed, in the manner as set out in the prospectus as if the reclassification, redesignation and subdivision has been completed on the date of the relevant Lock-up Undertaking Deed.

The Lock-up Undertaking does not apply to situations including:

- (a) any transfer with the prior written consent of the Company and the Joint Global Coordinators, having due regard to any applicable requirements of the Stock Exchange;
- (b) any shares acquired in open market transactions after the completion of the Global Offering;
- (c) any transfers (i) to any of the Undersigned Shareholder’s wholly-owned subsidiaries; or (ii) to affiliated funds under the common management or control by the Undersigned Shareholder and funds or accounts the investments of which are managed by the Undersigned Shareholders’ investment manager(s); or (iii) to any of the Undersigned Shareholder’s affiliates; or (iv) of Relevant Shares as a bona fide gift or gifts, provided that, prior to such transfer, such wholly-owned subsidiary/transferee gives a written undertaking (addressed to and in favor of the Joint Global Coordinators and the Joint Sponsors in terms satisfactory to them and substantially the same as the relevant Lock-up Undertaking Deed) agreeing to, and the Undersigned Shareholder undertakes to procure that such wholly-owned subsidiary/transferee will, be bound by the provisions of the relevant Lock-up Undertaking Deed;

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- (d) in respect of the Relevant Shares held by Taobao China, (i) any arrangement or transactions that are entered into, undertaken or consummated pursuant to a government authority, regulatory body to which the Undersigned Shareholder is subject, a court of law, an arbitral tribunal or a requirement of any applicable law, rules and regulations; and (ii) enforcement of any security interest created prior to the Global Offering over assets of the Undersigned Shareholder generally, which may include the Relevant Shares; and
- (e) in respect of the Relevant Shares held by Dawanqu SPC – GBA Logistics SP, any arrangements in connection with the dematerialization of the Relevant Shares during the Lock-up Period, provided that any dematerialized Relevant Shares shall, at all time, remain subject to the Lock-up Undertaking Deed until the Six-Month Period expires.

For the purpose of the Lock-up Undertaking Deeds, “dispose of” means:

- (a) offer, pledge, charge, sell, mortgage, lend, create, transfer, assign or otherwise dispose, grant any option, warrant or right to purchase, sell, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or create any third party right of whatever nature over any Relevant Shares or any other securities convertible into or exercisable or exchangeable for such Relevant Shares, or that represent the right to receive, such Relevant Shares, or any interest in them; or
- (b) enter into any option, swap or other arrangement that transfers to another, in whole or in part, any beneficial ownership of the Relevant Shares or any of the economic consequences or incidents of ownership of Relevant Shares or any other securities of the Company or any interest therein or which transfers or derives any significant part of its value from such Relevant Shares; or
- (c) enter into any transaction, directly or indirectly, with the same economic effect as any transaction specified in paragraph (a) or (b) above; or
- (d) offer to or agree or contract to effect or publicly disclose that it will or may enter into any transaction specified in paragraph (a), (b) or (c) above, in each case, whether any of the transactions specified in paragraph (a), (b) or (c) above is to be settled by delivery of Relevant Shares or such other securities convertible into or exercisable or exchangeable for the Relevant Shares or in cash or otherwise (whether or not the issue of Relevant Shares or such other securities will be completed within the aforesaid period).

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## UNDERWRITING

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### *Undertakings Pursuant to the Hong Kong Underwriting Agreement*

#### *Undertakings by our Company*

Our Company, has undertaken to each of the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, except for the offer, allotment and issue of the Offer Shares pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option), at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including the date that is six months from the Listing Date (the “First Six-Month Period”), our Company will not, without the prior written consent of the Joint Sponsors and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules and only after the consent of any relevant authority (if so required) has been obtained:

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, hedge, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or repurchase or create an encumbrance over, or contract or agree to transfer or dispose of or repurchase or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other equity securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe or purchase, any Shares or other equity securities of our Company, or any interest in any of the foregoing), or deposit any Shares or other equity securities of our Company or any interest in any of the foregoing, with a depository in connection with the issue of depository receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or other equity securities of our Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other equity securities of our Company, or any interest in any of the foregoing); or
- (c) enter into any transaction with the same economic effect as any transaction specified in sub-paragraph (a) or (b) above; or
- (d) offer to, or agree to, or announce any intention to effect any transaction specified in sub-paragraph (a), (b) or (c) above,



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in each case, whether any of the transactions specified in sub-paragraph (a), (b) or (c) above is to be settled by the delivery of Shares or such other equity securities of our Company or in cash or otherwise (whether or not the issue of such Shares or other securities will be completed within the First Six-Month Period). In the event that, at any time during the period of six months immediately following the expiry of the First Six-Month Period (the “Second Six-Month Period”), our Company enters into any of the transactions specified in sub-paragraph (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall take all reasonable steps to ensure that any such transaction, offer, agreement or announcement will not create a disorderly or false market in the securities of our Company. Each of the Controlling Shareholders Warrantors (as defined below) has undertaken to each of the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters to procure the Company to comply with the above undertakings by our Company.

### *Undertakings by the Controlling Shareholders Warrantors*

Each of Trumpway Limited, Genesis Fortune Holdings Limited, Major Group Enterprises Limited, Mr. Chen and 58 Daojia (collectively, the “Controlling Shareholders Warrantors” and each a “Controlling Shareholder Warrantor”) has undertaken to each of our Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, except as pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option) and the Stock Borrowing Agreement or as permitted by Note 2 and 3 to Rule 10.07 of the Listing Rules, without the prior written consent of the Joint Sponsors and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (a) save for the lending of Shares by 58 Daojia pursuant to the Stock Borrowing Agreement, he/it will not, and will procure any company, entity, nominees or trustees holding or controlling the Shares or any such other securities on its behalf not to, at any time during the First Six-Month Period, (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable or any interest in any of the foregoing) beneficially owned by he/it as at the Listing Date (the “Locked-up Securities”) or deposit any Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Locked-up Securities, or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of our Company or in cash or otherwise (whether or not the issue of such Shares or other securities will be completed within the First Six-Month Period);

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## UNDERWRITING

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- (b) he/it will not, until the expiry of the Second Six-Month Period, enter into any of the transactions specified in (a)(i), (a)(ii) or (a)(iii) above or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, he/it will cease to be a controlling shareholder (as defined in the Listing Rules) of our Company; and
- (c) until the expiry of the Second Six-Month Period, in the event that he/it enters into any of the transactions specified in (a)(i), (a)(ii) or (a)(iii) above or offers to or agrees to or announces any intention to effect any such transaction, he/it will take all reasonable steps to ensure that he/it will not create a disorderly or false market in the securities of our Company.

### ***Indemnity***

Our Company and the Controlling Shareholders Warrantors have agreed to indemnify, among the others, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer, including, amongst others, losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by our Company of the Hong Kong Underwriting Agreement.

### ***Hong Kong Underwriters' Interests in our Company***

Except for its obligations under the Hong Kong Underwriting Agreement, the Hong Kong Underwriters do not have any shareholding interest in our Company or any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in our Company or any member of our Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Hong Kong Underwriting Agreement.

### **International Offering**

#### ***International Underwriting Agreement***

In connection with the International Offering, it is expected that we will enter into the International Underwriting Agreement with the Joint Global Coordinators and the International Underwriters. Under the International Underwriting Agreement, subject to the conditions set forth therein, the International Underwriters would agree to purchase, or procure subscribers to purchase, the Offer Shares being offered pursuant to the International Offering (subject to, amongst others, any reallocation between the International Offering and the Hong Kong Public

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## UNDERWRITING

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Offering). It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors are reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

### *Over-allotment Option*

Our Company expects to grant to the International Underwriters, exercisable in whole or in part by the Joint Global Coordinators at their sole and absolute discretion (on behalf of the International Underwriters), the Over-Allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue and allot, up to an aggregate of 4,680,000 Shares, representing no more than 15.0% of the initial Offer Shares, at the Offer Price under the International Offering, to cover over-allocations in the International Offering, if any.

### *Commissions and Expenses*

The Underwriters will receive a gross underwriting commission equal to 3% of the aggregate Offer Price in respect of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option). Our Company may also in our sole discretion pay the Hong Kong Underwriters an additional incentive fee of up to 1% of the aggregate Offer Price in respect of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option).

For unsubscribed Hong Kong Offer Shares reallocated to the International Offering (in such proportion as the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) in their sole discretion consider appropriate), the underwriting commission regarding such Hong Kong Offer Shares shall be reallocated to the International Underwriters (in such proportion as the Joint Global Coordinators in their sole discretion consider appropriate).

Assuming the Over-allotment Option is not exercised, the aggregate commissions and fees, together with Hong Kong Stock Exchange listing fees, SFC transaction levy, FRC transaction levy and Hong Kong Stock Exchange trading fee, legal and other professional fees and printing and other expenses relating to the Global Offering, which are currently estimated to amount in aggregate to approximately HK\$103.5 million (based on the indicative Offer Price of HK\$21.50 per Offer Share stated in this prospectus), are payable and borne by our Company.

### **INDEPENDENCE OF THE JOINT SPONSORS**

Save as disclosed below, each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. For further details, please refer to the section headed “Statutory and general information – E. Other information – 6. The Joint Sponsors and Joint Sponsors’ fees” in Appendix IV to this prospectus.

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## UNDERWRITING

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ABCI Capital Limited, as one of the Joint Sponsors, does not satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules based on the ground that, Ever Thriving Limited, a wholly-owned subsidiary of ABCI Investment Management Limited which is a member of the sponsor group (as defined pursuant to Rule 3A.01(9) of the Listing Rules), entered into a facility agreement with the Company in June 2022, and therefore has a business relationship with the Company falling under Rule 3A.07(9) of the Listing Rules.

### **ACTIVITIES BY SYNDICATE MEMBERS**

The underwriters of the Hong Kong Public Offering and the International Offering (together, the “Syndicate Members”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group’s loans and other debt.

In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares. All such activity could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Hong Kong Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

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## UNDERWRITING

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All such activities may occur both during and after the end of the stabilizing period described in the section headed “The Structure of the Global Offering” in this prospectus. Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Company and its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

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## STRUCTURE OF THE GLOBAL OFFERING

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### THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises (subject to reallocation and the Over-allotment Option):

- (a) the Hong Kong Public Offering of 3,120,000 Shares (subject to reallocation as mentioned below) for subscription by the public in Hong Kong as described in “– The Hong Kong Public Offering” below; and
- (b) the International Offering of 28,080,000 Shares (subject to reallocation and the Over-allotment Option as mentioned below) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S and in the United States only to QIBs in reliance on Rule 144A or any other available exemption from registration under the U.S. Securities Act as described in “– The International Offering” below.

Investors may apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 5.1% of the enlarged issued share capital of our Company immediately after completion of the Global Offering without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the additional International Offer Shares will represent approximately 0.8% of the enlarged issued share capital of our Company immediately after completion of the Global Offering and the exercise of the Over-allotment Option as set out in “– The International Offering – Over-allotment Option” below.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. The International Offering will involve selective marketing of the International Offer Shares to institutional and professional investors and other investors expected to have a sizeable demand for the International Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. The International Underwriters are soliciting from prospective investors’ indications of interest in acquiring the International Offer Shares. Prospective investors will be required to specify the number of International Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, respectively, may be subject to reallocation as described in “– The Hong Kong Public Offering – Reallocation” below.

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## STRUCTURE OF THE GLOBAL OFFERING

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### THE HONG KONG PUBLIC OFFERING

#### Number of Hong Kong Offer Shares Initially Offered

We are initially offering 3,120,000 Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.0% of the total number of the Offer Shares initially available under the Global Offering. Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 0.5% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, and companies (including fund managers) whose ordinary business involves dealing in shares and other securities, and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set forth in “– Conditions of the Global Offering” below.

#### Allocation

Allocation of the Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than the others who have applied for the same number of the Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of the Offer Shares initially available under the Hong Kong Public Offering (after taking into account any allocation) is to be divided into two pools (subject to adjustment of odd lot size): Pool A and Pool B. Accordingly, the maximum number of Hong Kong Offer Shares initially in Pool A and Pool B will be 1,560,000 and 1,560,000, respectively. The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK\$5 million (excluding the brokerage, SFC transaction levy, FRC transaction levy and the Hong Kong Stock Exchange trading fee payable) or less. The Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of more than HK\$5 million (excluding the brokerage, SFC transaction levy, FRC transaction levy and the Hong Kong Stock Exchange trading fee payable).

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## STRUCTURE OF THE GLOBAL OFFERING

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Investors should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this subsection only, the “price” for the Hong Kong Offer Shares means the price payable on application therein (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of the Offer Shares from either Pool A or Pool B but not from both pools.

Multiple or suspected multiple applications and any application for more than 1,560,000 Hong Kong Offer Shares (being 50% of the 3,120,000 Hong Kong Offer Shares initially available under the Hong Kong Public Offering) are liable to be rejected.

### **Reallocation**

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation at the discretion of the Joint Global Coordinators. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of the Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of the Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached as further described below:

- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering so that the total number of Offer Shares available under the Hong Kong Public Offering will be 9,360,000 Offer Shares, representing approximately 30.0% of the Offer Shares initially available under the Global Offering;
- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased so that the total number of Offer Shares available under the Hong Kong Public Offering will be 12,480,000 Offer Shares, representing approximately 40.0% of the Offer Shares initially available under the Global Offering; and



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## STRUCTURE OF THE GLOBAL OFFERING

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- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased so that the total number of Offer Shares available under the Hong Kong Public Offering will be 15,600,000 Offer Shares, representing approximately 50.0% of the Offer Shares initially available under the Global Offering.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Joint Global Coordinators in their sole discretion consider appropriate.

In addition, the Joint Global Coordinators may reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering in accordance with Guidance Letter HKEx-GL91-18 issued by the Hong Kong Stock Exchange. In particular, in the event that (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed as to less than 15 times of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering, up to 3,120,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 6,240,000 Offer Shares, representing approximately 20.0% of the number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

If such reallocation is done other than pursuant to Practice Note 18 of the Listing Rules, the maximum total number of Shares that may be reallocated to the Hong Kong Public Offering shall be not more than 6,240,000 Shares, representing double the initial allocation to the Hong Kong Public Offering.

If the Hong Kong Public Offering is not fully subscribed, the Joint Global Coordinators may reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Joint Global Coordinators deem appropriate. However, if neither the Hong Kong Public Offering nor the International Offering is fully subscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus and the Underwriting Agreements.

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## STRUCTURE OF THE GLOBAL OFFERING

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Any such clawback and reallocation between the International Offering and the Hong Kong Public Offering will be completed prior to any adjustments of the number of the Offer Shares pursuant to the exercise of the Over-allotment Option, if any.

### **Applications**

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him/her that he/she and any person(s) for whose benefit he/she is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering are required to pay, on application, the Offer Price of HK\$21.50 per Offer Share in addition to the 1% brokerage, 0.0027% SFC transaction levy, 0.00015% FRC transaction levy and the Hong Kong Stock Exchange trading fee payable of 0.005% on each Offer Share. Further details are set out below in "How to Apply for Hong Kong Offer Shares" in this prospectus.

### **THE INTERNATIONAL OFFERING**

#### **Number of International Offer Shares Initially Offered**

The International Offering will consist of an initial offering of 28,080,000 Offer Shares, representing approximately 90.0% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation and the Over-allotment Option). The number of the Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 4.6% of the total number of Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

#### **Allocation**

The International Offering will include selective marketing of the Offer Shares to QIBs in the United States as well as institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly

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## STRUCTURE OF THE GLOBAL OFFERING

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invest in shares and other securities. Allocation of the Offer Shares pursuant to the International Offering will be effected in accordance with the “book-building” process described in “– Pricing and Allocation” below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares, and/or hold or sell its Shares, after the Listing. Such allocation is intended to result in a distribution of the International Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and its Shareholders as a whole.

The Joint Global Coordinator (on behalf of the International Underwriters) may require any investor who has been offered the Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Joint Global Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of the Offer Shares under the Hong Kong Public Offering.

### **Reallocation**

The total number of the Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the reallocation arrangement described in “– The Hong Kong Public Offering – Reallocation” above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering to the International Offering.

### **Over-allotment Option**

Our Company expects to grant to the International Underwriters, exercisable in whole or in part by the Joint Global Coordinator at their sole and absolute discretion (on behalf of the International Underwriters), the Over-allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue, up to an aggregate of 4,680,000 Shares, representing no more than 15.0% of the Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 0.8% of the total number of Shares in issue immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

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## STRUCTURE OF THE GLOBAL OFFERING

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### STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to reduce and, if possible, prevent any decline in the market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date, to the extent permitted by applicable laws of Hong Kong or elsewhere. However, there is no obligation on the Stabilizing Manager, its affiliates or any persons acting for it, to conduct any such stabilizing action. Such stabilization action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of our Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilizing action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), as amended, includes (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price of the Shares, (ii) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the Shares, (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimizing any reduction in the market price of the Shares, (v) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in paragraph (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager, its affiliates or any person acting for it may, in connection with the stabilizing action, maintain a long position in the Shares;
- there is no certainty regarding the extent to which and the time or period for which the Stabilizing Manager, or any person acting for it, will maintain such a long position;

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## STRUCTURE OF THE GLOBAL OFFERING

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- liquidation of any such long position by the Stabilizing Manager, its affiliates or any person acting for it may have an adverse impact on the market price of the Shares;
- no stabilizing action can be taken to support the price of the Shares for longer than the stabilizing period which will begin on the Listing Date, and is expected to expire on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the Shares, and therefore the price of the Shares, could fall;
- the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- stabilizing bids may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the Shares.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) will be made within seven days of the expiration of the stabilization period.

### **Over-allocation**

Following any over-allocation of the Shares in connection with the Global Offering, the Joint Global Coordinators, their affiliates or any person acting for it may cover such over-allocation by exercising the Over-allotment Option in full or in part, by using Shares purchased by the Stabilizing Manager, its affiliates or any person acting for it in the secondary market, or through the stock borrowing arrangement mentioned below or by a combination of these means. Any such purchases will be made in accordance with the laws, rules and regulations in place in Hong Kong on stabilization. The number of Shares which can be over-allocated will not exceed the number of the Shares which may be allotted and/or issued pursuant to the exercise in full of the Over-allotment Option, being 4,680,000 Shares, representing approximately 15.0% of the Offer Shares initially available under the Global Offering.

### **STOCK BORROWING AGREEMENT**

In order to facilitate the settlement of over-allocations, if any, in connection with the Global Offering, the Stabilizing Manager (or its affiliates or any person acting for it) may choose to borrow up to 4,680,000 Shares (being the maximum number of Shares which may be sold pursuant to the exercise of the Over-allotment Option and representing approximately 15.0% of the number of Offer Shares initially available under the Global Offering) from 58 Daojia, pursuant to the Stock Borrowing Agreement, which is expected to be entered into between the Stabilizing Manager (or its affiliates or any person acting for it) and 58 Daojia. If the Stock Borrowing Agreement with 58 Daojia is entered into, the borrowing of Shares will

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## STRUCTURE OF THE GLOBAL OFFERING

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only be effected by the Stabilizing Manager (or its affiliates or any person acting for it) for the settlement of over-allocations in the International Offering and such borrowing arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules, provided that the requirements set out in Rule 10.07(3) of the Listing Rules, being that the Stock Borrowing Agreement will be for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option in connection with the International Offering, are complied with.

The same number of Shares so borrowed must be returned to 58 Daojia on or before the third business day following the earlier of (a) the last day the Over-allotment Option may be exercised and (b) the day on which the Over-allotment Option is exercised in full. The Shares borrowing arrangement described above will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to 58 Daojia by the Stabilizing Manager (or its affiliates or any person acting for it) in relation to such Shares borrowing arrangement.

### **PRICING AND ALLOCATION**

The Offer Price will be HK\$21.50 per Offer Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offering.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring the Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building,” is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

### **Reduction in Offer Price and/or number of Offer Shares**

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Joint Global Coordinators (for themselves and on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective institutional, professional and other investors during the book-building process in respect of the International Offering, and with our Company’s consent, reduce the number of Offer Shares offered and/or the Offer Price below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications

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## STRUCTURE OF THE GLOBAL OFFERING

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under the Hong Kong Public Offering, cause to be published on the websites of our Company and the Hong Kong Stock Exchange at [gogoxholdings.com](http://gogoxholdings.com) and [www.hkexnews.hk](http://www.hkexnews.hk), respectively, notices of the reduction. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price, extend the period under which the Hong Kong Public Offering was opened for acceptance to allow potential investors sufficient time to consider their subscriptions or reconsider their submitted subscriptions, and require investors who had applied for the Hong Kong Offer Shares to positively confirm their applications for Offer Shares in light of the change in the number of Offer Shares and/or the Offer Price. Upon the issue of such a notice and supplemental prospectus, the revised number of Offer Shares and/or the Offer Price will be final and conclusive.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and our Company, will under no circumstances be set outside the Offer Price as stated in this prospectus. However, if the number of Offer Shares and/or the Offer Price is reduced, applicants under the Hong Kong Public Offering will be entitled to withdraw their applications unless positive confirmations from the applicants to proceed are received, and all unconfirmed applications will not be valid.

The level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be announced on Thursday, June 23, 2022 on the website of our Company ([gogoxholdings.com](http://gogoxholdings.com)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

### UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

We expect that we will enter into the International Underwriting Agreement relating to the International Offering on June 17, 2022.

The underwriting arrangements under the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed “Underwriting” in this prospectus.

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## STRUCTURE OF THE GLOBAL OFFERING

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### CONDITIONS OF THE GLOBAL OFFERING

Acceptances of all applications for Offer Shares will be conditional on:

- (a) the Hong Kong Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Hong Kong Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;
- (b) the execution and delivery of the International Underwriting Agreement on or about June 17, 2022; and
- (c) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective Underwriting Agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, amongst other things, the other becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Hong Kong Stock Exchange will be notified immediately. We will as soon as possible publish or cause to be published a notice of the lapse of the Hong Kong Public Offering on the website of our Company ([gogoxholdings.com](http://gogoxholdings.com)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). In such eventuality, all application monies will be returned, without interest, on the terms set forth in the section headed “How to Apply for Hong Kong Offer Shares – G. Dispatch/Collection of Share Certificates and Refund Monies” in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), as amended.



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## **STRUCTURE OF THE GLOBAL OFFERING**

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Share certificates issued in respect of the Hong Kong Offer Shares will only become valid at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects (including the Underwriting Agreements not having been terminated in accordance with their terms) at any time prior to 8:00 a.m. on the Listing Date.

### **APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE**

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option) and as mentioned in this prospectus.

No part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought in the near future.

### **SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS**

Subject to the granting of the listing of, and permission to deal in, the Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made to enable the Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional advisor for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **DEALING IN THE SHARES**

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, June 24, 2022, it is expected that dealings in the Shares on the Hong Kong Stock Exchange will commence at 9:00 a.m. on Friday, June 24, 2022.

The Shares will be traded on the Main Board of the Hong Kong Stock Exchange in board lots of 200 Shares each. The stock code of the Shares will be 2246.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### IMPORTANT NOTICE TO INVESTORS:

#### FULLY ELECTRONIC APPLICATION PROCESS

**We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide any printed copies of this prospectus or any printed copies of any application forms for use by the public.**

This prospectus is available at the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) under the “*HKEXnews > New Listings > New Listing Information*” section, and our website at [gogoxholdings.com](http://gogoxholdings.com). If you require a printed copy of this prospectus, you may download and print from the website addresses above.

The contents of the electronic version of the prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Set out below are procedures through which you can apply for the Hong Kong Offer Shares electronically. We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public.

If you are an intermediary, broker or agent, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

#### A. APPLICATIONS FOR THE HONG KONG OFFER SHARES

##### 1. How to Apply

**Our Company will not provide any printed application forms for use by the public.**

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Offer Shares.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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To apply for Hong Kong Offer Shares, you may:

- (1) apply online via the **White Form eIPO** service at [www.eipo.com.hk](http://www.eipo.com.hk); or
- (2) apply through the **CCASS EIPO** service to electronically cause HKSCC Nominees to apply on your behalf, including by:
  - (i) instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf; or
  - (ii) (if you are an existing **CCASS Investor Participant**) giving **electronic application instructions** through the CCASS Internet System (<https://ip.ccass.com>) or through the CCASS Phone System by calling +852 2979 7888 (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** for CCASS Investor Participants through HKSCC's Customer Service Center at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong by completing an input request.

If you apply through channel (1) above, the Hong Kong Offer Shares successfully applied for will be issued in your own name.

If you apply through channels (2)(i) or (2)(ii) above, the Hong Kong Offer Shares successfully applied for will be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Joint Global Coordinators, the **White Form eIPO** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretions.

## 2. Who can Apply

### *Eligibility for the Application*

You can apply for the Hong Kong Offer Shares if you or any person(s) for whose benefit you are applying:

- are 18 years of age or older;

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- have a Hong Kong address; and
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act).

If an application is made by a person under a power of attorney, our Company and the Joint Global Coordinators may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of the **White Form eIPO** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you:

- are an existing beneficial owner of any Shares in our Company and/or any of its subsidiaries;
- are a Director or chief executive officer of our Company and/or any of its subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above; or
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

### *Items Required for the Application*

If you apply for the Hong Kong Offer Shares online through the **White Form eIPO** service, you must:

- have a valid Hong Kong identity card number; and
- provide a valid e-mail address and a contact telephone number.

If you are applying for the Hong Kong Offer Shares online by instructing your **broker** or **custodian** who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals, please contact them for the items required for the application.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### 3. Terms and Conditions of an Application

By applying through the application channels specified in this prospectus, you:

- (a) undertake to execute all relevant documents and instruct and authorize our Company and/or the Joint Global Coordinators (or its agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- (b) agree to comply with the Cayman Companies Act, Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association;
- (c) confirm that you have read the terms and conditions and application procedures set out in this prospectus, and agree to be bound by them;
- (d) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (e) confirm that you are aware of the restrictions on the Global Offering in this prospectus;
- (f) agree that none of our Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the **White Form eIPO** Service Provider, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (g) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering nor participated in the International Offering;
- (h) agree to disclose to our Company, the Hong Kong Share Registrar, receiving banks, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective advisors and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- (i) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters nor any of their respective officers or advisors will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (j) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (k) agree that your application will be governed by the laws of Hong Kong;
- (l) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (m) warrant that the information you have provided is true and accurate;
- (n) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;
- (o) authorize our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and our Company and/or its agents to send any Share certificate(s) and/or any e-Refund payment instructions and/or any refund check(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have fulfilled the criteria mentioned in the paragraph headed “– G. Dispatch/Collection of Share Certificates and Refund Monies – Personal Collection” in this section to collect the Share certificate(s) and/or refund check(s) in person;
- (p) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (q) understand that our Company and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- (r) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider by you or by any one as your agent or by any other person; and
- (s) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to give **electronic application instructions** on behalf of that other person as their agent.

#### 4. Minimum Application Amount and Permitted Numbers

Your application through the **White Form eIPO** service or the **CCASS EIPO** service must be for a minimum of 200 Hong Kong Offer Shares and in one of the numbers set out in the table. You are required to pay the amount next to the number you select.

No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application
	<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>
200	4,343.35	5,000	108,583.44	80,000	1,737,335.02	700,000	15,201,681.43
400	8,686.67	6,000	130,300.12	90,000	1,954,501.90	800,000	17,373,350.20
600	13,030.02	7,000	152,016.82	100,000	2,171,668.78	900,000	19,545,018.98
800	17,373.35	8,000	173,733.50	120,000	2,606,002.53	1,000,000	21,716,687.75
1,000	21,716.69	9,000	195,450.19	140,000	3,040,336.29	1,100,000	23,888,356.53
1,200	26,060.03	10,000	217,166.88	160,000	3,474,670.04	1,200,000	26,060,025.30
1,400	30,403.37	20,000	434,333.76	180,000	3,909,003.80	1,300,000	28,231,694.08
1,600	34,746.70	30,000	651,500.64	200,000	4,343,337.55	1,400,000	30,403,362.85
1,800	39,090.04	40,000	868,667.51	300,000	6,515,006.33	1,560,000 <sup>(1)</sup>	33,878,032.89
2,000	43,433.37	50,000	1,085,834.39	400,000	8,686,675.10		
3,000	65,150.07	60,000	1,303,001.27	500,000	10,858,343.88		
4,000	86,866.75	70,000	1,520,168.15	600,000	13,030,012.65		

(1) Maximum number of Hong Kong Offer Shares you may apply for.

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

### 5. Applying through the White Form eIPO Service

#### *General*

Individuals who meet the criteria in the subsection headed “– 2. Who can Apply” may apply through the **White Form eIPO** service for the Hong Kong Offer Shares to be allotted and registered in their own names through [www.eipo.com.hk](http://www.eipo.com.hk).

Detailed instructions for application through the **White Form eIPO** service are in the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to us. If you apply through the designated website, you authorize the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

#### *Time for Submitting Applications under the White Form eIPO Service*

You may submit your application to the **White Form eIPO** Service Provider through the designated website at [www.eipo.com.hk](http://www.eipo.com.hk) (24 hours daily, except on the last application day) from 9:00 a.m. on Tuesday, June 14, 2022 until 11:30 a.m. on Friday, June 17, 2022 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Friday, June 17, 2022 or such later time under “– C. Effect of Bad Weather and/or Extreme Conditions on the Opening of the Application Lists”.

#### *No Multiple Applications*

If you apply by means of the **White Form eIPO** service, once you complete payment in respect of any electronic application instruction given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **White Form eIPO** service or by any other means, all of your applications are liable to be rejected.

With regard to the announcement of results of allocations under the section headed “Results of Applications Made by Giving Electronic Application Instructions to HKSCC via CCASS”, the list of identification document number(s) is not a complete list of successful applicants, only successful applicants whose identification document numbers are provided by CCASS are disclosed. Applicants who applied for the Offer Shares through their brokers can consult their brokers to enquire about their application results.



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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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Since applications are subject to personal information collection statements, beneficial owner identification codes displayed are redacted. Applicants with beneficial names only but not identification document numbers are not disclosed due to personal privacy issue.

### *Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance*

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

### *Commitment to sustainability*

The obvious advantage of the **White Form eIPO** is to save the use of paper via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited being the designated **White Form eIPO** Service Provider, will contribute HK\$2 for each “**GOGOX HOLDINGS LIMITED**” **White Form eIPO** application submitted via the website [www.eipo.com.hk](http://www.eipo.com.hk) to support sustainability.

## 6. Applying through the CCASS EIPO Service

### *General*

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling +852 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time).

HKSCC can also input electronic application instructions for you if you go to Hong Kong Securities Clearing Company Limited Customer Service Center 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong and complete an input request form.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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You will be deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Joint Global Coordinators and the Hong Kong Share Registrar.

### *Giving Electronic Application Instructions to HKSCC via CCASS*

Where you have applied through the **CCASS EIPO** service (either indirectly through a **broker** or **custodian** or directly) and an application is made by HKSCC Nominees on your behalf:

- (a) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of this prospectus;
- (b) HKSCC Nominees will do the following things on your behalf:
  - agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
  - agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;
  - undertake and confirm that you have not applied for or taken up, will not apply for or take up, have not indicated or will not indicate an interest for, any Offer Shares under the International Offering nor otherwise participate in the International Offering;
  - (if the electronic application instructions are given for your benefit) declare that only one set of electronic application instructions has been given for your benefit;
  - (if you are an agent for another person) declare that you have only given one set of electronic application instructions for the other person's benefit and are duly authorized to give those instructions as its agent;
  - confirm that you understand that we, our Directors and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- authorize us to place HKSCC Nominees' name on our register of members as the holder of the Hong Kong Offer Shares allocated to you and to send Share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of us, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to us, the Hong Kong Share Registrar, receiving banks, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or its respective advisors and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- agree that once HKSCC Nominees' application is accepted, neither that application nor your electronic application instructions can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Hong Kong Public Offering results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving electronic application instructions to apply for Hong Kong Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving electronic application instructions) to observe and comply with the Companies (Winding up and Miscellaneous Provisions) Ordinance and the Articles of Association; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

### *Effect of Giving Electronic Application Instructions to HKSCC via CCASS*

By applying through the **CCASS EIPO** service, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;
- instructed and authorized HKSCC to arrange payment of the Offer Price, brokerage, SFC transaction levy, FRC transaction levy and the Hong Kong Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application, refund of the application monies (including brokerage, SFC transaction levy, FRC transaction levy and the Hong Kong Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorized HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in this prospectus.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### *Time for Inputting Electronic Application Instructions<sup>(1)</sup>*

CCASS Clearing/Custodian Participants can input electronic application instructions at the following times on the following dates:

**Tuesday, June 14, 2022 – 9:00 a.m. to 8:30 p.m.**  
**Wednesday, June 15, 2022 – 8:00 a.m. to 8:30 p.m.**  
**Thursday, June 16, 2022 – 8:00 a.m. to 8:30 p.m.**  
**Friday, June 17, 2022 – 8:00 a.m. to 12:00 noon**

CCASS Investor Participants can input electronic application instructions from 9:00 a.m. on Tuesday, June 14, 2022 until 12:00 noon on Friday, June 17, 2022 (24 hours daily, except on Friday, June 17, 2022 the last application day).

The latest time for inputting your electronic application instructions will be 12:00 noon on Friday, June 17, 2022, the last application day or such later time as described in “– C. Effect of Bad Weather and/or Extreme Conditions on the Opening of the Application Lists” below.

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*Note:*

- (1) These times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor participants.

### *No Multiple Applications*

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any electronic application instructions to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

### *Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance*

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### *Personal Data*

The following Personal Information Collection Statement applies to any personal data held by our Company, the Hong Kong Share Registrar, the receiving banks, the Joint Global Coordinators, the Underwriters and any of their respective advisors and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. By applying through the **CCASS EIPO** service or the **White Form eIPO** service, you agree to all of the terms of the Personal Information Collection Statement below.

### *Personal Information Collection Statement*

This Personal Information Collection Statement informs applicant for, and holder of, the Hong Kong Offer Shares, of the policies and practices of our Company and its Hong Kong Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

### *Reasons for the collection of your personal data*

It is necessary for applicants and registered holders of the Hong Kong Offer Shares to supply correct personal data to our Company or our agents and the Hong Kong Share Registrar when applying for the Hong Kong Offer Shares or transferring the Hong Kong Offer Shares into or out of their names or in procuring the services of the Hong Kong Share Registrar.

Failure to supply the requested data may result in your application for the Hong Kong Offer Shares being rejected, or in delay or the inability of our Company or the Hong Kong Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of the Hong Kong Offer Shares which you have successfully applied for and/or the dispatch of Share certificate(s) to which you are entitled.

It is important that the holders of the Hong Kong Offer Shares inform us and the Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

### *Purposes*

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund check, where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of the Hong Kong Offer Shares;

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of our Shares including, where applicable, HKSCC Nominees;
- maintaining or updating our register of members;
- verifying identities of the holders of our Shares;
- establishing benefit entitlements of holders of our Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from us and our subsidiaries;
- compiling statistical information and profiles of the holder of our Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable us and the Hong Kong Share Registrar to discharge our or their obligations to holders of our Shares and/or regulators and/or any other purposes to which the securities' holders may from time to time agree.

### *Transfer of personal data*

Personal data held by us and the Hong Kong Share Registrar relating to the holders of the Hong Kong Offer Shares will be kept confidential but we and the Hong Kong Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our Company's appointed agents such as financial advisors, receiving bankers and overseas principal share registrar;
- where applicants for the Hong Kong Offer Shares request a deposit into CCASS, HKSCC or HKSCC Nominees, who will use the personal data for the purposes of operating CCASS;
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the Hong Kong Share Registrar in connection with their respective business operation;
- the Hong Kong Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations; and

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- any persons or institutions with which the holders of the Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or stockbrokers etc.

### *Retention of personal data*

Our Company and the Hong Kong Share Registrar will keep the personal data of the applicants and holders of the Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance.

### *Access to and correction of personal data*

Holders of the Hong Kong Offer Shares have the right to ascertain whether our Company or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. We and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company, at our registered address disclosed in the section headed “Corporate Information” in this prospectus or as notified from time to time, for the attention of the secretary, or the Hong Kong Share Registrar for the attention of the privacy compliance officer.

## **7. Warning for Electronic Applications**

The subscription of the Hong Kong Offer Shares by giving electronic application instructions to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **White Form eIPO** service is also only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. We, our Directors, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO** service will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their electronic application instructions, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of electronic application instructions, they should go to HKSCC’s Customer Service Center to complete an input request form for electronic application instructions before 12:00 noon on Friday, June 17, 2022.



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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### 8. How Many Applications Can You Make

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees.

All of your applications will be rejected if more than one application through the **CCASS eIPO** service (directly or indirectly through your **broker** or **custodian**) or through the **White Form eIPO** service is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**), and the number of Hong Kong Offer Shares applied by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your behalf.

For the avoidance of doubt, giving an **electronic application instruction** under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application. However, any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your behalf to HKSCC will be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being made for your benefit.

“Unlisted company” means a company with no equity securities listed on the Hong Kong Stock Exchange.

“Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### B. HOW MUCH ARE THE HONG KONG OFFER SHARES

The Offer Price is HK\$21.50 per Offer Share. You must also pay brokerage of 1.0%, SFC transaction levy of 0.0027%, FRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.005%. This means that for one board lot of 200 Hong Kong Offer Shares, you will pay HK\$4,343.35.

You must pay the Offer Price, brokerage, SFC transaction levy, FRC transaction levy and the Hong Kong Stock Exchange trading fee in full upon application for the Hong Kong Offer Shares.

You may submit an application through the **White Form eIPO** service or the **CCASS EIPO** service in respect of a minimum of 200 Hong Kong Offer Shares. Each application or electronic application instruction in respect of more than 200 Hong Kong Offer Shares must be in one of the numbers set out in the table in the section headed “– 4. Minimum Application Amount and Permitted Numbers”, or as otherwise specified in the Application Form or on the designated website at [www.eipo.com.hk](http://www.eipo.com.hk).

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy, FRC transaction levy and the Hong Kong Stock Exchange trading fee are paid to the Hong Kong Stock Exchange (in the case of the SFC transaction levy and the FRC transaction levy, collected by the Hong Kong Stock Exchange on behalf of the SFC and the FRC, respectively).

See “Structure of the Global Offering – Pricing and Allocation” for further details on the Offer Price.

### C. EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is/are:

- a tropical cyclone warning signal number 8 or above;
- a “black” rainstorm warning; and/or
- Extreme Conditions,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, June 17, 2022. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings and/or Extreme Conditions in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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If the application lists do not open and close on Friday, June 17, 2022 or if there is/are a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning signal and/or Extreme Conditions in force in Hong Kong that may affect the dates mentioned in “Expected Timetable”, an announcement will be made in such event.

### D. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Thursday, June 23, 2022 on our Company’s website at [gogoxholdings.com](http://gogoxholdings.com) and the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company’s website at [gogoxholdings.com](http://gogoxholdings.com) and the Hong Kong Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) by no later than 9:00 a.m. on Thursday, June 23, 2022;
- from the designated results of allocations website at [www.iporeresults.com.hk](http://www.iporeresults.com.hk) (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Thursday, June 23, 2022 to 12:00 midnight on Wednesday, June 29, 2022; and
- by telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from Thursday, June 23, 2022 to Tuesday, June 28, 2022 on a business day (excluding Saturday, Sunday and Hong Kong public holiday).

If we accept your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in “Structure of the Global Offering”.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### **E. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES**

You should note the following situations in which the Hong Kong Offer Shares will not be allotted to you:

#### **If your application is revoked:**

By applying through the **CCASS eIPO** service or through the **White Form eIPO** service, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

#### **If we or our agents exercise their discretion to reject your application:**

We, the Joint Global Coordinators, the **White Form eIPO** Service Provider and our and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

#### **If the allotment of Hong Kong Offer Shares is void:**

The allotment of Hong Kong Offer Shares will be void if the Hong Kong Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- within a longer period of up to six weeks if the Hong Kong Stock Exchange notifies our Company of that longer period within three weeks of the closing date of the application lists.

**If:**

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Offer Shares;
- your electronic application instructions through the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website at [www.eipo.com.hk](http://www.eipo.com.hk);
- your payment is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Joint Global Coordinators believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

### **F. REFUND OF APPLICATION MONIES**

If an application is rejected, not accepted or accepted in part only, or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with “Structure of the Global Offering – Conditions of the Global Offering” or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy, FRC transaction levy and the Hong Kong Stock Exchange trading fee, will be refunded, without interest.

Any refund of your application monies will be made on or before Thursday, June 23, 2022.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### G. DISPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **CCASS EIPO** service where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

Subject to the arrangement on dispatch/collection of Share certificates and refund monies as mentioned below, any refund checks and Share certificates are expected to be posted on or before Thursday, June 23, 2022. The right is reserved to retain any Share certificate(s) and any surplus application monies pending clearance of check(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Friday, June 24, 2022 provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" in this prospectus has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

#### **Personal Collection**

##### *(i) If you apply through the White Form eIPO service*

If you apply for 1,000,000 Hong Kong Offer Shares or more through the **White Form eIPO** service and your application is wholly or partially successful, you may collect your Share certificate(s) from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, June 23, 2022 or such other date as notified by our Company in the newspapers as the date of dispatch/collection of Share certificates/e-Refund payment instructions/refund checks.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Thursday, June 23, 2022 by ordinary post at your own risk.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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If you apply and pay the application monies from a single bank account, any refund monies will be dispatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be dispatched to the address as specified in your application instructions in the form of refund check(s) by ordinary post at your own risk.

*(ii) If you apply through the CCASS EIPO service*

*Allocation of Hong Kong Offer Shares*

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

*Deposit of Share Certificates into CCASS and Refund of Application Monies*

- If your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Thursday, June 23, 2022, or, on any other date determined by HKSCC or HKSCC Nominees.
- We expect to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, we will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in “– D. Publication of Results” above on Thursday, June 23, 2022. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, June 23, 2022 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your **broker** or **custodian** to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's “An Operating Guide for Investor Participants” in effect from time to time) on Thursday, June 23, 2022. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the final Offer Price and the indicative Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy, FRC transaction levy and the Hong Kong Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your **broker** or **custodian** on Thursday, June 23, 2022.

### H. ADMISSION OF THE SHARES INTO CCASS

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.



*The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.*



羅兵咸永道

**ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GOGOX HOLDINGS LIMITED (FORMERLY NAMED AS "58 FREIGHT INC.") AND UBS SECURITIES HONG KONG LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED, BOCOM INTERNATIONAL (ASIA) LIMITED AND ABCI CAPITAL LIMITED**

**Introduction**

We report on the historical financial information of GOGOX HOLDINGS LIMITED (formerly named as "58 Freight Inc.") (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-101, which comprises the consolidated balance sheets as at 31 December 2018, 2019, 2020 and 2021, the balance sheets of the Company as at 31 December 2018, 2019, 2020 and 2021 and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2018, 2019, 2020 and 2021 (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-101 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 14 June 2022 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

**Directors' responsibility for the Historical Financial Information**

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

**Reporting accountant's responsibility**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

**Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at 31 December 2018, 2019, 2020 and 2021 and the consolidated financial position of the Group as at 31 December 2018, 2019, 2020 and 2021 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

**REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "LISTING RULES") AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

**Adjustments**

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

**Dividends**

We refer to Note 14 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

**No statutory financial statements for the Company**

No statutory financial statements have been prepared for the Company since its date of incorporation.

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong

14 June 2022

**I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP****Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Year ended 31 December			
		2018	2019	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Continuing operations</b>					
Revenue	5	453,145	548,457	530,409	660,857
Cost of revenue	8	(348,781)	(375,361)	(347,041)	(419,133)
<b>Gross profit</b>		104,364	173,096	183,368	241,724
Selling and marketing expenses	8	(524,093)	(295,970)	(194,844)	(334,966)
General and administrative expenses	8	(325,996)	(218,224)	(152,121)	(186,828)
Research and development expenses	8	(76,337)	(64,604)	(34,608)	(34,748)
(Impairment losses)/reversal of impairment losses on financial assets	3.1(b)	(83,149)	5,191	1,995	50
Other income	6	5,567	3,435	10,825	4,163
Other losses, net	7	(823)	(3,775)	(180)	(3,425)
<b>Operating loss</b>		(900,467)	(400,851)	(185,565)	(314,030)
Finance income/(costs), net	11	2,704	2,504	(3,666)	1,039
Changes in fair value of financial liabilities at fair value through profit or loss	30	(168,648)	227,973	(464,080)	(559,613)
Share of net profit of a joint venture accounted for using the equity method		–	–	–	28
<b>Loss before income tax</b>		(1,066,411)	(170,374)	(653,311)	(872,576)
Income tax credit/(expenses)	12	5,039	(3,618)	(460)	(259)
<b>Loss from continuing operations</b>		(1,061,372)	(173,992)	(653,771)	(872,835)
Loss from discontinued operation	32	(9,564)	(9,853)	(4,455)	(19)
<b>Loss for the year attributable to the equity holders of the Company</b>		<u>(1,070,936)</u>	<u>(183,845)</u>	<u>(658,226)</u>	<u>(872,854)</u>

	Note	Year ended 31 December			
		2018	2019	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Other comprehensive income/(losses):</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Changes in fair value of convertible redeemable preferred shares due to own credit risk (Note 30(a))		15,793	(23,686)	50,767	32,141
Changes in fair value of other financial liabilities due to own credit risk (Note 30(c))		1,296	(1,732)	2,994	(504)
Currency translation differences		7,316	(28,068)	134,186	59,200
<i>Items that may be subsequently reclassified to profit or loss</i>					
Currency translation differences		(2,496)	10,190	(19,535)	(13,283)
Currency translation differences on discontinued operation		(567)	(1,809)	(1,159)	2
<b>Total other comprehensive income/(losses)</b>		<u>21,342</u>	<u>(45,105)</u>	<u>167,253</u>	<u>77,556</u>
<b>Total comprehensive loss for the year attributable to the equity holders of the Company</b>		<u>(1,049,594)</u>	<u>(228,950)</u>	<u>(490,973)</u>	<u>(795,298)</u>
<b>Total comprehensive loss for the year attributable to the equity holders of the Company arisen from:</b>					
Continuing operations		(1,039,463)	(217,288)	(485,359)	(795,281)
Discontinued operation		(10,131)	(11,662)	(5,614)	(17)
		<u>(1,049,594)</u>	<u>(228,950)</u>	<u>(490,973)</u>	<u>(795,298)</u>
<b>Loss per share for loss from continuing operations attributable to the equity holders of the Company (expressed in RMB per share)</b>					
Basic and diluted	13	<u>(2.60)</u>	<u>(0.41)</u>	<u>(1.55)</u>	<u>(2.16)</u>
<b>Loss per share attributable to the equity holders of the Company (expressed in RMB per share)</b>					
Basic and diluted	13	<u>(2.62)</u>	<u>(0.43)</u>	<u>(1.56)</u>	<u>(2.16)</u>

## CONSOLIDATED BALANCE SHEETS

		As at 31 December			
	Note	2018	2019	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Assets</b>					
<b>Non-current assets</b>					
Right-of-use assets	15	8,171	14,557	7,760	8,467
Property, plant and equipment	16	10,086	13,817	7,628	5,116
Intangible assets	17	132,798	110,410	87,028	68,346
Goodwill	17	1,041,799	1,048,669	1,029,128	1,020,338
Prepayments, deposits and other receivables	20	2,213	8,391	1,455	3,061
Investment in a joint venture		–	–	–	2,028
		<u>1,195,067</u>	<u>1,195,844</u>	<u>1,132,999</u>	<u>1,107,356</u>
<b>Current assets</b>					
Accounts receivables	19	52,857	53,081	53,695	65,232
Prepayments, deposits and other receivables	20	28,649	47,335	24,536	36,940
Restricted cash	21(b)	921	2,182	1,885	101,477
Cash and cash equivalents	21(a)	348,269	247,107	217,253	312,997
		<u>430,696</u>	<u>349,705</u>	<u>297,369</u>	<u>516,646</u>
<b>Total assets</b>		<u><u>1,625,763</u></u>	<u><u>1,545,549</u></u>	<u><u>1,430,368</u></u>	<u><u>1,624,002</u></u>
<b>Equity</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	22	7	7	7	6
Other reserves	23	1,990,580	1,961,606	2,137,572	2,513,753
Accumulated losses		<u>(2,876,697)</u>	<u>(3,060,542)</u>	<u>(3,718,768)</u>	<u>(4,589,568)</u>
<b>Total deficit</b>		<u>(886,110)</u>	<u>(1,098,929)</u>	<u>(1,581,189)</u>	<u>(2,075,809)</u>

	Note	As at 31 December			
		2018	2019	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Convertible redeemable preferred shares	30(a)	1,596,491	1,745,775	1,960,399	3,224,447
Other financial liabilities at fair value through profit or loss	30(b)(c)	165,197	167,973	188,626	–
Lease liabilities	15	3,176	7,553	2,421	907
Deferred tax liabilities	29	28,901	24,141	19,175	15,092
		<u>1,793,765</u>	<u>1,945,442</u>	<u>2,170,621</u>	<u>3,240,446</u>
<b>Current liabilities</b>					
Accounts payables	25	38,180	28,574	31,391	43,594
Accruals and other payables	26	434,579	344,457	316,128	370,183
Contract liabilities	27	4,358	6,421	9,353	8,147
Other borrowing	28	–	–	104,652	–
Amounts due to related parties	34(b)	116,566	291,157	309,697	–
Current tax liabilities		4,929	13,551	18,511	22,694
Other tax liabilities		3,260	4,246	5,748	6,779
Other financial liabilities at fair value through profit or loss	30(b)	111,141	3,327	39,847	–
Lease liabilities	15	5,095	7,303	5,609	7,968
		<u>718,108</u>	<u>699,036</u>	<u>840,936</u>	<u>459,365</u>
<b>Total liabilities</b>		<u>2,511,873</u>	<u>2,644,478</u>	<u>3,011,557</u>	<u>3,699,811</u>
<b>Total deficit and liabilities</b>		<u>1,625,763</u>	<u>1,545,549</u>	<u>1,430,368</u>	<u>1,624,002</u>



## BALANCE SHEETS OF THE COMPANY

	Note	As at 31 December			
		2018	2019	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Assets</b>					
<b>Non-current assets</b>					
Interests in subsidiaries	18	1,963,233	2,113,738	2,099,814	2,879,560
Prepayments		–	6,132	–	–
		<u>1,963,233</u>	<u>2,119,870</u>	<u>2,099,814</u>	<u>2,879,560</u>
<b>Current assets</b>					
Prepayments, deposits and other receivables		–	16,023	5,735	6,932
Cash and cash equivalents	21(a)	32,968	72,165	25,337	147,839
		<u>32,968</u>	<u>88,188</u>	<u>31,072</u>	<u>154,771</u>
<b>Total assets</b>		<u><u>1,996,201</u></u>	<u><u>2,208,058</u></u>	<u><u>2,130,886</u></u>	<u><u>3,034,331</u></u>
<b>Equity</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	22	7	7	7	6
Other reserves	23	1,268,509	1,245,811	1,372,445	1,673,280
Accumulated losses		(1,055,950)	(845,216)	(1,281,705)	(1,875,278)
<b>Total equity/(deficit)</b>		<u>212,566</u>	<u>400,602</u>	<u>90,747</u>	<u>(201,992)</u>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Convertible redeemable preferred shares	30(a)	1,596,491	1,745,775	1,960,399	3,224,447
Other financial liabilities at fair value through profit or loss	30(b)	65,727	58,275	39,608	–
		<u>1,662,218</u>	<u>1,804,050</u>	<u>2,000,007</u>	<u>3,224,447</u>
<b>Current liabilities</b>					
Accruals and other payables		10,276	79	285	11,876
Other financial liabilities at fair value through profit or loss	30(b)	111,141	3,327	39,847	–
		<u>121,417</u>	<u>3,406</u>	<u>40,132</u>	<u>11,876</u>
<b>Total liabilities</b>		<u><u>1,783,635</u></u>	<u><u>1,807,456</u></u>	<u><u>2,040,139</u></u>	<u><u>3,236,323</u></u>
<b>Total equity/(deficit) and liabilities</b>		<u><u>1,996,201</u></u>	<u><u>2,208,058</u></u>	<u><u>2,130,886</u></u>	<u><u>3,034,331</u></u>

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			Total RMB'000
	Share capital	Other reserves	Accumulated losses	
	RMB'000 (Note 22)	RMB'000 (Note 23)	RMB'000	
<b>Balance as at 1 January 2018</b>	7	1,857,367	(962,728)	894,646
Loss for the year	–	–	(1,070,936)	(1,070,936)
Other comprehensive income:				
Changes in fair value of convertible redeemable preferred shares due to own credit risk (Note 30(a))	–	15,793	–	15,793
Changes in fair value of other financial liabilities due to own credit risk (Note 30(c))	–	1,296	–	1,296
Currency translation differences	–	4,253	–	4,253
<b>Total comprehensive loss for the year</b>	–	21,342	(1,070,936)	(1,049,594)
<b>Transactions with equity holders:</b>				
Issuance of ordinary shares	–*	–	–	–*
Deemed contribution from shareholder (Note 23)	–	24,430	–	24,430
Deemed distribution to shareholder (Note 30)	–	–	(843,033)	(843,033)
Equity-settled share-based compensation	–	87,441	–	87,441
<b>Total transactions with equity holders</b>	–	111,871	(843,033)	(731,162)
<b>Balance as at 31 December 2018</b>	7	1,990,580	(2,876,697)	(886,110)

\* Less than RMB1,000

	Attributable to equity holders of the Company			Total
	Share capital	Other reserves	Accumulated losses	
	<i>RMB'000</i> <i>(Note 22)</i>	<i>RMB'000</i> <i>(Note 23)</i>	<i>RMB'000</i>	
<b>Balance as at 1 January 2019</b>	7	1,990,580	(2,876,697)	(886,110)
Loss for the year	–	–	(183,845)	(183,845)
Other comprehensive loss:				
Changes in fair value of convertible redeemable preferred shares due to own credit risk <i>(Note 30(a))</i>	–	(23,686)	–	(23,686)
Changes in fair value of other financial liabilities due to own credit risk <i>(Note 30(c))</i>	–	(1,732)	–	(1,732)
Currency translation differences	–	(19,687)	–	(19,687)
<b>Total comprehensive loss for the year</b>	–	(45,105)	(183,845)	(228,950)
<b>Transactions with equity holders:</b>				
Equity-settled share-based compensation	–	16,131	–	16,131
<b>Total transactions with equity holders</b>	–	16,131	–	16,131
<b>Balance as at 31 December 2019</b>	7	1,961,606	(3,060,542)	(1,098,929)

	Attributable to equity holders of the Company			Total
	Share capital	Other reserves	Accumulated losses	
	<i>RMB'000</i> <i>(Note 22)</i>	<i>RMB'000</i> <i>(Note 23)</i>	<i>RMB'000</i>	
<b>Balance as at 1 January 2020</b>	7	1,961,606	(3,060,542)	(1,098,929)
Loss for the year	–	–	(658,226)	(658,226)
Other comprehensive income:				
Changes in fair value of convertible redeemable preferred shares due to own credit risk <i>(Note 30(a))</i>	–	50,767	–	50,767
Changes in fair value of other financial liabilities due to own credit risk <i>(Note 30(c))</i>	–	2,994	–	2,994
Currency translation differences	–	113,492	–	113,492
<b>Total comprehensive loss for the year</b>	–	167,253	(658,226)	(490,973)
<b>Transactions with equity holders:</b>				
Equity-settled share-based compensation	–	8,713	–	8,713
<b>Total transactions with equity holders</b>	–	8,713	–	8,713
<b>Balance as at 31 December 2020</b>	7	2,137,572	(3,718,768)	(1,581,189)

	Attributable to equity holders of the Company			Total
	Share capital	Other reserves	Accumulated losses	
	RMB'000 (Note 22)	RMB'000 (Note 23)	RMB'000	
<b>Balance as at 1 January 2021</b>	7	2,137,572	(3,718,768)	(1,581,189)
Loss for the year	–	–	(872,854)	(872,854)
Other comprehensive income/(loss):				
Changes in fair value of convertible redeemable preferred shares due to own credit risk (Note 30(a))	–	32,141	–	32,141
Changes in fair value of other financial liabilities due to own credit risk (Note 30(c))	–	(504)	–	(504)
Currency translation differences	–	45,919	–	45,919
<b>Total comprehensive loss for the year</b>	–	77,556	(872,854)	(795,298)
Transfer of accumulated changes in fair value due to own credit risk upon derecognition of other financial liabilities at fair value through profit or loss to accumulated losses	–	(2,054)	2,054	–
<b>Transactions with equity holders:</b>				
Contribution from shareholder (Note 23)	–	298,553	–	298,553
Equity-settled share-based compensation	–	2,125	–	2,125
Cancellation of ordinary shares (Note 22)	(1)	1	–	–
<b>Total transactions with equity holders</b>	(1)	300,679	–	300,678
<b>Balance as at 31 December 2021</b>	6	2,513,753	(4,589,568)	(2,075,809)

## CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended 31 December			
		2018	2019	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Net cash used in operating activities</b>	33(a)	(380,121)	(456,229)	(126,383)	(358,624)
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	16	(9,723)	(9,904)	(1,226)	(2,396)
Purchase of intangible assets	17	(1,746)	(213)	(39)	–
Proceeds from disposal of property, plant and equipment		268	516	461	6
Payment for investment in a joint venture		–	–	–	(2,000)
Interest received from bank deposits		2,996	3,196	4,186	2,739
<b>Net cash (used in)/generated from investing activities</b>		<u>(8,205)</u>	<u>(6,405)</u>	<u>3,382</u>	<u>(1,651)</u>
<b>Cash flows from financing activities</b>					
Proceeds from issuance of CRPS	33(b)	422,267	194,334	–	737,688
Proceeds from issuance of warrants	33(b)	122,581	20,265	–	–
Proceeds from issuance of convertible notes	33(b)	96,774	6,749	–	–
Repayment of convertible notes	33(b)	–	(3,800)	–	(167,207)
Proceeds from other borrowings	33(b)	–	–	104,652	–
Repayment of other borrowings	33(b)	–	–	–	(104,652)
Advance from related parties	33(b)	34,575	151,749	589	9,531
Repayment to related parties	33(b)	(70,143)	(282)	(1,510)	(689)
Repayment of principal portions of lease liabilities	33(b)	(4,428)	(8,180)	(6,947)	(7,476)
Repayment of interest portions of lease liabilities	33(b)	(344)	(788)	(561)	(347)
Listing expenses paid		–	–	–	(5,967)
<b>Net cash generated from financing activities</b>		<u>601,282</u>	<u>360,047</u>	<u>96,223</u>	<u>460,881</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		212,956	(102,587)	(26,778)	100,606
Cash and cash equivalents at beginning of the year		133,784	348,269	247,107	217,253
Exchange differences on cash and cash equivalents		1,529	1,425	(3,076)	(4,862)
<b>Cash and cash equivalents at end of the year</b>	21	<u>348,269</u>	<u>247,107</u>	<u>217,253</u>	<u>312,997</u>

**II. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1 General information and history of the Group****1.1 General information**

GOGOX HOLDINGS LIMITED (Formerly named as “58 Freight Inc.”) (the “Company”) was incorporated in the Cayman Islands on 8 June 2017 as an exempted company with limited liability. The registered office is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the “Group”) are principally engaged in the provision of logistic and delivery solution services and platform services which uses technology to connect transacting user and logistic and delivery service provider in the People’s Republic of China (the “PRC”), Hong Kong, Singapore, Republic of Korea (“Korea”), and other Eastern and Southern Asian Countries (the “Listing Business”).

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

**1.2 History of the Group**

The Company was incorporated in the Cayman Islands on 8 June 2017 as an exempted company with limited liability. Upon incorporation, the authorised share capital of the Company was United States Dollars (“US\$”) 50,000 divided into 50,000 ordinary shares with a par value of US\$1.00 each. On 8 June 2017, the Company allotted and issued (i) one share to McGrath Tonner Corporate Services Limited at par value, which was transferred to 58 Daojia on the same day, and (ii) 49,999 ordinary shares to 58 Daojia at par value. On 25 August 2017, 58 Daojia surrendered 49,990 ordinary shares with a par value of US\$1.00 each at nil consideration and the surrendered shares were cancelled accordingly. Following the surrender, the authorised share capital of the Company was reduced to US\$10 divided into 10 ordinary shares with a par value of US\$1.00 each. On the same day, the Company conducted a share split, pursuant to which every ordinary share with a par value of US\$1.00 each was split into 400,000 ordinary shares with a par value of US\$0.0000025 each. Following such share split, 58 Daojia was interested in 4,000,000 ordinary shares of the Company.

On 29 August 2017, the Company allotted and issued 307,111,112 ordinary shares to its immediate and ultimate controlling shareholder, 58 Daojia, in exchange therefor, 58 Daojia contributed certain assets, intellectual property, information technology, employees and contracts to the Group. On the same day, the Company allotted and issued 88,888,888 ordinary shares to GoGo Tech Holdings Limited (“GoGoVan Cayman”), in exchange for 100% shares in the subsidiaries of GoGoVan Cayman. After the allotment, 58 Daojia was interested in 77.78%, and GoGoVan Cayman was interested in 22.22% of the issued share capital of the Company, respectively.

On 12 July 2018, the Company resolved that (i) the authorised ordinary shares of the Company be reclassified into 19,146,778,972 Class A ordinary shares and 311,111,112 Class B ordinary shares, (ii) the issued ordinary shares registered in the name of 58 Daojia be re-designated into 311,111,112 Class B ordinary shares and the issued ordinary shares registered in the name of GoGoVan Cayman be re-designated into 88,888,888 Class A ordinary shares and (iii) the authorised share capital be re-designated into 19,146,778,972 Class A ordinary shares with a par value of US\$0.0000025 per share, 311,111,112 Class B ordinary shares with a par value of US\$0.0000025 per share, 368,195,985 Series A preferred shares with a par value of US\$0.0000025 per share and 173,913,931 Series B preferred shares with a par value of US\$0.0000025 per share.

On 3 June 2021, the Company resolved that the authorised share capital of the Company be re-organised by re-designating 56,917,406 Class A ordinary shares with a par value of US\$0.0000025 per share into 56,917,406 Series C preferred shares with a par value of US\$0.0000025 per share. Details of the share capital of the Company is disclosed in Note 22.

On 26 July 2017, GOGOX PRC Group Limited (“GoGoX PRC”, formerly named as “58 Freight Holding Limited”) was established by the Company, as a wholly-owned subsidiary of the Company located in Hong Kong.

On 26 July 2017, Tianjin 58 Daojia Technology Co., Ltd.\* (“Tianjin 58 Daojia or Tianjin WFOE”) was established by GoGoX PRC, as a wholly-owned subsidiary of the Company located in the PRC.

On 21 May 2021, Hainan 58 Daojia Technology Co., Ltd.\* (“Hainan 58 Daojia or Hainan WFOE”) was established by GoGoX PRC, as a wholly-owned subsidiary of the Company located in PRC.

The Group operates its business in the PRC primarily through a series of contractual arrangements (the “Contractual Arrangements”).

On 28 July 2017, Tianjin WFOE entered into Contractual Arrangements with Tianjin 58 Daojia Freight Services Company Limited\* (“Tianjin 58 Freight”) which enable the Group to exercise power over Tianjin 58 Freight and its key operating subsidiary, Zhenjiang 58 Daojia Supply Chain Management Service Company Limited\* (“Zhenjiang 58 Supply Chain”).

On 21 April 2020, Hainan 58 Daojia Supply Chain Management Service Company Limited\* (“Hainan 58 Supply Chain”) was established by Tianjin 58 Freight as its subsidiary.

On 9 April 2021, Hainan 58 Daojia Freight Services Company Limited\* (“Hainan 58 Freight”) was established by Tianjin 58 Freight as its subsidiary.

On 16 August 2021, Tianjin WFOE and Tianjin 58 Freight terminated the Contractual Arrangements but Hainan WFOE entered into Contractual Arrangements with Tianjin 58 Freight on the same date.

Through the Contractual Arrangements, the Group is able to exercise power over the Tianjin 58 Freight, Zhenjiang 58 Supply Chain, Hainan 58 Supply Chain, Hainan 58 Freight and Tianjin Kuaigou Freight (together “VIEs”) and, receive variable returns from its involvement in the VIEs and have the ability to affect those returns through its power over the VIEs. Therefore, the Group controls the VIEs and regards the VIEs as a controlled structured entity (“Structured Entities”).

Subsequent to the Track Record Period, Hainan WFOE entered into certain agreements with Tianjin 58 Freight and its subsidiaries in connection with the Contractual Arrangements on 26 January 2022.

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

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\* English names are translated for identification purpose only.

## **2 Summary of significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of the Historical Financial Information. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated.

### **2.1 Basis of preparation**

The Historical Financial Information of the Group has been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and the IFRS Interpretations Committee (“IFRIC”) interpretations applicable to companies reporting under IFRSs for periods beginning on 1 January 2018.

The Historical Financial Information has been prepared on a historical cost basis, except for convertible redeemable preferred shares (Note 30(a)) and other financial liabilities (Note 30 (b) and (c)) measured at fair value. All effective standards, amendments to standards and interpretations, mandatory for the financial year ended 31 December 2021, are consistently applied to the Group for the Track Record Period.



The preparation of the Historical Financial Information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

As of 31 December 2021, the Group had a net deficit of approximately RMB2,076 million. The Group also incurred a loss of RMB873 million and a net operating cash outflow of RMB359 million for the year ended 31 December 2021.

The Group's finance and working capital source mainly came from the Company's Convertible Redeemable Preferred Shares ("CRPS"), which are classified as financial liabilities. The CRPS are not redeemable in cash at the option of the holders within twelve months from 31 December 2021 (Note 30) and will be automatically converted into ordinary shares of the Company upon listing of the Company's share, such that immediately after the conversion, the Group will no longer in net liability position.

Management of the Group has prepared a cash flow projection covering not less than 12 months from 31 December 2021. The cash flow projection has taken into account the anticipated cash flows to be generated from the Group's different business lines (including considerations of reasonably possible changes in its operating performance) and the available financing resources during the projection period. The directors, after making due enquiries and considering the basis of management's projection described above, believe that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the twelve months from 31 December 2021. Consequently, the Historical Financial Information has been prepared on a going concern basis.

#### 2.1.1 Change in accounting policy and disclosures

##### (a) New and amended standards not yet adopted

Certain new and amended standards have been issued but are not yet effective for the year beginning on 1 January 2022 and have not been early adopted by the Group during the Track Record Period.

		<b>Effective for accounting periods beginning on or after</b>
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual improvements to IFRS standards 2018-2020	Annual Improvement 2018-2020 Cycle	1 January 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
IFRS 17	Insurance contracts and related Amendments	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of the impact of these new and amended standards, and has concluded on a preliminary basis that the adoption of these new and amended standards is not expected to have a significant impact on the Group in the current or future reporting periods and on foreseeable future transactions, except the amendments to IAS 1 mentioned below.

Amendments to IAS 1: “Classification of liabilities”

The IASB issued a narrow scope amendment to IAS 1 to clarify that liabilities are classified as either current or non current, depending on the rights that exist at the end of the reporting period. The amendment requires the following:

- Liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment no longer refers to unconditional rights, since loans are rarely unconditional (for example, because the loan might contain covenants).
- The assessment determines whether a right exists, but it does not consider whether the entity will exercise the right. So, management’s expectations do not affect classification.
- The right to defer only exists if the entity complies with any relevant conditions at the reporting date. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date. A loan is classified as non current if a covenant is breached after the reporting date.
- “Settlement” is defined as the extinguishment of a liability with cash, other economic resources or an entity’s own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument.

As at 31 December 2021, the carrying amount of the convertible redeemable preferred shares was approximately RMB3,224,447,000. The Group classified these liabilities as current or non-current based on the earliest date in which the Group has the obligation to redeem these liabilities through cash settlement which is beyond twelve months from 31 December 2021. Accordingly, the Group classified these liabilities as non-current.

Upon the application of the amendments, in addition to the obligation to redeem through cash settlement, the transfer of equity instruments upon the exercise of the conversion options that do not meet equity instruments classification by applying IAS 32 also constitute settlement of these liabilities. Given that the conversion options are exercisable at the holders’ discretions, these liabilities would be reclassified to current liabilities as the holders have the option to convert within twelve months.

## 2.2 Principles of consolidation

### (a) Subsidiaries

Subsidiaries are all entities (including Structured Entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (Note 2.3).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) *Subsidiaries controlled through Contractual Arrangements*

In order to comply with the PRC laws and regulations which prohibit or restrict foreign control of companies involved in provision of internet content and other restricted businesses, the Group operates its business operations within these areas in the PRC through certain PRC operating entities, whose equity interests are held by certain management members of the Group (“**Nominee Shareholders**”). The Group signed Contractual Arrangements with the PRC operating entities. The Contractual Arrangements include exclusive management services and business cooperation agreement, exclusive option agreements, equity pledge agreements, powers of attorney and spousal consents letters, which enable the Group to:

- govern the financial and operating policies of the PRC operating entities;
- exercise equity holder voting rights of the PRC operating entities;
- receive substantially all of the economic interest returns generated by the PRC operating entities in consideration for the technical support, consulting and other services provided exclusively by the Tianjin WFOE or Hainan WFOE, at the Tianjin WFOE or Hainan WFOE’s discretion;
- obtain an irrevocable and exclusive right to purchase part or all of the equity interests in the PRC operating entities at any time and from time to time, at the minimum consideration permitted by the relevant law in China at the time of transfer; and
- obtain a pledge over all of its equity interests from its respective Nominee Shareholders as collateral for all of the PRC entities’ payments due to the Group to secure performance of entities’ obligation under the Contractual Arrangements.

Accordingly, the Group has rights to control these entities. As a result, they are presented as entities controlled by the Group.

(c) *Joint arrangements*

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint ventures. Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated balance sheets.

(d) *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.9.

### 2.3 *Business combinations*

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

### 2.4 *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

## 2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the “CODM”), who is responsible for allocating resources and assessing performance of the operating segments and making strategic decisions.

## 2.6 Foreign currency translation

### (a) Functional and presentation currency

Items included in the financial information of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company is US\$. The Group determined to present its Historical Financial Information in Renminbi (“RMB”).

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

### (c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheets presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statements of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### (d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group’s entire interest in a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

## 2.7 *Property, plant and equipment*

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Leasehold improvements	Over the lease term or 3-5 years, whichever is shorter
Office furniture	3-5 years
Vehicle	3-5 years
Equipment	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## 2.8 *Goodwill and intangible assets*

### (i) *Goodwill*

Goodwill is measured as described in Note 2.3. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses, if any. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 17(a)).

### (ii) *Brand name*

Brand name acquired in a business combination are recognised at fair value on acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, if any.

### (iii) *Other intangible assets*

Other intangible assets include service platform, customer relationship and computer software. They are initially recognised and measured at cost or fair value for intangible assets acquired through business combination. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, if any.

(iv) *Amortisation methods and periods*

The Group amortises these intangible assets with a limited useful life using the straight-line method over the following periods:

Computer software	3-10 years
Service platform	3 years
Brand name	10 years
Customer relationship	6 years

When determining the length of useful lives of these intangible assets, management take into account the (i) estimated period during which such asset can bring economic benefits to the Group; and (ii) the useful life estimated by comparable companies in the market. The useful lives of computer software and service platform are estimated based on the expected period of usage and economic benefits brought by the computer software and service platform, and is usually consistent with the time intervals of technological obsolescence or the licensing agreement. The useful life of brand name is estimated based on the shorter of legal registered period and the period over which the brand name is expected to generate economic benefit from the commercialization of the branded services. The useful life of customer relationship is estimated based on expected cooperation period with the enterprise customers.

(v) *Research and development*

Research expenditure and development expenditure that do not meet the following criteria are recognised as an expense as incurred:

- it is technically feasible to complete the intangible asset so that it will be available for use,
- management intends to complete the software and use or sell it,
- there is an ability to use or sell intangible asset,
- it can be demonstrated how the intangible asset will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

## 2.9 *Impairment of non-financial assets*

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.10 *Discontinued operation*

A discontinued operation is a component of the entity that has been abandoned, disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statements of comprehensive income.

### 2.11 *Investments and other financial assets*

#### (a) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (“FVOCI”).

The Group reclassifies debt investments only when its business model for managing those assets changes.

#### (b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### (c) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss (“FVPL”) are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

#### Debt instruments

Subsequent measurement of debt instruments depend on the Group’s business model for managing the asset and the contractual cash flow characteristics of the asset. There are three categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as and measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in “other losses, net” together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of comprehensive income.



- FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are classified as and measured at FVOCI. Movements in the carrying amount of these financial assets are taken through other comprehensive income, except for the recognition of impairment losses or reversals, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "other losses, net" in the consolidated statements of comprehensive income. Interest income from these financial assets is recognised using the effective interest rate method. Foreign exchange gains and losses are presented in "other losses, net" and impairment loss are presented as separate line item in the consolidated statements of comprehensive income.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are classified as and measured at FVPL. A gain or loss on a debt investment measured at fair value through profit or loss which is not part of a hedging relationship is recognised in profit or loss and presented in "other losses, net" for the period in which it arises.

*(d) Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised since initial recognition.

For other financial assets, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

## **2.12 Financial liabilities**

*(a) Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or financial liabilities at fair value through profit or loss, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs. When the fair value of financial liabilities differs from the transaction price on initial recognition, the Group recognises the difference as follows unless the difference arisen from the transactions with equity holders or fall into the scope of IFRS 2 – Share-based Payment:

- a. When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (that is, a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- b. In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

(b) *Subsequent measurement*

*Financial liabilities at amortised cost*

After initial recognition, financial liabilities at amortised cost are measured using the effective interest method unless the effect of discounting would be insignificant, in which case they are stated at cost.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statements of comprehensive income.

*Financial liabilities at fair value through profit or loss*

The Group designated convertible redeemable preferred shares and other financial instrument as disclosed in Note 30 as financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss is subsequently measured at fair value. Fair value changes relating to market risk are recognised in profit or loss, the component of fair value changes relating to the Group's own credit risk is recognised in other comprehensive income. Amounts recorded in other comprehensive income related to own credit risk are not subject to recycling in profit or loss, but are transferred to accumulated losses when realised.

(c) *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

### **2.13 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheets where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### **2.14 Accounts receivables**

Accounts receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Accounts receivables are generally due for settlement within one year and therefore are all classified as current.

Accounts receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the accounts receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 19 for further information about the Group's accounting for accounts receivables and Note 3.1(b) for a description of the Group's impairment policies.

### **2.15 Cash and cash equivalents and restricted cash**

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and licensed payment platforms that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash that is restricted from withdrawal, from use or from being pledged as security is reported separately on the consolidated balance sheets, and is not included in the total cash and cash equivalents in the consolidated statements of cash flows.

**2.16 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Convertible redeemable preferred shares are classified as financial liabilities, see Note 2.12 and Note 30(a).

**2.17 Accounts and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Accounts and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**2.18 Current and deferred income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

**(a) Current income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

**(b) Deferred income tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**2.19 Employee benefits****(a) Short-term obligation**

Liabilities for wages and salaries, including non-monetary benefits and annual leaves that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheets.

**(b) Post-employment obligations**

The Group operates various defined contribution pension plans. The defined contribution plan is a pension plan under which the Group pays contributions on a mandatory, contractual or voluntary basis into a separate fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The Group's contributions to the defined contribution plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plan prior to vesting fully in the contributions.

**(c) Employee leave entitlements**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

**2.20 Equity-settled share-based payments****(a) Equity-settled share-based compensation relating to 58 Daojia and GoGoVan Cayman**

Shared-based compensation to the Group's employees and consultants providing similar services as employee are granted under a share incentive plan of the holding companies, 58 Daojia and GoGoVan Cayman ("Investors' Incentive Plan"). Investors grant their share options to the Group's eligible employees and consultants. The Group has no obligation to settle the share-based payment transaction and measures the services received as an equity-settled share-based payment transaction. Investors' Incentive Plan is disclosed in Note 24.

In terms of the share options awarded to employees, the total amount to be expensed is determined by reference to the fair value of options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-marketing performance and service conditions are included in calculation of the number of share options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of share options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statements of comprehensive income, with a corresponding adjustment to equity.

In some circumstances, employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

*(b) Share-based awards relating to Daojia Limited*

The joint venture of 58 Daojia, Daojia Limited, operates a share-based compensation plans which cover certain employees of the Group. The Group has no obligation to settle the share-based payment transaction but also applies the principles of IFRS 2 “Share-based Payment” to measure the service received as an equity-settled share-based payment transaction.

*(c) Equity-settled share-based compensation relating to the Company*

The Group operates a 2021 Share Incentive Plan (the “2021 Share Incentive Plan”), under which it either (i) receives services from directors, employee and consultants providing similar services as employee in exchange for equity instruments of the Company or (ii) grants share options to other individuals under 58 Daojia or Daojia Limited. The fair value of options granted to directors, employee and consultants providing similar services as employee under the 2021 Share Incentive Plan is recognised as expenses over the requisite service period, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted on grant date:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. The fair value of options granted to other individuals under 58 Daojia or Daojia Limited where the Group has obligation to settle is recognised as a deemed distribution to shareholders over the vesting period with a corresponding increase in equity in accordance with IFRS 2.

*(d) Modification*

The Group may modify the terms and conditions on which share incentive awards were granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognised for the services received over the remaining of the vesting period.

*(e) Other share-based payments*

Cash-settled share-based payments transactions are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the financial instrument granted. The share-based payments is recognised as expenses in accordance with IFRS 2 “Share-based Payment” unless the goods or services qualify for recognition as assets.

## **2.21 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2.22 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods or services in the ordinary course of the Group's activities.

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified goods or services before that goods or services are transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified goods or services by another party. In this case, the Group does not control the specified goods or services provided by another party before that goods or services are transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Revenue is recognised when or as the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time.

Control of the goods or services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfer over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services. Specific criteria where revenue is recognised are described below.

When either party to a contract has performed, the Group presents the contract in the consolidated balance sheets as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

### (a) *Logistic services and platform services*

The Group provides logistic and delivery solutions services for customers who place logistic and delivery orders to the Group via multiple channels including the Group's platforms and other means. The Group has determined that it acts as a principal in these services as the Group is primarily responsible for the logistic and delivery solutions service which meet the service specification promised to customers. The Group identifies and directs logistic and delivery service providers to complete the orders. Also, the Group has full discretion in establishing fee rates for the services to customers. Revenues resulting from logistic and delivery solutions services are recognised over the period when the service is rendered on a gross basis while the net amounts paid to the logistic and delivery service providers are recorded in cost of revenue.

Meanwhile, the Group also provides platform services that facilitate matching logistic and delivery service providers with the logistic and delivery orders from transacting users. The Group has determined that it acts as an agent in the platform services. Upon the completion of a logistic and delivery order, the Group recognised the service income charged to the logistic and delivery service provider, who is regarded as the customer of platform services. The amount to be remitted to the logistic and delivery service provider from the cash payments made by transacting users net of the service income charged to logistic and delivery service provider, are recorded as payables to the logistic and delivery service provider. In case the Group charges a fixed amount to the logistic and delivery service providers for their use of platform over a certain period of time, the Group recognises the fixed amount on a straight-line basis over the usage period.

**(b) Value-added services**

Value-added services comprise primarily revenue generated from provision of fuel cards services, cargo compensation facilitation services and rental income (see Note 2.25). The Group determines it acts an intermediary to bring both parties together but not the primary contracting parties of these transactions. The Group recognises revenues on a net basis at point in time when the respective services are rendered.

**(c) Incentives**

The Group provides various types of incentives to transacting users and logistic and delivery service providers, including discounted coupons, direct payment deduction and discounts on services. The major accounting policy for incentives is described as follows.

**(i) Incentives to customers**

The Group records such incentives as deduction of revenue, to the extent of the revenue collected from the customers.

**(ii) Incentives to transacting users from platform services**

If substantial services to transacting users are provided by the third parties, the incentives at the Group's discretion in order to increase the number of logistic and delivery orders on the platform are recorded as selling and marketing expenses.

**(iii) Incentives to service providers of logistic and delivery services**

In circumstance where the Group is responsible for the logistic and delivery solutions service, the incentive to logistic and delivery service provider is recognised as cost of revenue as it is part of the Group's fulfilment costs for completion of the performance obligation.

**(d) Variable consideration**

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the most likely amount.

The estimated amount of variable consideration is included in the transaction price only to the extent that is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

When there is change in circumstances, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to better predict the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

**(e) Practical expedients and exemptions**

The transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all of the Group's contracts have a duration of 1 year or less.

### 2.23 Interest income

Interest income is presented within "finance income/(costs), net" when it is earned from financial assets that are held for cash management purposes.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### 2.24 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statements of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

### 2.25 Leases

#### *The Group as lessee*

The Group assesses whether a contract is or contains a lease at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, and payments for these leases are presented in the consolidated statements of cash flows from operating activities.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate specific to the lease, e.g. country, term, security and currency of the contract. In addition, the Group considers its recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating the incremental borrowing rates.

Lease payments include fixed payments, less any lease incentives, variable lease payments that depend on an index or a rate known at the commencement date, and purchase options or extension option payments if the Group is reasonably certain to exercise these options. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and right-of-use asset and are recognised as an expense in the profit or loss in the period in which the event or condition that triggers those payments occurs.

A lease liability is remeasured upon a change in the lease term, changes in an index or rate used to determine the lease payments or reassessment of exercise of a purchase option. The corresponding adjustment is made to the related right-of-use asset. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated starting at the commencement date over the shorter period of useful life of the underlying asset and lease term. The lease liability is presented in the 'Lease liabilities' line and the right-of-use assets are presented in the 'Right-of-use assets' line in the consolidated balance sheets. In addition, the principal portion of the lease payments and the interest component are presented within financing activities in the consolidated statements of cash flows.

#### *The Group as lessor*

Rental income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.



## 2.26 Dividends distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 2.27 Loss per share

### (a) *Basic loss per share*

Basic loss per share is calculated by dividing:

- The loss attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares.
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

### (b) *Diluted loss per share*

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## 3 Financial risk management

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise the potential adverse effects on the financial performance of the Group. Risk management is carried out by the senior management of the Group.

#### (a) *Market risk*

##### (i) *Foreign exchange risk*

The Group operates in Asian countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US\$, Hong Kong Dollars ("HK\$") and Singapore dollars ("SGD"). Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective functional currency of the Group's subsidiaries. The Group currently does not hedge transactions undertaken in foreign currencies but manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures.

As at 31 December 2018, 2019, 2020 and 2021, the carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities presented in RMB are as follows:

	As at 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Assets</b>				
US\$	5,219	3,577	3	1,650
HK\$	36	35	33	–
RMB	–	5,473	5,486	52
SGD	–	2	–	4
	<u>5,255</u>	<u>9,087</u>	<u>5,522</u>	<u>1,706</u>

Management considers that the Group is not exposed to any significant foreign exchange rate risk as there are no significant financial assets or liabilities of the Group denominated in the currencies other than the respective functional currencies of the Group's entities. No sensitivity analysis is thus presented.

(ii) *Interest rate risk*

The Group's interest rate risk primarily arises from restricted cash, cash and cash equivalents and other borrowing. Restricted cash and cash and cash equivalents carried at floating rates expose the Group to cash flow interest rate risk whereas other borrowing carried at fixed rate exposes the Group to fair value interest rate risk.

As at 31 December 2018, 2019, 2020 and 2021, management considered that any reasonable changes in interest rate would not result in a significant impact on the Group's results and financial position, no sensitivity analysis is thus presented.

The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate movements.

(b) *Credit risk*

(i) *Risk management*

Credit risk arises from accounts receivables, deposits and other receivables, restricted cash and cash and cash equivalents. The carrying amount of each class of these financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

For cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions and licensed payment platforms. There has been no recent history of default in relation to these financial institutions and licensed payment platforms.

For accounts receivables, the Group has policies in place to ensure that transactions with credit terms are made to counterparties with an appropriate credit history. Management performs ongoing credit evaluations of its counterparties which the credit quality of these counterparties are assessed by taking into account their financial position, past experience and other factors.

For deposits and other receivables, management makes periodic assessment on the recoverability of deposits and other receivables based on historical settlement records and past experiences. In view of the history of cooperation with debtors and the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding deposits and other receivables balances due from them is low.

(ii) *Impairment of financial assets*

The Group has following types of financial assets that are subject to the expected credit loss model:

- Accounts receivables
- Deposits and other receivables
- Restricted cash
- Cash and cash equivalents

**Accounts receivables**

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all accounts receivables. To measure the expected credit losses, accounts receivables were grouped based on similar credit risk characteristics and collectively assessed to likelihood of recovery, taking into account the industries that the customer are operating in, their aging category and past collection history.

The expected loss rates were determined based on the historical default rates and were adjusted to reflect forward-looking information in the macroeconomic environment that may affect the ability of counterparties to settle the receivables. The Group has identified the Business Climate Index to be the most relevant factors, and adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2018, 2019, 2020 and 2021 were determined as follows for accounts receivables:

At 31 December 2018

	<b>0-30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>More than 90 days</b>	<b>Total</b>
Gross carrying amount (RMB'000)	34,750	20,049	6,171	20,617	81,587
Loss allowance (RMB'000)	(5,464)	(4,014)	(975)	(18,277)	(28,730)
Net carrying amount (RMB'000)	<u>29,286</u>	<u>16,035</u>	<u>5,196</u>	<u>2,340</u>	<u>52,857</u>
Expected loss rate	<u>16%</u>	<u>20%</u>	<u>16%</u>	<u>89%</u>	<u>35%</u>

At 31 December 2019

	<b>0-30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>More than 90 days</b>	<b>Total</b>
Gross carrying amount (RMB'000)	31,641	13,595	6,411	23,210	74,857
Loss allowance (RMB'000)	(1,351)	(1,109)	(716)	(18,600)	(21,776)
Net carrying amount (RMB'000)	<u>30,290</u>	<u>12,486</u>	<u>5,695</u>	<u>4,610</u>	<u>53,081</u>
Expected loss rate	<u>4%</u>	<u>8%</u>	<u>11%</u>	<u>80%</u>	<u>29%</u>

At 31 December 2020

	<u>0-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>More than 90 days</u>	<u>Total</u>
Gross carrying amount (RMB'000)	33,682	16,056	5,603	16,730	72,071
Loss allowance (RMB'000)	(1,157)	(1,077)	(373)	(15,769)	(18,376)
Net carrying amount (RMB'000)	<u>32,525</u>	<u>14,979</u>	<u>5,230</u>	<u>961</u>	<u>53,695</u>
Expected loss rate	<u>3%</u>	<u>7%</u>	<u>7%</u>	<u>94%</u>	<u>25%</u>

At 31 December 2021

	<u>0-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>More than 90 days</u>	<u>Total</u>
Gross carrying amount (RMB'000)	46,118	13,492	4,021	19,774	83,405
Loss allowance (RMB'000)	(1,063)	(590)	(134)	(16,386)	(18,173)
Net carrying amount (RMB'000)	<u>45,055</u>	<u>12,902</u>	<u>3,887</u>	<u>3,388</u>	<u>65,232</u>
Expected loss rate	<u>2%</u>	<u>4%</u>	<u>3%</u>	<u>83%</u>	<u>22%</u>

The loss allowances for accounts receivables as at 31 December 2018, 2019, 2020 and 2021 reconcile to the opening loss allowances is as follows:

	<u>Year ended 31 December</u>			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	7,711	28,730	21,776	18,376
Provision/(reversal of provision) for impairment of accounts receivables				
– from continuing operations	82,406	(4,798)	(3,204)	(50)
– from discontinued operation	–	–	2,600	–
Write-off of provision for impairment	(61,395)	(2,347)	(2,795)	(136)
Currency translation differences	8	191	(1)	(17)
At the end of the year	<u>28,730</u>	<u>21,776</u>	<u>18,376</u>	<u>18,173</u>

Accounts receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery, include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and indicators of financial difficulties. Impairment losses on accounts receivables are charged to profit or loss, and subsequent recoveries of amounts previously written off are credited against the same line item. During the year ended 31 December 2018, one of the customer was in significant financial difficulty. The related accounts receivables amounted to approximately RMB55,533,000 has been fully impaired and written off as management believed that these balances were irrecoverable.

#### Other financial assets at amortised cost

For deposits and other receivables deposits, cash and cash equivalents and restricted cash, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been significant increase in credit risk since initial recognition. Other financial assets that are not credit-impaired on initial recognition are classified in 'Stage 1' and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other financial asset has occurred since initial recognition, the financial asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'Stage 3' and the expected credit loss is measured as lifetime expected credit loss.

Management makes periodic assessments on these financial assets based on historical settlement records and past experience. As at 31 December 2018, 2019, 2020 and 2021, the loss allowance of approximately RMB743,000, RMB350,000, RMB1,559,000, RMB800,000 were recognised for other financial assets at amortised cost.

#### Net impairment losses on financial assets recognised in consolidated statements of comprehensive income

During the Track Record Period, the following losses/(reversals) were recognised in profit or loss in relation to impaired financial assets:

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Impairment losses/(reversal of) impairment losses on accounts receivables	82,406	(4,798)	(3,204)	(50)
Impairment losses/(reversal of) impairment losses on deposits and other receivables	743	(393)	1,209	–
Impairment losses/(reversal of) impairment losses on financial assets	83,149	(5,191)	(1,995)	(50)

*(c) Liquidity risk*

The Group intends to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate liquid assets including cash and cash equivalents or to retain adequate financing arrangements to meet the Group's liquidity requirements.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 31 December 2018</b>				
Accounts payables	38,180	–	–	38,180
Accruals and other payable (excluding non-financial liabilities)	383,147	–	–	383,147
Amounts due to related parties (Note 34(b))	116,566	–	–	116,566
Lease liabilities	5,437	2,673	897	9,007
	<u>543,330</u>	<u>2,673</u>	<u>897</u>	<u>546,900</u>
<b>As at 31 December 2019</b>				
Accounts payables	28,574	–	–	28,574
Accruals and other payable (excluding non-financial liabilities)	286,926	–	–	286,926
Amounts due to related parties (Note 34(b))	291,157	–	–	291,157
Lease liabilities	7,851	5,710	2,102	15,663
	<u>614,508</u>	<u>5,710</u>	<u>2,102</u>	<u>622,320</u>
<b>As at 31 December 2020</b>				
Accounts payables	31,391	–	–	31,391
Accruals and other payable (excluding non-financial liabilities)	255,512	–	–	255,512
Amounts due to related parties (Note 34(b))	309,697	–	–	309,697
Other borrowing	105,707	–	–	105,707
Lease liabilities	6,077	2,122	460	8,659
	<u>708,384</u>	<u>2,122</u>	<u>460</u>	<u>710,966</u>

	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 31 December 2021</b>				
Accounts payables	43,594	–	–	43,594
Accruals and other payable (excluding non-financial liabilities)	294,451	–	–	294,451
Lease liabilities	8,239	808	141	9,188
	<u>346,284</u>	<u>808</u>	<u>141</u>	<u>347,233</u>

Details of convertible redeemable preferred shares and other financial liabilities at fair value through profit or loss are presented in Note 30.

### 3.2 Capital risk management

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern and support the sustainable growth of the Group in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long term.

The Group monitors capital (including share capital, share premium and preferred shares on an as-if-converted basis) by regularly reviewing the capital structure. As part of this review, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

As at 31 December 2018, 2019, 2020 and 2021, the directors of the Company consider that the capital risk of the Group is minimal as the Group's capital structure is mainly financed by interest-bearing borrowing from a related party, convertible redeemable preferred shares and other financial liabilities at fair value through profit or loss during the Track Record Period.

### 3.3 Fair value estimation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial liabilities that are measured at fair value as at 31 December 2018, 2019, 2020 and 2021:

	<b>Level 3</b>
	<i>RMB'000</i>
<b>As at 31 December 2018</b>	
<b>Financial liabilities</b>	
CRPS ( <i>Note 30</i> )	1,596,491
Other financial liabilities at fair value through profit or loss ( <i>Note 30</i> )	276,338
	<u>1,872,829</u>
<b>As at 31 December 2019</b>	
<b>Financial liabilities</b>	
CRPS ( <i>Note 30</i> )	1,745,775
Other financial liabilities at fair value through profit or loss ( <i>Note 30</i> )	171,300
	<u>1,917,075</u>
<b>As at 31 December 2020</b>	
<b>Financial liabilities</b>	
CRPS ( <i>Note 30</i> )	1,960,399
Other financial liabilities at fair value through profit or loss ( <i>Note 30</i> )	228,473
	<u>2,188,872</u>
<b>As at 31 December 2021</b>	
<b>Financial liabilities</b>	
CRPS ( <i>Note 30</i> )	<u>3,224,447</u>

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the Track Record Period.

*(a) Financial instruments in Level 3*

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The valuation of the level 3 instruments included convertible redeemable preferred shares, warrant and convertible notes that are not traded in an active market.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments,
- discounted cash flow analysis, and
- A combination of observable and unobservable inputs, including discount rate, risk-free interest rate, discount for lack of marketability ("DLOM"), and expected volatility, etc.

Details of the movements and significant observable inputs used in the level 3 financial instruments are set out in Note 30(d).



**(b) Financial instruments at amortised cost**

The carrying amounts of the Group's financial assets measured at amortised costs, including accounts receivables, deposits and other receivables, cash and cash equivalents and restricted cash and the Group's financial liabilities measured at amortised costs, including accounts payables, accruals and other payables, amounts due to related parties and other borrowing, and lease liabilities approximate their fair values due to their short maturities or the interest rates are close to the market interest rates.

**4 Critical accounting estimates and judgments**

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

**(a) Impairment of non-financial assets**

Goodwill is tested annually for impairment or more frequently if events or change in circumstances indicate that it might be impaired while non-financial assets included property, plant and equipment, intangible assets and other non-financial assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates.

Significant judgements and assumptions are required in the impairment assessment particularly in assessing: (i) whether an event has occurred that may indicate that the related assets may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and value-in-use; (iii) the selection of the most appropriate valuation techniques; and (iv) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the recoverable amount used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and future cash flow projections, it may be necessary to take an impairment charge to the consolidated statements of comprehensive income.

**(b) Fair value measurement of financial liabilities at fair value through profit or loss**

The fair values of the Group's CRPS and other financial liabilities at fair value through profit or loss, which are not traded in an active market, are determined by using valuation techniques. Significant judgements and assumptions are exercised by management in selecting valuation models and unobservable inputs at the end of each reporting periods. Changing the key assumptions used by management could materially affect the fair value of these financial liabilities and as a result affect the Group's financial position and results of operation. Details of the valuation models, key assumptions and inputs are disclosed in Note 30.

**(c) Consolidation of Structured Entities through contractual arrangements**

As disclosed in Note 2.2(b), the Group exercises control over certain Structured Entities and has the right to recognise and receive substantially all the economic benefits from them through the Contractual Arrangements. Management considers that the Group controls these Structured Entities notwithstanding that it does not have direct or indirect legal ownership in equity of these entities as the Group has power over the financial and operating policies of these entities and receives substantially all the economic returns generated from the business activities of these entities through these Contractual Arrangements. Accordingly, all these Structured Entities are accounted for as controlled Structured Entities and their financial statements have also been consolidated by the Company throughout the Track Record Period.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the Structured Entities. Uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the Structured Entities. Significant judgement is involved in determining whether the Group is able to control these entities through these Contractual Arrangements. Management, after taking into account of the advice from its external legal advisors, considered that the Contractual Arrangements entered by the Group are in compliance with the relevant PRC laws and regulations and are therefore legally binding and enforceable.

**(d) Principal versus agent considerations**

Determining whether the Group is acting as a principal or as an agent in the provision of certain services to its customers requires judgement and consideration of all relevant facts and circumstances. In evaluation of the Group's role as a principal or agent, the Group considers, individually or in combination, whether the Group (i) controls the service provided to the customer, (ii) is primarily responsible for fulfilling the contract, and (iii) has discretion in establishing prices.

The Group determined it acts a principal in logistic services as the Group is primarily responsible for the logistic services and regards the transacting users who place the logistic and delivery orders via platforms or other means as customers.

Meanwhile, the Group determined it acts an agent in platform services as the Group facilitates matching logistic and delivery orders service providers with the logistic and delivery orders from the transacting users. The Group has charged service income to the logistic and delivery service providers for their use of platform. But the Group has no performance obligation to these transacting users and their access and use the platform is free of charge. Accordingly, the Group regards the logistic and delivery service providers as customers but not for transacting users in platform services.

**(e) Share-based compensation**

The Group measures the cost of share-based payments transactions with employees and consultants providing similar services as employee to the Group and other share-based compensation with reference to the fair value of the instruments at grant date or the date when services are rendered, whichever appropriate. Significant estimates and assumptions are involved in the determination of the fair value of financial instruments, which include the use of the most appropriate valuation model and inputs based on the terms and conditions of the grant. The assumptions and models used for the share-based payments are disclosed in Note 24.

**(f) Income taxes**

The Group is subject to income taxes in the PRC and other jurisdictions. Significant judgement is required in determining the provision for income taxes in each of these jurisdictions. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provision in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

**5 Segment reporting**

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

The CODM assesses the performance of the operating segments mainly based on revenue of each operating segment. Thus, segment result would present revenues for each segment only, which is in line with the CODM's performance review. There were no material inter-segment revenue during the Track Record Period.

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

	Year ended 31 December											
	2018			2019			2020			2021		
	PRC operations RMB'000	Hong Kong and overseas operations RMB'000	Total operations RMB'000	PRC operations RMB'000	Hong Kong and overseas operations RMB'000	Total operations RMB'000	PRC operations RMB'000	Hong Kong and overseas operations RMB'000	Total operations RMB'000	PRC operations RMB'000	Hong Kong and overseas operations RMB'000	Total operations RMB'000
<b>Continuing operations</b>												
Revenue:												
Logistics services provided to enterprise customers	187,853	91,158	279,011	142,960	148,827	291,787	90,343	198,918	289,261	123,359	249,447	372,806
Service income from logistics services platforms	143,371	24,996	168,367	198,068	39,960	238,028	184,093	41,502	225,595	210,803	47,342	258,145
Value-added services (Note)	1,735	4,032	5,767	13,225	5,417	18,642	5,959	9,594	15,553	9,398	20,508	29,906
	332,959	120,186	453,145	354,253	194,204	548,457	280,395	250,014	530,409	343,560	317,297	660,857
Timing of revenue recognition for revenue from contracts with customers:												
Over time	187,853	92,490	280,343	144,062	150,420	294,482	182,629	200,332	382,961	175,883	251,429	427,312
A point in time	145,094	27,696	172,790	199,386	43,784	243,170	97,744	49,682	147,426	167,677	65,868	233,545
Total	332,947	120,186	453,133	343,448	194,204	537,652	280,373	250,014	530,387	343,560	317,297	660,857

Note: The value-added services included rental income from vehicle rental business amounted to approximately RMB12,000, RMB10,805,000, RMB22,000 and nil for the years ended 31 December 2018, 2019, 2020 and 2021, respectively.

Value-added services also included provision of fuel card services with the gross merchandise volume of approximately RMB46,216,000, RMB68,549,000, RMB74,610,000 and RMB91,777,000 for the years ended 31 December 2018, 2019, 2020 and 2021, respectively.

**(a) Geographical information**

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

	Year ended 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
The PRC	332,959	354,253	280,395	343,560
Hong Kong	79,264	120,826	148,346	173,331
Singapore	28,597	39,447	52,760	56,915
Korea	10,585	31,067	44,858	81,890
Other countries	1,740	2,864	4,050	5,161
	<u>453,145</u>	<u>548,457</u>	<u>530,409</u>	<u>660,857</u>

Information about the Group's non-current assets (excluding financial assets) which is presented based on geographical location of the assets, is as follows:

	As at 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Continuing operations</b>				
The PRC	817,194	800,194	784,294	781,071
Hong Kong	370,487	380,561	343,891	319,672
Singapore	170	198	323	699
Korea	2,042	3,004	2,302	2,332
Other countries	32	7,165	734	521
<b>Discontinued operation</b>				
Taiwan	2,950	2,463	–	–
	<u>1,192,875</u>	<u>1,193,585</u>	<u>1,131,544</u>	<u>1,104,295</u>

**(b) Information about major customers**

No revenue from services provided to a single customer accounted for 10% or more of total revenue of the Group during the Track Record Period.

**6 Other income**

	Year ended 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Continuing operations</b>				
Government subsidies ( <i>Note</i> )	5,567	3,435	10,825	4,163
	<u>5,567</u>	<u>3,435</u>	<u>10,825</u>	<u>4,163</u>

*Note:* Government subsidies mainly consisted of financial subsidies with no conditions attached granted by the local governments. During the year ended 31 December 2020, the financial subsidies of RMB8,485,000 in respect of the anti-epidemic fund granted by the Government of Hong Kong Special Administrative Region for which the conditions of the grants have been fully satisfied as at the end of the year.

## 7 Other losses, net

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Continuing operations</b>				
Net foreign exchange (losses)/gains	(389)	(2,981)	3,437	(1,701)
Others	(434)	(794)	(3,617)	(1,724)
	(823)	(3,775)	(180)	(3,425)

## 8 Expenses by nature

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Continuing operations</b>				
Auditor's remuneration				
– Audit services	1,366	1,365	380	485
– Non-audit services	–	–	–	–
Depreciation and amortisation	29,292	35,950	33,992	29,457
Employee benefit expenses (including share-based compensation) (Note 9)	401,342	316,679	223,406	210,553
Incentives to transacting users from platform services	98,140	38,048	27,486	166,520
Listing expenses	–	–	–	33,812
Management services fee charged by entities controlled by 58 Daojia (Note 34(a))	151,789	109,048	50,571	3,449
Other share-based compensation (Note 24(b))	33,018	–	–	–
Payment processing costs	11,973	11,951	8,104	8,084
Professional service costs	27,791	22,681	28,730	29,788
Promotion and advertising	191,539	82,495	47,230	49,392
Recruitment costs	5,565	1,330	1,934	2,447
Service charges	6,639	7,008	5,106	20,457
Short term lease expenses	7,573	18,332	3,942	5,095
Subcontracting fee				
– logistics services providers	268,463	272,037	261,128	309,708
– others	–	–	2,914	62,217
Travelling expenses	7,393	6,384	2,979	4,034
Others	33,324	30,851	30,712	40,177
Total cost of revenue, selling and marketing expenses, research and development expenses and general and administrative expenses	1,275,207	954,159	728,614	975,675

## 9 Employee Benefit Expenses

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Continuing operations</b>				
Salaries and bonuses	242,498	242,793	190,014	176,955
Welfare and other employee benefits	73,613	58,932	24,679	31,473
Share-based compensation ( <i>Note 24</i> )	85,231	14,954	8,713	2,125
	<u>401,342</u>	<u>316,679</u>	<u>223,406</u>	<u>210,553</u>

The subsidiaries in the PRC participate in employee social security plans established in the PRC, which cover pension, medical and other welfare benefits. The plans are organised and administered by the governmental authorities. Except for the contributions made to these social security plans, the Group has no other material commitments owing to the employees. According to the relevant regulations, the portion of premium and welfare benefit contributions that should be borne by the companies within the Group as required by the above social security plans are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings imposed. These contributions are paid to the respective labour and social welfare authorities and are expensed as incurred.

## (a) Pensions-defined contribution plans

No forfeited contributions were available to reduce the contributions payable in future years at the end of each reporting periods.

As at 31 December 2018, 2019, 2020 and 2021, contributions of approximately RMB28,799,000, RMB37,340,000, RMB39,471,000 and RMB42,509,000 were payable, respectively.

## (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the years ended 31 December 2018, 2019, 2020 and 2021 include 1, nil, nil and nil director, respectively, whose emolument is reflected in the analysis presented in Note 10. The emoluments paid and payable to the remaining 4, 5, 5 and 5 individuals during the years ended 31 December 2018, 2019, 2020 and 2021 are as follows:

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Salaries and bonuses	2,754	5,925	6,144	7,347
Welfare and other employee benefits	132	166	223	2,196
Share-based compensation	49,289	10,069	1,748	26
	<u>52,175</u>	<u>16,160</u>	<u>8,115</u>	<u>9,569</u>

The emoluments fell within the following bands:

	Number of individuals			
	Year ended 31 December			
	2018	2019	2020	2021
HK\$1,000,001 to HK\$1,500,000	–	–	1	1
HK\$1,500,001 to HK\$2,000,000	1	–	3	1
HK\$2,000,001 to HK\$2,500,000	–	1	–	1
HK\$2,500,001 to HK\$3,000,000	–	1	1	1
HK\$3,000,001 to HK\$3,500,000	–	2	–	–
HK\$3,500,001 to HK\$4,000,000	–	–	–	1
HK\$6,500,001 to HK\$7,000,000	–	1	–	–
HK\$20,000,001 to HK\$20,500,000	3	–	–	–
	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>

Employee benefit expenses were charged to the consolidated statements of comprehensive income as follows:

	Year ended 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Continuing operations</b>				
Cost of revenue	24,673	40,001	30,838	20,832
Selling and marketing expenses	183,210	136,429	95,290	68,186
General and administrative expenses	120,336	78,250	64,425	88,693
Research and development expenses	73,123	61,999	32,853	32,842
	<u>401,342</u>	<u>316,679</u>	<u>223,406</u>	<u>210,553</u>

## 10 Benefits and interests of directors

The remuneration of every director and chief executive during the Track Record Period is set out below:

For the year ended 31 December 2018:

Name	Emoluments paid or receivable in respect of a person's services as a director, whether of the company or its subsidiary undertaking					
	Fees	Salary and bonus	Allowances and benefit in kinds	Employer's contribution to a retirement benefit scheme	Equity- settled share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Chen Xiaohua (note i)	-	-	-	-	-	-
Mr. Lam Hoi Yuen (note ii)	-	987	132	13	16,226	17,358
Mr. Liu Zheng (note iii)	-	-	-	-	-	-
Mr. Yao Jinbo (note ii)	-	-	-	-	-	-
Mr. Zhang Feiyan (note iii)	-	-	-	-	-	-
Mr. Zhao Fu (note iii)	-	-	-	-	-	-
	-	987	132	13	16,226	17,358

For the year ended 31 December 2019:

Name	Emoluments paid or receivable in respect of a person's services as a director, whether of the company or its subsidiary undertaking					
	Fees	Salary and bonus	Allowances and benefit in kinds	Employer's contribution to a retirement benefit scheme	Equity- settled share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Chen Xiaohua	-	-	-	-	-	-
Mr. Lam Hoi Yuen	-	1,069	135	16	-	1,220
Mr. Liu Zheng	-	-	-	-	-	-
Mr. Yao Jinbo	-	-	-	-	-	-
Mr. Zhang Feiyan	-	-	-	-	-	-
Mr. Zhao Fu	-	-	-	-	-	-
	-	1,069	135	16	-	1,220



For the year ended 31 December 2020:

**Emoluments paid or receivable in respect of a person's services as a director,  
whether of the company or its subsidiary undertaking**

Name	Fees	Salary and bonus	Allowances and benefit in kinds	Employer's contribution to a retirement benefit scheme	Equity- settled share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Chen Xiaohua	-	-	-	-	-	-
Mr. Lam Hoi Yuen	-	934	133	13	-	1,080
Mr. Liu Zheng	-	-	-	-	-	-
Mr. Yao Jinbo	-	-	-	-	-	-
Mr. Zhang Feiyan (note v)	-	-	-	-	-	-
Mr. Zhao Fu	-	-	-	-	-	-
Mr. Shuai Yong (note iv)	-	-	-	-	-	-
	-	934	133	13	-	1,080

For the year ended 31 December 2021:

**Emoluments paid or receivable in respect of a person's services as a director,  
whether of the company or its subsidiary undertaking**

Name	Fees	Salary and bonus	Allowances and benefit in kinds	Employer's contribution to a retirement benefit scheme	Equity- settled share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Chen Xiaohua	-	-	-	-	-	-
Mr. Lam Hoi Yuen	-	1,046	126	15	-	1,187
Mr. Liu Zheng (note vii)	-	-	-	-	-	-
Mr. Yao Jinbo (note vi)	-	-	-	-	-	-
Mr. Zhao Fu (note vii)	-	-	-	-	-	-
Mr. Shuai Yong	-	-	-	-	-	-
Mr. He Song (note viii)	-	319	25	21	-	365
Mr. Hu Gang (Note viii)	-	265	25	21	-	311
Mr. Leung Ming Shu (note ix)	-	-	-	-	-	-
Mr. Ye Wei (note ix)	-	-	-	-	-	-
Mr. Wang Ye (note x)	-	-	-	-	-	-
	-	1,630	176	57	-	1,863

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*Notes:*

- (i) Appointed as director since 8 June 2017.
- (ii) Appointed as director since 29 August 2017.
- (iii) Appointed as director since 7 August 2018.
- (iv) Appointed as non-executive director since 2 September 2020.
- (v) Resigned as director since 2 September 2020.
- (vi) Resigned as director since 21 July 2021.
- (vii) Resigned as director since 23 August 2021.
- (viii) Appointed as executive director since 21 July 2021.
- (ix) Appointed as non-executive director since 21 July 2021.
- (x) Appointed as non-executive director since 23 August 2021.

Mr. Chen Xiaohua and Mr. Lam Hoi Yuen have been re-designed as “executive directors” since 13 August 2021. Mr. Chen Xiaohua is also the chairman of the board.

Mr Kwan Ming Seng Savio, Mr. Ni Zhengdong, Mr. Tang Shun Lam and Mr. Zhao Hongqiang have been appointed as independent non-executive director since 13 August 2021 (effective from the listing date).

**(a) Directors’ retirement or termination benefits**

None of the directors received or will receive any retirement or termination benefits during the Track Record Period.

**(b) Consideration provided to third parties for making available directors’ services**

During the Track Record Period, the Company did not pay consideration to any third parties for making available directors’ services.

**(c) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors**

During the year ended 31 December 2019, the Group made a cash advance of RMB580,000 to Mr. Lam Hoi Yuen, a director of the Company. The amount was unsecured, interest-free and was repayable on demand. The amount had been fully settled on 23 August 2021.

Other than the above balance and the balances disclosed in Note 34, there are no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors.

**(d) Directors’ material interests in transactions, arrangements or contracts**

During the year ended 31 December 2019, the Group entered into a leasehold improvement contract of HK\$5,174,000 (approximately RMB4,534,000) with Art Contractor Designs Co. Limited which the father of Mr. Lam Hoi Yuen, a director of the Company, is the shareholder. No other significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director of the Company had a material interest whether directly or indirectly, subsisted at the end of the Track Record Period or at any time during the Track Record Period.

**11 Finance income/(costs), net**

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Continuing operations</b>				
Finance income:				
Interest income from bank deposit	2,996	3,196	4,186	2,739
Finance costs:				
Interest expense on lease liabilities	(292)	(692)	(535)	(347)
Interest expense on other borrowing	–	–	(7,317)	(1,353)
Total finance cost	(292)	(692)	(7,852)	(1,700)
Finance income/(cost), net	2,704	2,504	(3,666)	1,039

**12 Income tax (credit)/expenses**

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

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Continuing operations</b>				
Current income tax	1	8,609	4,967	4,183
Deferred income tax (Note 29)	(5,040)	(4,991)	(4,507)	(3,924)
	(5,039)	3,618	460	259

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

The income tax provision of the Group in respect of its operations in mainland China was calculated at a tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretations and practices in respect thereof. The PRC income tax rate of all PRC subsidiaries during the track record period was 25% on their taxable profits.

According to the relevant laws and regulations promulgated by the State Council of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (“Super Deduction”). The State Taxation Administration of the PRC announced in September 2018 that enterprises engaging in research and development activities would be entitled to claim 175% of their research and development expenses as Super Deduction. For the year ended 31 December 2021, the Group decided not to claim the Super Deduction for the eligible group entity.

**(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 the Track Record Period.

**(c) Other countries**

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

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

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

The income tax expenses for the year can be reconciled to the loss before tax from continuing operations per the consolidated statements of comprehensive income as follows:

	<b>Year ended 31 December</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss from continuing operations before income tax	(1,066,411)	(170,374)	(653,311)	(872,576)
Tax calculated at domestic rates applicable in the jurisdiction concerned	(179,538)	(81,885)	(32,806)	(61,502)
Expenses not deductible for tax purposes	64,217	16,423	2,692	44,502
Income not subject to tax	(33)	(151)	(1,790)	(147)
Super deduction for research and development expenses	–	(10,032)	(5,930)	–
Other temporary differences not recognised	41,595	(9,281)	(8,705)	(6,730)
Utilisation of previously unrecognised tax losses	–	(928)	(769)	(704)
Tax losses not recognised	68,720	89,472	47,768	24,840
Income tax (credit)/expenses	<u>(5,039)</u>	<u>3,618</u>	<u>460</u>	<u>259</u>

For the years ended 31 December 2018, 2019, 2020 and 2021, the weighted average applicable tax rate were 16.8%, 48.1%, 5.0% and 7.0%, respectively. The change in weighted average applicable tax rate was mainly caused by a change in mix of profits earned or losses incurred by the group entities.

**13 Loss per share****(a) Basic loss per share**

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

	<u>Year ended 31 December</u>			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Loss attributable to the equity holders of the Company used in calculating basic loss per share:				
– From continuing operations (in RMB'000)	(1,061,372)	(173,992)	(653,771)	(872,835)
– From discontinued operation (in RMB'000)	<u>(9,564)</u>	<u>(9,853)</u>	<u>(4,455)</u>	<u>(19)</u>
	(1,070,936)	(183,845)	(658,226)	(872,854)
Weighted average number of ordinary shares outstanding (in thousands of shares) ( <i>Note</i> )	<u>408,685</u>	<u>421,565</u>	<u>421,565</u>	<u>403,342</u>
Basic loss per share				
– From continuing operations (in RMB)	(2.60)	(0.41)	(1.55)	(2.16)
– From discontinued operation (in RMB)	<u>(0.02)</u>	<u>(0.02)</u>	<u>(0.01)</u>	<u>–</u>
	<u>(2.62)</u>	<u>(0.43)</u>	<u>(1.56)</u>	<u>(2.16)</u>

*Note:* The new shares of the Company issued on 7 August 2018 and the surrendered shares of the Company cancelled on 18 August 2021 were accounted at time portion basis.

**(b) Diluted loss per share**

During the Track Record Period, the Company had dilutive potential ordinary shares included convertible redeemable preferred shares, warrants and convertible notes (Note 30).

As the Group incurred losses for the Track Record Period, the potential ordinary shares were not included in the calculation of dilutive losses per share, which would be anti-dilutive. Accordingly, dilutive losses per share for the Track Record Period was same as the basic loss per share for the respective years.

**14 Dividends**

No dividends have been paid or declared by the Company and its subsidiaries during the Track Record Period.

## 15 Leases

This note provides information for leases where the Group is a lessee.

## (a) Amounts recognised in the consolidated balance sheets

Right-of-use assets	Leased premises
	<i>RMB'000</i>
At 1 January 2018	
Cost	3,160
Accumulated depreciation	–
	3,160
Net book amount	3,160
Year ended 31 December 2018	
Opening net book amount	3,160
Addition	9,405
Depreciation charge	
– from continuing operations	(4,094)
– from discontinued operation	(432)
Exchange difference	132
	8,171
Closing net book amount	8,171
At 31 December 2018	
Cost	12,799
Accumulated depreciation	(4,628)
	8,171
Net book amount	8,171
Year ended 31 December 2019	
Opening net book amount	8,171
Addition	14,772
Depreciation charge	
– from continuing operations	(7,356)
– from discontinued operation	(1,022)
Remeasurement ( <i>Note</i> )	(90)
Exchange difference	82
	14,557
Closing net book amount	14,557
At 31 December 2019	
Cost	27,644
Accumulated depreciation	(13,087)
	14,557
Net book amount	14,557
Year ended 31 December 2020	
Opening net book amount	14,557
Addition	2,154
Depreciation charge	
– from continuing operations	(6,617)
– from discontinued operation	(375)
Remeasurement ( <i>Note</i> )	(1,546)
Exchange difference	(413)
	7,760
Closing net book amount	7,760

<u>Right-of-use assets</u>	<u>Leased premises</u>
	<i>RMB'000</i>
At 31 December 2020	
Cost	27,265
Accumulated depreciation	(19,505)
Net book amount	<u>7,760</u>
Year ended 31 December 2021	
Opening net book amount	7,760
Addition	8,751
Depreciation charge	
– from continuing operations	(7,278)
– from discontinued operation	–
Remeasurement ( <i>Note</i> )	(547)
Exchange difference	(219)
Closing net book amount	<u>8,467</u>
At 31 December 2021	
Cost	25,904
Accumulated depreciation	(17,437)
Net book amount	<u>8,467</u>

*Note:* The amount represents the remeasurement of carrying amount to reflect lease modification or early termination.

The right-of-use assets represent the Group's rights to use underlying leased office under lease arrangements over the lease terms from 13 months to 5 years. They are stated at cost less accumulated depreciation and accumulated impairment losses.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

<u>Lease liabilities</u>	<u>As at 31 December</u>			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current portion	5,095	7,303	5,609	7,968
Non-current portion	3,176	7,553	2,421	907
	<u>8,271</u>	<u>14,856</u>	<u>8,030</u>	<u>8,875</u>

The total cash outflow for leases during the year ended 31 December 2018, 2019, 2020 and 2021 was approximately RMB12,345,000, RMB27,300,000, RMB11,450,000 and RMB12,918,000, respectively.

**(b) Amounts recognised in the consolidated statements of comprehensive income**

The interest rate of each lease contracts is fixed at its contract date, and the weighted average interest rate of leases liabilities ranged from 1.42% to 4.9% throughout the Track Record Period.

During the Track Record Period, the consolidated statements of comprehensive income show the following amounts relating to leases:

	<b>Year ended 31 December</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Depreciation of right-of-use assets from continuing operations</b>				
Cost of sales	–	–	–	325
Selling and marketing expenses	1,587	2,837	2,102	3,131
General and administrative expenses	2,507	4,519	4,515	3,598
Research and development expenses	–	–	–	224
	<u>4,094</u>	<u>7,356</u>	<u>6,617</u>	<u>7,278</u>
Interest expense from continuing operations (included in finance cost)	<u>292</u>	<u>692</u>	<u>535</u>	<u>347</u>
Expenses relating to short term leases from continuing operations (included in cost of revenue)	<u>7,573</u>	<u>18,332</u>	<u>3,942</u>	<u>5,095</u>

**16 Property, plant and equipment**

	<b>Office furniture</b>	<b>Vehicle</b>	<b>Equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 1 January 2018</b>					
Cost	938	517	5,644	2,268	9,367
Accumulated depreciation	<u>(565)</u>	<u>(472)</u>	<u>(3,270)</u>	<u>(1,735)</u>	<u>(6,042)</u>
Net book amount	<u>373</u>	<u>45</u>	<u>2,374</u>	<u>533</u>	<u>3,325</u>



	Office furniture	Vehicle	Equipment	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Year ended 31 December 2018</b>					
Opening net book amount	373	45	2,374	533	3,325
Additions	386	99	5,554	3,684	9,723
Disposals	(105)	-	(139)	(24)	(268)
Depreciation					
– from continuing operations	(101)	(17)	(2,014)	(343)	(2,475)
– from discontinued operation	(46)	-	(101)	(112)	(259)
Exchange difference	9	-	9	22	40
Closing net book amount	<u>516</u>	<u>127</u>	<u>5,683</u>	<u>3,760</u>	<u>10,086</u>
<b>As at 31 December 2018</b>					
Cost	1,229	641	10,994	6,022	18,886
Accumulated depreciation	<u>(713)</u>	<u>(514)</u>	<u>(5,311)</u>	<u>(2,262)</u>	<u>(8,800)</u>
Net book amount	<u>516</u>	<u>127</u>	<u>5,683</u>	<u>3,760</u>	<u>10,086</u>
<b>Year ended 31 December 2019</b>					
Opening net book amount	516	127	5,683	3,760	10,086
Additions	656	291	3,592	5,365	9,904
Disposals	(56)	-	(418)	(71)	(545)
Depreciation					
– from continuing operations	(260)	(48)	(2,900)	(2,042)	(5,250)
– from discontinued operation	(141)	-	(81)	(234)	(456)
Exchange difference	12	1	40	25	78
Closing net book amount	<u>727</u>	<u>371</u>	<u>5,916</u>	<u>6,803</u>	<u>13,817</u>
<b>As at 31 December 2019</b>					
Cost	1,813	679	13,052	11,183	26,727
Accumulated depreciation	<u>(1,086)</u>	<u>(308)</u>	<u>(7,136)</u>	<u>(4,380)</u>	<u>(12,910)</u>
Net book amount	<u>727</u>	<u>371</u>	<u>5,916</u>	<u>6,803</u>	<u>13,817</u>
<b>Year ended 31 December 2020</b>					
Opening net book amount	727	371	5,916	6,803	13,817
Additions	56	268	756	146	1,226
Disposals	(39)	(213)	(197)	(10)	(459)
Depreciation					
– from continuing operations	(160)	(135)	(2,867)	(2,545)	(5,707)
– from discontinued operation	(34)	(115)	(5)	(81)	(235)
Written off	(160)	(10)	(114)	(382)	(666)
Exchange difference	(19)	(8)	(163)	(158)	(348)
Closing net book amount	<u>371</u>	<u>158</u>	<u>3,326</u>	<u>3,773</u>	<u>7,628</u>

	<u>Office furniture</u>	<u>Vehicle</u>	<u>Equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 31 December 2020</b>					
Cost	1,225	262	11,069	10,026	22,582
Accumulated depreciation	(854)	(104)	(7,743)	(6,253)	(14,954)
Net book amount	<u>371</u>	<u>158</u>	<u>3,326</u>	<u>3,773</u>	<u>7,628</u>
<b>Year ended 31 December 2021</b>					
Opening net book amount	371	158	3,326	3,773	7,628
Additions	127	146	1,760	363	2,396
Disposals	(11)	(5)	(4)	(414)	(434)
Depreciation					
– from continuing operations	(170)	(83)	(2,142)	(1,954)	(4,349)
Exchange difference	(16)	(5)	(50)	(54)	(125)
Closing net book amount	<u>301</u>	<u>211</u>	<u>2,890</u>	<u>1,714</u>	<u>5,116</u>
<b>As at 31 December 2021</b>					
Cost	1,206	332	12,210	6,773	20,521
Accumulated depreciation	(905)	(121)	(9,320)	(5,059)	(15,405)
Net book amount	<u>301</u>	<u>211</u>	<u>2,890</u>	<u>1,714</u>	<u>5,116</u>

During the Track Record Period, depreciation was charged to profit or loss as follows:

	<b>Year ended 31 December</b>			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Continuing operations:				
Cost of revenue	402	386	109	184
Selling and marketing expenses	1,011	2,917	3,461	3,436
General and administrative expenses	668	1,361	1,654	451
Research and development expenses	394	586	483	278
	<u>2,475</u>	<u>5,250</u>	<u>5,707</u>	<u>4,349</u>

## 17 Goodwill and intangible assets

	Other intangible assets						Total
	Goodwill	Service platform	Brand name	Customer relationship	Computer software	Subtotal	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>As at 1 January 2018</b>							
Cost	1,025,911	14,932	95,731	47,417	1,393	159,473	1,185,384
Accumulated amortisation	–	(1,671)	(3,191)	(2,634)	(374)	(7,870)	(7,870)
Net book amount	<u>1,025,911</u>	<u>13,261</u>	<u>92,540</u>	<u>44,783</u>	<u>1,019</u>	<u>151,603</u>	<u>1,177,514</u>
<b>Year ended</b>							
<b>31 December 2018</b>							
Opening net book amount	1,025,911	13,261	92,540	44,783	1,019	151,603	1,177,514
Additions	–	–	–	–	1,746	1,746	1,746
Amortisation							
– from continuing operations	–	(5,042)	(9,606)	(7,930)	(145)	(22,723)	(22,723)
– from discontinued operation	–	–	–	–	(77)	(77)	(77)
Exchange differences	15,888	276	1,317	598	58	2,249	18,137
Closing net book amount	<u>1,041,799</u>	<u>8,495</u>	<u>84,251</u>	<u>37,451</u>	<u>2,601</u>	<u>132,798</u>	<u>1,174,597</u>
<b>As at 31 December 2018</b>							
Cost	1,041,799	15,290	97,214	48,152	3,060	163,716	1,205,515
Accumulated amortisation	–	(6,795)	(12,963)	(10,701)	(459)	(30,918)	(30,918)
Net book amount	<u>1,041,799</u>	<u>8,495</u>	<u>84,251</u>	<u>37,451</u>	<u>2,601</u>	<u>132,798</u>	<u>1,174,597</u>
<b>Year ended</b>							
<b>31 December 2019</b>							
Opening net book amount	1,041,799	8,495	84,251	37,451	2,601	132,798	1,174,597
Additions	–	–	–	–	213	213	213
Amortisation							
– from continuing operations	–	(5,109)	(9,779)	(8,073)	(383)	(23,344)	(23,344)
– from discontinued operation	–	–	–	–	(86)	(86)	(86)
Exchange differences	6,870	33	550	241	5	829	7,699
Closing net book amount	<u>1,048,669</u>	<u>3,419</u>	<u>75,022</u>	<u>29,619</u>	<u>2,350</u>	<u>110,410</u>	<u>1,159,079</u>
<b>As at 31 December 2019</b>							
Cost	1,048,669	15,463	97,855	48,469	3,264	165,051	1,213,720
Accumulated amortisation	–	(12,044)	(22,833)	(18,850)	(914)	(54,641)	(54,641)
Net book amount	<u>1,048,669</u>	<u>3,419</u>	<u>75,022</u>	<u>29,619</u>	<u>2,350</u>	<u>110,410</u>	<u>1,159,079</u>

	Other intangible assets						Total RMB'000
	Goodwill	Service platform	Brand name	Customer relationship	Computer software	Subtotal	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>Year ended</b>							
<b>31 December 2020</b>							
Opening net book amount	1,048,669	3,419	75,022	29,619	2,350	110,410	1,159,079
Additions	-	-	-	-	39	39	39
Amortisation							
– from continuing operations	-	(3,419)	(9,767)	(8,063)	(419)	(21,668)	(21,668)
– from discontinued operation	-	-	-	-	(21)	(21)	(21)
Written off	-	-	-	-	(23)	(23)	(23)
Exchange differences	(19,541)	-	(1,234)	(417)	(58)	(1,709)	(21,250)
Closing net book amount	<u>1,029,128</u>	<u>-</u>	<u>64,021</u>	<u>21,139</u>	<u>1,868</u>	<u>87,028</u>	<u>1,116,156</u>
<b>As at 31 December 2020</b>							
Cost	1,029,128	14,982	96,032	47,566	2,969	161,549	1,190,677
Accumulated amortisation	-	(14,982)	(32,011)	(26,427)	(1,101)	(74,521)	(74,521)
Net book amount	<u>1,029,128</u>	<u>-</u>	<u>64,021</u>	<u>21,139</u>	<u>1,868</u>	<u>87,028</u>	<u>1,116,156</u>
<b>Year ended</b>							
<b>31 December 2021</b>							
Opening net book amount	1,029,128	-	64,021	21,139	1,868	87,028	1,116,156
Amortisation							
– from continuing operations	-	-	(9,563)	(7,895)	(372)	(17,830)	(17,830)
Exchange differences	(8,790)	-	(504)	(195)	(153)	(852)	(9,642)
Closing net book amount	<u>1,020,338</u>	<u>-</u>	<u>53,954</u>	<u>13,049</u>	<u>1,343</u>	<u>68,346</u>	<u>1,088,684</u>
<b>As at 31 December 2021</b>							
Cost	1,020,338	-	95,211	47,111	2,731	145,053	1,165,391
Accumulated amortisation	-	-	(41,257)	(34,062)	(1,388)	(76,707)	(76,707)
Net book amount	<u>1,020,338</u>	<u>-</u>	<u>53,954</u>	<u>13,049</u>	<u>1,343</u>	<u>68,346</u>	<u>1,088,684</u>

During the Track Record Period, amortisation was charged to the profit or loss as follows:

	Year ended 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Continuing operations:				
Cost of revenue	21,609	22,153	20,415	17,458
General and administrative expenses	1,114	1,191	1,253	372
	<u>22,723</u>	<u>23,344</u>	<u>21,668</u>	<u>17,830</u>

(a) **Impairment test for goodwill**

The goodwill mainly arose from the acquisition of the subsidiaries and Structured Entities of GoGo Tech Holdings Limited (collectively referred to as "GoGoVan") in 2017. GoGoVan is primarily engaged in the provision of logistics services and platform services in the PRC, 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 PRC into the Group's PRC 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 its annual impairment test on goodwill by comparing the recoverable amounts of CGU or group of CGUs to the respective carrying amounts.

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

	As at 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
PRC operations	720,902	720,902	720,902	720,902
Hong Kong and overseas operations	320,897	327,767	308,226	299,436
	<u>1,041,799</u>	<u>1,048,669</u>	<u>1,029,128</u>	<u>1,020,338</u>

An impairment review of the goodwill arising from the acquisition of GoGoVan has been conducted by the management at each year end. For the purpose of the impairment review, the recoverable amount of goodwill is determined based on fair value less cost of disposal calculations by using the discounted cash flow method. The Group believes that it is appropriate for the cash flow projections to cover an eight-year period each year end, because the growth rate of the emerging online logistics platform industry is still in a rapid growth stage in the coming five years and management estimated that the Listing Business and the technology-driven logistics platform sector will need a longer period to reach a stage with steady and stable growth aligned with the overall logistics market in Asia.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

	<b>PRC operations</b>	<b>Hong Kong and overseas operations</b>
<b>31 December 2018</b>		
Compound annual growth rate of revenue	47%	57%
Compound annual growth rate of operating cost and expenses	22%	34%
Long term growth rate	3%	3%
Post-tax discount rate	18.5%	18.5%
<b>31 December 2019</b>		
Compound annual growth rate of revenue	40%	52%
Compound annual growth rate of operating cost and expenses	23%	38%
Long term growth rate	3%	3%
Post-tax discount rate	18.5%	18.5%
<b>31 December 2020</b>		
Compound annual growth rate of revenue	43%	43%
Compound annual growth rate of operating cost and expenses	29%	34%
Long term growth rate	3%	3%
Post-tax discount rate	18%	18%
<b>31 December 2021</b>		
Compound annual growth rate of revenue	50%	50%
Compound annual growth rate of operating cost and expenses	36%	43%
Long term growth rate	3%	3%
Post-tax discount rate	16.5%	16.5%

Management considers each operating segments, the PRC operations and Hong Kong and overseas operations, share similar characteristics, including business structure, market position, stage of development and business risk. Thus, it is reasonable to adopt consistent post-tax discount rate for both operating segments at the end of each financial reporting date.

**(b) Impact of possible changes in key assumptions**

***PRC operations***

Based on the result of the goodwill impairment testing, the estimated recoverable amount exceeded its carrying amount as at 31 December 2018, 2019, 2020 and 2021 by RMB3.7 billion, RMB2.7 billion, RMB3.1 billion and RMB4.6 billion. For sensitivity analysis, had there been compound annual growth rates of revenue of 17%, 12%, 15% and 17% in the FVLCO calculations to arrive a breakeven recoverable amount for the years ended 31 December 2018, 2019, 2020 and 2021, respectively. In addition, any reasonable possible changes in the other key assumptions used in the fair value less cost of disposal calculation would not affect management's view on impairment as at the end of each financial reporting date.

***Hong Kong and overseas operations***

Based on the result of the goodwill impairment testing, the estimated recoverable amount exceeded its carrying amount as at 31 December 2018, 2019, 2020 and 2021 by RMB1.9 billion, RMB2.7 billion, RMB2.1 billion and RMB4.4 billion. For sensitivity analysis, had there been compound annual growth rates of revenue of 26%, 16%, 11% and 6% in the FVLCO calculations to arrive a breakeven recoverable amount for the years ended 31 December 2018, 2019, 2020 and 2021, respectively. In addition, any reasonable possible changes in the other key assumptions used in the fair value less cost of disposal calculation would not affect management's view on impairment as at the end of each financial reporting date.

## 18 Subsidiaries

The Group's subsidiaries (including Structured Entities) are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of incorporation and kind of legal entity	Principal activities	Particulars of registered/issued/paid-in capital	Attributable equity interest of the Group				As at the date of this report	Note
				As at 31 December					
				2018	2019	2020	2021		
<b>Subsidiaries directly held:</b>									
GoGoVan Holdings Limited	BVI, limited liability company	Investment holding	US\$100	100%	100%	100%	100%	100%	(ii)
GGEEx Holdings Limited	BVI, limited liability company	Investment holding	US\$1,000	100%	100%	100%	100%	100%	(ii)
GoGo Energy Holdings Limited	BVI, limited liability company	Investment holding	US\$100	100%	100%	100%	100%	100%	(ii)
GoGoX PRC Group Limited	Hong Kong, limited liability company	Investment holding	HK\$1	100%	100%	100%	100%	100%	(vii)
<b>Subsidiaries indirectly held:</b>									
Kuaigou Holdings Limited	BVI, limited liability company	Investment holding	US\$1	100%	100%	100%	100%	100%	(ii)
GoGoVan Australia Pty Limited	Australia, limited liability company	Investment holding	AUD100 <sup>#</sup>	100%	100%	100%	100%	100%	(ii)
GoGoVan Limited	Hong Kong, limited liability company	Investment holding	HK\$100	100%	100%	100%	100%	100%	(iii)
GoGoVan Call Centre Limited	Hong Kong, limited liability company	Dormant	HK\$100	100%	100%	100%	100%	100%	(iii)
GoGo Tech Limited	Hong Kong, limited liability company	Provision of information technology and logistics services	HK\$10,000	100%	100%	100%	100%	100%	(iii)
GGEEx Limited	Hong Kong, limited liability company	Provision of repair and maintenance services for motor vehicles	HK\$100	100%	100%	100%	100%	100%	(iii)
GoGo Energy Limited	Hong Kong, limited liability company	Provision of fuel card arrangement services	HK\$10,000	100%	100%	100%	100%	100%	(iii)
GoGo Energy Singapore Pte Ltd	Singapore, limited liability company	Provision of fuel card arrangement services	SGD100	100%	100%	100%	100%	100%	(ii)
GXRL Limited	Hong Kong, limited liability company	Property holding	HK\$100	100%	100%	100%	100%	100%	(iii)
GoGoVan India Private Limited	India, limited liability company	Provision of logistic and delivery solution services	As at 31 December 2018: INR19,307,750 <sup>#</sup> As at 31 December 2019: INR29,708,200 <sup>#</sup> As at 31 December 2020 and 31 December 2021: INR39,031,750 <sup>#</sup>	100%	100%	100%	100%	100%	(iv)
GoGo Pay Limited	Hong Kong, limited liability company	Provisional payment processing services to immediate holding company	HK\$100	100%	100%	100%	100%	100%	(iii)
Tianjin 58 Daojia*	PRC, limited liability company	Dormant	US\$35,000,000	100%	100%	100%	100%	100%	(v)
Shanghai Youban Network Technology Co., Ltd.*	PRC, limited liability company	Dormant	US\$100,000	100%	100%	100%	100%	100%	(ii)
GoGo Information Technology (Beijing) Co., Ltd.*	PRC, limited liability Company	Dormant	RMB2,000,000	100%	100%	100%	N/A	N/A	(ii), (x)
Hainan 58 Daojia*	PRC, limited liability company	Dormant	US\$35,000,000	N/A	N/A	N/A	100%	100%	(ii), (ix)
GoGo Technology Limited*	Taiwan, limited liability company	Provision of logistic and delivery solution services	NTD250,000 <sup>#</sup>	100%	100%	100%	N/A	N/A	(viii)
GoGoVan Singapore Pte. Ltd.	Singapore, limited liability company	Provision of logistic and delivery solution services	SGD6,744,000	100%	100%	100%	100%	100%	(vi)
GoGoVan Korea Co., Ltd.*	Korea, limited liability company	Provision of logistic and delivery solution services	As at 31 December 2018 and 2019: KRW 4,072,800,000 As at 31 December 2020: KRW 8,231,980,000 As at 31 December 2021: KRW 11,389,750,000	100%	100%	100%	100%	100%	(ii)

Name of entity	Place of incorporation and kind of legal entity	Principal activities	Particulars of registered/issued/paid-in capital	Attributable equity interest of the Group				As at the date of this report	Note
				As at 31 December					
				2018	2019	2020	2021		
GOGOX Vietnam Corporation	Vietnam, limited liability company	Provision of logistic and delivery solution services	VND23,000,000,000#	N/A	N/A	N/A	51%	51%	(ix), (xii)
<b>Structured Entities (Note (i))</b>									
Tianjin 58 Freight*	PRC, limited liability company	Provision of logistic and delivery solution services	RMB1,000,000	100%	100%	100%	100%	100%	(i), (v)
Zhenjiang 58 Supply Chain*	PRC, limited liability company	Provision of logistic and delivery solution services	RMB21,000,000	100%	100%	100%	100%	100%	(i), (v)
Hainan 58 Supply Chain*	PRC, limited liability company	Provision of logistic and delivery solution services	RMB21,000,000	N/A	N/A	100%	100%	100%	(i), (ii), (ix), (xiii)
GoGo Information Technology (Shanghai) Co., Ltd *(GoGo (Shanghai))*	PRC, limited liability company	Dormant	RMB22,000,000	100%	100%	100%	N/A	N/A	(i), (ii), (xi)
Tianjin 58 Daojia Chain Management Service Company Limited*	PRC, limited liability company	Dormant	RMB21,000,000	N/A	100%	N/A	N/A	N/A	(i), (ii), (ix), (x)
Hainan 58 Freight*	PRC, limited liability company	Provision of logistic and delivery solution services	RMB1,000,000	N/A	N/A	N/A	100%	100%	(i), (ii), (ix)
Tianjin Kuaigou Freight Service Co., Ltd.*	PRC, limited liability company	Provision of logistic and delivery solution services	RMB10,000,000	N/A	N/A	N/A	100%	100%	(i), (ii), (ix)

**Notes:**

- (i) The Company does not have direct or indirect legal ownership in equity of the Structured Entities. Nevertheless, under certain Contractual Arrangements entered into with the Structured Entities and their registered owners, the Company and its other legally owned subsidiaries have rights to exercise power over the Structured Entities, receive variable returns from its involvement in the Structured Entities, and have the ability to affect those returns through its power over these Structured Entities. As a result, they are presented as Structured Entities of the Company.
- (ii) No audited financial statement was prepared for those subsidiaries as it is not required to issue audited financial statements under the local statutory requirements.
- (iii) The statutory financial statement for the year ended 31 December 2018, 2019 and 2020 were audited by PricewaterhouseCoopers. As at the date of this report, no audited financial statements have been issued for the year ended 31 December 2021.
- (iv) The statutory financial statements for the year ended 31 March 2018 was audited by AMSL & Associates. The statutory financial statements for the years ended 31 March 2019 and 2020 were audited by JVS & Co. As at the date of this report, no audited financial statements have been issued for the year ended 31 December 2021.
- (v) The statutory financial statements for the years ended 31 December 2018 and 2019 were audited by Beijing Yongen Lihe Certified Public Accountant Co., Ltd. The statutory financial statement for the year ended 31 December 2021 was audited by ZhongxingCai Guanghua Certified Public Accountant LLP but no audited financial statement was prepared for the year ended 31 December 2020.
- (vi) The statutory financial statements for the years ended 31 December 2018, 2019 and 2020 were audited by PKF-CAP LLP. As at the date of this report, no audited financial statements have been issued for the year ended 31 December 2021.
- (vii) The statutory financial statements for the years ended 31 December 2018 and 2019 were audited by Cheng & Cheng Limited but no audited financial statement was prepared for the years ended 31 December 2020 and 2021.
- (viii) The statutory financial statements for the years ended 31 December 2018 and 2019 were audited by Jinquin Certified Public Accountants. The Group ceased the operation of the subsidiary and applied for a dissolution in April 2020 (Note 32). No audited financial statement was prepared for the years ended 31 December 2020 and 2021.
- (ix) The subsidiary had not been incorporated in the relevant year with "N/A".
- (x) The subsidiary had been dissolved in the relevant year with "N/A".
- (xi) On 6 August 2021, the Group disposed GoGo (Shanghai) to an independent third party with no consideration. The disposal was completed on 10 August 2021.



(xii) The subsidiary was established in October 2021 and no audited financial statement was prepared for the year ended 31 December 2021.

(xiii) The statutory financial statement for the year ended 31 December 2021 was audited by ZhongxingCai Guanghua Certified Public Accountant LLP, but no audited financial statement was prepared for the year ended 31 December 2020.

\* English names are translated for identification purpose only.

# Australian Dollars ("AUD"), Indian Rupee ("INR"), Taiwan Dollars ("NTD"), Vietnamese Dong ("VND").

## 19 Accounts receivables

	As at 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Accounts receivables	81,587	74,857	72,071	83,405
Less: loss allowance	(28,730)	(21,776)	(18,376)	(18,173)
Accounts receivables, net	<u>52,857</u>	<u>53,081</u>	<u>53,695</u>	<u>65,232</u>

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

	As at 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
0 to 30 days	29,286	30,290	32,525	45,055
31 to 60 days	16,035	12,486	14,979	12,902
61 to 90 days	5,196	5,695	5,230	3,887
Over 90 days	2,340	4,610	961	3,388
	<u>52,857</u>	<u>53,081</u>	<u>53,695</u>	<u>65,232</u>

The carrying amounts of accounts receivables approximate their fair values and are denominated in the following currencies:

	As at 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB	25,745	14,513	17,756	19,931
HK\$	17,615	22,457	19,750	20,452
SGD	5,189	8,157	6,333	9,869
KRW	1,920	4,771	8,065	13,126
Others	2,388	3,183	1,791	1,854
	<u>52,857</u>	<u>53,081</u>	<u>53,695</u>	<u>65,232</u>

Information about the impairment of accounts receivables and the Group's exposure to credit risk can be found in Note 3.1.

## 20 Prepayments, deposits and other receivables

	As at 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-current assets</b>				
Rental and other deposits	2,186	2,074	1,440	3,061
Prepayments	21	6,132	–	–
Other receivables	6	185	15	–
	<u>2,213</u>	<u>8,391</u>	<u>1,455</u>	<u>3,061</u>
<b>Current assets</b>				
Prepayments	7,455	20,492	11,940	5,746
Prepayments for listing expenses	–	–	–	7,014
Value-added tax recoverables	7,079	12,354	1,981	4,637
Rental and other deposits	9,957	12,066	10,007	12,012
Other receivables	4,901	2,773	2,167	8,331
	<u>29,392</u>	<u>47,685</u>	<u>26,095</u>	<u>37,740</u>
Less: loss allowance	<u>(743)</u>	<u>(350)</u>	<u>(1,559)</u>	<u>(800)</u>
	<u>28,649</u>	<u>47,335</u>	<u>24,536</u>	<u>36,940</u>

## 21 Cash and cash equivalents and restricted cash

## (a) Cash and cash equivalents

## The Group

	As at 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank and in hand	332,218	236,152	209,559	306,409
Cash at licensed payment platforms (Note i)	16,051	10,955	7,694	6,588
Total cash and cash equivalents	<u>348,269</u>	<u>247,107</u>	<u>217,253</u>	<u>312,997</u>

Cash and cash equivalents are denominated in the following currencies:

	As at 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	302,968	154,305	171,886	147,315
US\$	38,204	82,567	31,705	149,940
HK\$	4,567	5,301	7,059	10,194
Others	2,530	4,934	6,603	5,548
	<u>348,269</u>	<u>247,107</u>	<u>217,253</u>	<u>312,997</u>

**The Company**

	<b>As at 31 December</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash at bank	32,968	72,165	25,337	147,839
Total cash and cash equivalent	<u>32,968</u>	<u>72,165</u>	<u>25,337</u>	<u>147,839</u>

The cash and cash equivalent as at 31 December 2018, 2019, 2020 and 2021 are denominated in US\$.

*Note (i):* Cash at licensed payment platforms are denominated in RMB, represent cash that were deposited with licensed payment platforms in the PRC. The balances were unsecured and interest free.

As at 31 December 2018, 2019, 2020 and 2021, cash and cash equivalents of approximately RMB323,084,000, RMB147,075,000, RMB166,589,000 and RMB288,960,000, respectively, were deposited with banks in the PRC.

The conversion of the RMB denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

**(b) Restricted cash**

Restricted cash are denominated in the following currencies:

	<b>As at 31 December</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
HK\$	921	943	887	818
RMB	–	202	12	99,716
Others	–	1,037	986	943
	<u>921</u>	<u>2,182</u>	<u>1,885</u>	<u>101,477</u>

As at 31 December 2018, 2019, 2020 and 2021, approximately RMB921,000, RMB1,980,000, RMB1,873,000 and RMB1,761,000 were deposited at banks as guarantees in relation to the provision of fuel cards services.

As at 31 December 2021, approximately RMB99,716,000 was deposited at the bank into a designated account in relation to the deposits and prepayments from platform users.

## 22 Share capital

*Authorised:*

	Number of ordinary shares at US\$ 0.0000025 each	Number of Class A ordinary shares at US\$ 0.0000025 each	Number of Class B ordinary shares at US\$ 0.0000025 each	Total number of ordinary shares at US\$ 0.0000025 each	Nominal value of ordinary share US\$'000	Number of Series A preferred shares at US\$ 0.0000025 each	Number of Series B preferred shares at US\$ 0.0000025 each	Number of Series C preferred shares at US\$ 0.0000025 each	Total number of preferred shares at US\$ 0.0000025 each	Nominal value of preferred share US\$'000	Total number of shares '000	Nominal value of share capital US\$'000
As at 1 January 2018	20,000,000	-	-	20,000,000	50	-	-	-	-	-	-	50
Re-classification and re-designation of the authorised share capital (Note (i))	(20,000,000)	19,146,779	311,111	(542,110)	(1)	368,196	173,914	-	542,110	1	20,000,000	-
As at 31 December 2018, 2019 and 2020	-	19,146,779	311,111	19,457,890	49	368,196	173,914	-	542,110	1	20,000,000	50
Re-designation of the authorised share capital (Note (iii))	-	(56,917)	-	(56,917)	*	-	-	56,917	56,917	*	-	-
As at 31 December 2021	-	19,089,862	311,111	19,400,973	49	368,196	173,914	56,917	599,027	1	20,000,000	50

*Issued and fully paid:*

	Number of Ordinary shares at US\$ 0.0000025 each	Number of Class A ordinary shares at US\$ 0.0000025 each	Number of Class B Ordinary shares at US\$ 0.0000025 each	Total number of ordinary shares at US\$ 0.0000025 each	Nominal value of ordinary share RMB'000	Nominal value of Class A ordinary shares RMB'000	Nominal value of Class B ordinary shares RMB'000	Share capital RMB'000
As at 1 January 2018	400,000	-	-	400,000	7	-	-	7
Re-designation of share capital (Note (i))	(400,000)	88,889	311,111	-	(7)	2	5	-
Issuance of ordinary shares (Note (ii))	-	21,565	-	21,565	-	*	-	*
As at 31 December 2018, 31 December 2019, 31 December 2020	-	110,454	311,111	421,565	-	2	5	7
Cancellation of ordinary shares (Note (iv))	-	(7,735)	(41,173)	(48,908)	-	*	(1)	(1)
As at 31 December 2021	-	102,719	269,938	372,657	-	2	4	6

\* Less than US\$1,000 or RMB1,000

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*Notes:*

- (i) On 12 July 2018, it was resolved that i) the authorised ordinary shares of the Company be reclassified into 19,146,778,972 Class A ordinary shares and 311,111,112 Class B ordinary shares, ii) the issued ordinary shares registered in the name of 58 Daojia be re-designated into 311,111,112 Class B ordinary shares and the issued ordinary shares registered in the name of GoGoVan Cayman be re-designated into 88,888,888 Class A ordinary shares and iii) the authorised share capital be re-designated into 19,146,778,972 Class A ordinary shares with a par value of US\$0.0000025 per share, 311,111,112 Class B ordinary shares with a par value of US\$0.0000025 per share, 368,195,985 Series A preferred shares with a par value of US\$0.0000025 per share and 173,913,931 Series B preferred shares with a par value of US\$0.0000025 per share.

All Class B ordinary share shall be held by 58 Daojia. Each Class A ordinary share entitles the holder to exercise one vote per share, on all matters subject to the vote at general meetings of the Company. If the number of Class B ordinary shares represents more than or equal to fifty-one percent of the total outstanding equity securities of the Company, each Class B ordinary share entitles 58 Daojia to exercise one vote per share, on all matters subject to the vote at general meetings of the Company. If the number of Class B ordinary shares represents less than fifty-one percent but more than or equal to thirty-five percent of the total outstanding equity securities of the Company, Class B ordinary share entitles 58 Daojia to exercise fifty-one percent of the voting rights in aggregate, on all matters subject to the vote at general meetings of the Company. If the number of Class B ordinary shares represents less than thirty-five percent of the total outstanding equity securities of the Company, Class B ordinary shares shall be automatically converted into the same number Class A ordinary shares and entitles the holder to exercise one vote per share, on all matters subject to the vote at general meetings of the Company. Except for the conversion rights and voting rights as out above, Class A ordinary shares and Class B ordinary shares carry equal rights and rank *pari passu* with other another, including but not limited to the rights to dividends and other capital contribution.

- (ii) On 7 August 2018, the Company issued 21,564,760 Class A ordinary shares at nominal value of US\$54. The issuance resulted in an increase in the share capital of RMB367.
- (iii) On 3 June 2021, the Company resolved that the authorised share capital of the Company be re-organised by re-designating 56,917,406 Class A ordinary shares with a par value of US\$0.0000025 per share into 56,917,406 Series C preferred shares with a par value of US\$0.0000025 per share.
- (iv) On 18 August 2021, 58 Daojia and GoGoVan Cayman surrendered 41,172,639 Class B ordinary shares and 7,735,002 Class A ordinary shares, respectively. Such surrendered shares were cancelled by the Company, and the same number of shares may be issued by the Company in the future, as part of the shares under the 2021 Share Incentive Plan which was adopted by the Company. The shareholders also approved the reservation of 55,226,824 shares for issuance under the 2021 Share Incentive Plan. Accordingly, the maximum aggregate number of shares which may be issued under the 2021 Share Incentive Plan (including incentive share options) shall initially be 104,134,465 Shares. Upon the cancellation of the ordinary shares, the share capital was reduced by approximately US\$122 and the share-based compensation reserve was increased by the same amount.

## 23 Other reserves

## The Group

	Share premium	Capital reserve	Share-based compensation reserve	Exchange reserve	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2018</b>	76,581	–	7,134	(6,969)	1,780,621	1,857,367
Deemed contribution from shareholder (Note (a))	–	24,430	–	–	–	24,430
Equity-settled share-based compensation	–	–	87,441	–	–	87,441
Changes in fair values of convertible redeemable preferred shares due to own credit risk (Note 30(a))	–	–	–	–	15,793	15,793
Changes in fair values of other financial liabilities shares due to own credit risk (Note 30(c))	–	–	–	–	1,296	1,296
Currency translation differences	–	–	–	4,253	–	4,253
<b>As at 31 December 2018</b>	<b>76,581</b>	<b>24,430</b>	<b>94,575</b>	<b>(2,716)</b>	<b>1,797,710</b>	<b>1,990,580</b>
<b>As at 1 January 2019</b>	76,581	24,430	94,575	(2,716)	1,797,710	1,990,580
Equity-settled share-based compensation	–	–	16,131	–	–	16,131
Changes in fair values of convertible redeemable preferred shares due to own credit risk (Note 30(a))	–	–	–	–	(23,686)	(23,686)
Changes in fair values of other financial liabilities shares due to own credit risk (Note 30(c))	–	–	–	–	(1,732)	(1,732)
Currency translation differences	–	–	–	(19,687)	–	(19,687)
<b>As at 31 December 2019</b>	<b>76,581</b>	<b>24,430</b>	<b>110,706</b>	<b>(22,403)</b>	<b>1,772,292</b>	<b>1,961,606</b>
<b>As at 1 January 2020</b>	76,581	24,430	110,706	(22,403)	1,772,292	1,961,606
Equity-settled share-based compensation	–	–	8,713	–	–	8,713
Changes in fair values of convertible redeemable preferred shares due to own credit risk (Note 30(a))	–	–	–	–	50,767	50,767
Changes in fair values of other financial liabilities shares due to own credit risk (Note 30(c))	–	–	–	–	2,994	2,994
Currency translation differences	–	–	–	113,492	–	113,492
<b>As at 31 December 2020</b>	<b>76,581</b>	<b>24,430</b>	<b>119,419</b>	<b>91,089</b>	<b>1,826,053</b>	<b>2,137,572</b>
<b>As at 1 January 2021</b>	76,581	24,430	119,419	91,089	1,826,053	2,137,572
Transfer of accumulated changes in fair value due to own credit risk upon derecognition of other financial liabilities at fair value through profit or loss to accumulated losses	–	–	–	–	(2,054)	(2,054)
Equity-settled share-based compensation	–	–	2,125	–	–	2,125
Contribution from shareholder (Note (b))	–	298,553	–	–	–	298,553
Cancellation of ordinary shares (Note 22)	–	–	1	–	–	1
Changes in fair values of convertible redeemable preferred shares due to own credit risk (Note 30(a))	–	–	–	–	32,141	32,141
Changes in fair values of other financial liabilities shares due to own credit risk (Note 30(c))	–	–	–	–	(504)	(504)
Currency translation differences	–	–	–	45,919	–	45,919
<b>As at 31 December 2021</b>	<b>76,581</b>	<b>322,983</b>	<b>121,545</b>	<b>137,008</b>	<b>1,855,636</b>	<b>2,513,753</b>

**The Company**

	Share premium	Capital reserve	Exchange reserve	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2018</b>	76,581	–	(61,802)	1,166,075	1,180,854
Deemed contribution from shareholder ( <i>Note (a)</i> )	–	24,430	–	–	24,430
Changes in fair values of convertible redeemable preferred shares due to own credit risk ( <i>Note 30(a)</i> )	–	–	–	15,793	15,793
Currency translation differences	–	–	47,432	–	47,432
<b>As at 31 December 2018</b>	<u>76,581</u>	<u>24,430</u>	<u>(14,370)</u>	<u>1,181,868</u>	<u>1,268,509</u>
<b>As at 1 January 2019</b>	76,581	24,430	(14,370)	1,181,868	1,268,509
Changes in fair values of convertible redeemable preferred shares due to own credit risk ( <i>Note 30(a)</i> )	–	–	–	(23,686)	(23,686)
Currency translation differences	–	–	988	–	988
<b>As at 31 December 2019</b>	<u>76,581</u>	<u>24,430</u>	<u>(13,382)</u>	<u>1,158,182</u>	<u>1,245,811</u>
<b>As at 1 January 2020</b>	76,581	24,430	(13,382)	1,158,182	1,245,811
Changes in fair values of convertible redeemable preferred shares due to own credit risk ( <i>Note 30(a)</i> )	–	–	–	50,767	50,767
Currency translation differences	–	–	75,867	–	75,867
<b>As at 31 December 2020</b>	<u>76,581</u>	<u>24,430</u>	<u>62,485</u>	<u>1,208,949</u>	<u>1,372,445</u>
<b>As at 1 January 2021</b>	76,581	24,430	62,485	1,208,949	1,372,445
Contribution from shareholder ( <i>Note (b)</i> )	–	298,553	–	–	298,553
Cancellation of ordinary shares ( <i>Note 22</i> )	–	–	–	1	1
Changes in fair values of convertible redeemable preferred shares due to own credit risk ( <i>Note 30(a)</i> )	–	–	–	32,141	32,141
Currency translation differences	–	–	(29,860)	–	(29,860)
<b>As at 31 December 2021</b>	<u>76,581</u>	<u>322,983</u>	<u>32,625</u>	<u>1,241,091</u>	<u>1,673,280</u>

*Capital reserve*

*Note (a):* On 12 July 2018, 58 Daojia, certain investors and the Company entered into a subscription agreement. The fair value of preferred shares allotted to 58 Daojia less the consideration by way of waiver of certain amount due by the Group to 58 Daojia amounted to approximately RMB209,726,000 was treated as capital contribution from 58 Daojia of approximately RMB24,430,000.

*Note (b):* On 30 April 2021, 58 Daojia and the Company entered into a debt waiver agreement. Pursuant to the debt waiver agreement, 58 Daojia agreed to waive the amount due by the Group and the amount was treated as capital contribution of approximately RMB298,553,000.

*Exchange reserve*

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in Note 2.6 and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

## 24 Share-based compensation

## (a) Share options

*2015 Share Incentive Plan of 58 Daojia*

As described in Note 2.20, the employees of the Group are eligible for 2015 Share Incentive Plan of 58 Daojia, the immediate and ultimate parent company of the Company. Accordingly, the Group accounted for such plan by measuring the services received from the grantees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognised a corresponding increase in equity as a deemed contribution from 58 Daojia in accordance with IFRS 2.

The share options shall be subject to different vesting schedules of four or five years from the vesting commencement date, subject to the participant continuing to be an employee through each vesting date. The options may exercise of any time after the initial public offering of 58 Daojia provided the options have vested and subject to the term of the share option agreement. For vesting schedule of four years, i) 50% of the granted share options are vested on the second anniversary from the vesting commencement date and ii) 12.5% granted share options are vested every six months in the following two subsequent years, respectively. For vesting schedule as five years, i) 40% of the granted share options are vested on the second anniversary from the vesting commencement date and ii) 10% granted share options are vested every six months in the following three subsequent years, respectively.

In October 2020, 58 Daojia modified a portion of the outstanding options granted under the 2015 Share Incentive Plan of 58 Daojia. Holders of the modified options were granted with options of the Daojia Limited under the Daojia Limited's newly adopted incentive plan ("2019 Share Incentive Plan of Daojia Limited"). The holders continued to hold options of 58 Daojia, but agreed to waive all the economic interests of the Daojia Limited that those 58 Daojia options may have. The vesting schedule of the new options of the Daojia Limited as well as the modified options of 58 Daojia would primarily follow that of the original options being modified.

Set out below are the summaries of options granted under the plan:

	<b>Number of share options</b>	<b>Weighted Average exercise price per share option</b>
		US\$
Outstanding as at 1 January 2018	1,984,000	0.70
Forfeited during the year	(305,000)	0.96
	<u>1,679,000</u>	<u>0.66</u>
Outstanding as at 31 December 2018	1,679,000	0.66
Vested and exercisable as at 31 December 2018	–	–
Outstanding as at 1 January 2019	1,679,000	0.66
Forfeited during the year	(27,000)	0.52
	<u>1,652,000</u>	<u>0.66</u>
Outstanding as at 31 December 2019	1,652,000	0.66
Vested and exercisable as at 31 December 2019	–	–
Outstanding as at 1 January 2020	1,652,000	0.66
Forfeited during the year	(83,500)	0.79
	<u>1,568,500</u>	<u>0.65</u>
Outstanding as at 31 December 2020	1,568,500	0.65
Vested and exercisable as at 31 December 2020	–	–
Outstanding as at 1 January 2021	1,568,500	0.65
Forfeited during the year	(3,000)	0.92
	<u>1,565,500</u>	<u>0.65</u>
Outstanding as at 31 December 2021	1,565,500	0.65
Vested and exercisable as at 31 December 2021	–	–



Share options outstanding at the end of each financial reporting date have the following expiry date and exercise price.

Grant date	Expiry date	Exercise price	Vesting years/ condition	Number of share option			
				As at 31 December			
				2018	2019	2020	2021
10 February 2015	9 February 2025	US\$0.03	4 years from commencement date	178,000	166,000	154,000	154,000
10 February 2015	9 February 2025	US\$0.04	4-5 years from commencement date	269,000	269,000	269,000	269,000
30 April 2015	30 April 2025	US\$0.04	4 years from commencement	52,000	52,000	52,000	52,000
5 October 2016	5 October 2026	US\$0.92	4 years from commencement	1,016,000	1,016,000	986,000	986,000
1 October 2017	1 October 2027	US\$0.92	4 years from commencement	164,000	149,000	107,500	104,500
1 October 2017	1 October 2027	US\$1.31	4 years from commencement	-	-	-	-
Total				<u>1,679,000</u>	<u>1,652,000</u>	<u>1,568,500</u>	<u>1,565,500</u>
Weighted average remaining contractual life of options outstanding at end of the year				7.37 years	6.37 years	5.33 years	4.33 years

Based on fair value of the underlying ordinary shares, the Group has used Binomial model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Fair value of the underlying shares on the date of option grants (in US\$)	0.18-2.60	0.18-2.60	0.18-2.60	0.18-2.60
Risk-free interest rate	2.27%-2.98%	2.27%-2.98%	2.27%-2.98%	2.27%-2.98%
Expected life	10 years	10 years	10 years	10 years
Expected volatility	51.00%-60.00%	51.00%-60.00%	51.00%-60.00%	51.00%-60.00%
Dividend yield	0.0%	0.0%	0.0%	0.0%

The weighted average grant date fair value of options granted for the years ended 31 December 2018, 2019, 2020 and 2021 were US\$0.66, US\$0.66, US\$0.65 and US\$0.65 per share, respectively.

#### **2019 Share Incentive Plan of Daojia Limited**

As described in Note 2.20, the employees of the Group are eligible for 2019 Share Incentive Plan of Daojia Limited, the associate of 58 Daojia. The Group has no obligation to settle the share-based payment transaction but also applies the principles of IFRS 2 to measure the service received as an equity-settled share-based payment transaction.

Set out below are the summaries of options granted under the plan:

	<b>Number of share options</b>	<b>Weighted average exercise price per share option</b>
		<i>US\$</i>
Outstanding as at 1 January 2020	–	–
Grant during the year	862,104	1.04
Forfeited during the year	(368,019)	1.04
	<u>494,085</u>	<u>1.04</u>
Outstanding as at 31 December 2020	<u>494,085</u>	<u>1.04</u>
Vested and exercisable as at 31 December 2020	–	–

	<b>Number of share options</b>	<b>Weighted average exercise price per share option</b>
		<i>US\$</i>
Outstanding as at 1 January 2021	494,085	1.04
Outstanding as at 31 December 2021	<u>494,085</u>	<u>1.04</u>
Vested and exercisable as at 31 December 2021	–	–

Share options outstanding at the end of each financial reporting date have the following expiry date and exercise price.

Grant date	Expiry date	Exercise price	Vesting years/ condition	Number of share option			
				As at 31 December			
				2018	2019	2020	2021
1 October 2020	30 September 2030	US\$1.04	4 years from vesting commencement date	–	–	494,085	494,085
Total				<u>–</u>	<u>–</u>	<u>494,085</u>	<u>494,085</u>
Weighted average remaining contractual life of options outstanding at end of year				N/A	N/A	9.75 years	8.75 years

Based on fair value of the underlying ordinary shares, the Group has used Binomial model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

	Year ended 31 December			
	2018	2019	2020	2021
Fair value of the underlying shares on the date of option grants (in US\$)	N/A	N/A	2.16	2.16
Risk-free interest rate	N/A	N/A	0.68%	0.68%
Expected life	N/A	N/A	10 years	10 years
Expected volatility	N/A	N/A	39.4%	39.4%
Dividend yield	N/A	N/A	0.0%	0.0%

The weighted average grant date fair value of options granted for the years ended 31 December 2020 and 2021 were US\$1.28 and US\$1.28 respectively.

#### *Share Incentive Plan of GoGoVan Cayman*

On 24 March 2015, GoGoVan Cayman adopted a Share Incentive Plan (the "GoGoVan Plan") which grants options to its eligible directors, employees and consultants providing similar services with employee. The maximum aggregate number of shares which may be issued pursuant to all awards under the GoGoVan Plan is 14,901,508 of GoGoVan Cayman's ordinary shares. GoGoVan Cayman became the non-controlling interest of the Company after it was acquired by newly issued ordinary shares of the Company in August 2017, so the cost relating to such share-based awards is recognised by the Company as a contribution from non-controlling interest in connection with the services provided.

The options granted vest immediately until over a period of three years and have a term of ten years. Upon the termination of an option holder's employment, all unvested options will immediately terminate and vested options will remain exercisable for a period of 90 days after date of termination (one year in the case of death or disability), unless otherwise specified in an option holder's employment or stock option agreement.

Set out below are the summaries of options granted under the plan:

	Number of share options	Weighted average exercise price per share option
		US\$
Outstanding as at 1 January 2018	5,269,452	0.1485
Grant during the year	8,957,602	0.0001
Forfeited during the year	(553,923)	(0.3990)
Exercised during the year	(1,818,623)	(0.0036)
Outstanding as at 31 December 2018	<u>11,854,508</u>	<u>0.0469</u>
Vested and exercisable as at 31 December 2018	8,017,973	0.0469
Outstanding as at 1 January 2019	11,854,508	0.0469
Forfeited during the year	(678,756)	(0.2262)
Exercised during the year	(105,619)	(0.0127)
Outstanding as at 31 December 2019	<u>11,070,133</u>	<u>0.0469</u>

	Number of share options	Weighted average exercise price per share option
		US\$
Vested and exercisable as at 31 December 2019	9,186,204	0.0387
Outstanding as at 1 January 2020	11,070,133	0.0469
Grant during the year	319,923	0.0001
Forfeited during the year	(593,804)	(0.1720)
Exercised during the year	(1,314,416)	(0.0100)
	<u>9,481,836</u>	<u>0.0302</u>
Outstanding as at 31 December 2020	9,481,836	0.0302
Vested and exercisable as at 31 December 2020	8,315,430	0.0254
Outstanding as at 1 January 2021	9,481,836	0.0302
Grant during the year	82,031	0.0001
Forfeited during the year	(75,039)	(0.2104)
Exercised during the year	(5,587,960)	(0.0010)
	<u>3,900,868</u>	<u>0.0700</u>
Outstanding as at 31 December 2021	3,900,868	0.0700
Vested and exercisable as at 31 December 2021	2,831,051	0.0661

Share options outstanding at the end of each financial reporting date have the following expiry date and exercise price.

Grant date	Expiry date	Exercise price	Vesting years/condition	Number of share option			
				As at 31 December			
				2018	2019	2020	2021
24 March 2015	24 March 2025	US\$0.0001	0 to 3 years from vesting commencement date	1,436,505	1,406,702	1,341,135	1,341,135
15 April 2015	24 March 2025	US\$0.0001	2.71 years from vesting commencement date	-	-	-	-
25 January 2016	24 March 2025	US\$0.0001	3 years from vesting commencement date	317,899	317,899	-	-
30 November 2016	24 March 2025	US\$0.5000	0 to 3 years from vesting commencement date	1,254,427	942,782	570,140	528,834
25 April 2018	24 March 2025	US\$0.0001	0 to 3 years from vesting commencement date	8,845,677	8,402,750	7,250,638	1,719,179
02 February 2020	24 March 2025	US\$0.0001	2 years from vesting commencement date	-	-	73,829	24,610
04 June 2020	24 March 2025	US\$0.0001	3 years from vesting commencement date	-	-	123,047	123,047
22 July 2020	24 March 2025	US\$0.0001	3 years from vesting commencement date	-	-	123,047	82,032
12 April 2021	24 March 2025	US\$0.0001	3 years from vesting commencement date	-	-	-	82,031
Total				<u>11,854,508</u>	<u>11,070,133</u>	<u>9,481,836</u>	<u>3,900,868</u>
Weighted average remaining contractual life of options outstanding at end of year				8.73 years	7.74 years	6.86 years	5.25 years

Based on fair value of the underlying ordinary shares, the Group has used Binomial model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Fair value of the underlying shares on the date of option grants (in US\$)	0.87-1.90	0.87-1.90	0.87-1.90	0.87-1.90
Risk-free interest rate	1.40%-2.02%	1.40%-2.02%	1.40%-2.02%	0.05%-2.02%
Expected life	6.9-10 years	6.9-10 years	4.67-10 years	3.95-10 years
Expected volatility	50.00%-60.00%	50.00%-60.00%	43.04%-60.00%	43.04%-60.00%
Dividend yield	0.00%	0.00%	0.00%	0.00%

The weighted average grant date fair value of options granted for the years ended 31 December 2018, 2019, 2020 and 2021 were US\$1.67, US\$1.69, US\$1.70 and US\$1.44 per share, respectively.

The share-based compensation was charged to the consolidated statements of comprehensive income during the year ended 31 December 2018, 2019, 2020 and 2021 was approximately RMB85,231,000, RMB14,954,000, RMB8,713,000 and RMB2,125,000, respectively.

#### **2021 Share Incentive Plan**

On 18 August 2021, the board of directors of the Company approved the establishment of a 2021 Share Incentive Plan with the purpose of attracting, motivating, retaining and rewarding eligible directors, employees and consultants providing similar services with employee. 58 Daojia and GoGoVan Cayman surrendered 41,172,639 Class B Ordinary Shares and 7,735,002 Class A Ordinary Shares, respectively on the same day. Such surrendered shares were cancelled by the Company and were reserved for issuance pursuant to all awards granted under 2021 Share Incentive Plan. The shareholders also approved the reservation of 55,226,824 Shares for issuance under 2021 Share Incentive Plan. Accordingly, the maximum aggregate number of shares which may be issued pursuant to all awards under the 2021 Share Incentive Plan is 104,134,465 of the Company's ordinary shares.

No share awards were granted under 2021 Share Incentive Plan during the Track Record Period.

On 12 January 2022, the Group granted an aggregate of 104,134,465 share options under 2021 Share Incentive Plan to (i) eligible directors, employees of the Group and consultants providing similar services with employee to the Group who are either (a) new grantees or (b) option holders of 2015 Share Incentive Plan of 58 Daojia pursuant to which the option holders agree to waive all the economic interests of the Group that those 58 Daojia options may have in exchange of the options granted under 2021 Share Incentive Plan or (c) option holders of modified 2015 Share Incentive Plan of 58 Daojia and 2019 Share Incentive Plan of Daojia Limited pursuant to which the option holders agree to waive all the economic interests of the Group that those 58 Daojia options may have in exchange of the options granted under 2021 Share Incentive Plan or (d) option holders of Share Incentive Plan of GoGoVan Cayman pursuant to which the option holders agree to convert the options granted under Share Incentive Plan of GoGoVan Cayman into the options granted under 2021 Share Incentive Plan; and (ii) other individuals under 58 Daojia or Daojia Limited. The fair value of new options and the incremental fair value of modified options granted to the directors, employees of the Group and consultants providing similar services with employee to the Group are recognised as expenses over the requisite service period, with a corresponding increase in equity. The fair value of options granted to other individuals under 58 Daojia or Daojia Limited where the Group has obligation to settle is recognised as a deemed distribution to shareholders over the vesting period with a corresponding increase in equity in accordance with IFRS 2.

**(b) Other share-based compensation**

On 12 July 2018, the Company issued a warrant to an investor in Series B financing who had an option to subscribe for the preferred shares at a lower exercise price than the other investors in the same round of financing provided that a priority right is granted to the Company, pursuant to which a cooperation between that investor and the Company was developed in the ordinary course of business. On the same date, the condition was met and there is no vesting condition for the warrant granted. Thus, the difference between the fair value of the instruments granted and the transaction price amounted to RMB33,018,000 was recognised in the consolidated statements of comprehensive income as cash-settled share-based compensation that were immediately vested and settled. Consequently, the warrant was subsequently recognised as financial liability carried at fair value through profit or loss (see Note 30(b)).

**25 Accounts payables**

	As at 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Accounts payables	38,180	28,574	31,391	43,594

Accounts payables are unsecured and are usually paid within 30 days of recognition and dominated in the following currencies:

	As at 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB	27,593	12,548	14,323	22,182
HK\$	7,855	11,176	12,895	13,977
KRW	–	–	20	2,815
NTD	1,381	1,698	–	–
SGD	1,351	3,152	4,153	4,620
	<u>38,180</u>	<u>28,574</u>	<u>31,391</u>	<u>43,594</u>

As at 31 December 2018, 2019, 2020 and 2021, the aging of accounts payables based on invoice date are as follows:

	As at 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
0 to 30 days	38,180	28,429	31,376	40,500
31-60 days	–	134	–	1,100
61-90 days	–	–	–	37
Over 90 days	–	11	15	1,957
	<u>38,180</u>	<u>28,574</u>	<u>31,391</u>	<u>43,594</u>

## 26 Accruals and other payables

	As at 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Current liabilities</b>				
Deposits from platform users ( <i>Note</i> )	233,696	242,328	200,531	236,214
Deposits from corporate customers	15,899	16,573	26,102	17,114
Accrued listing expenses	–	–	–	11,605
Accrued salaries and staff benefits	51,432	57,531	60,616	75,732
Accrued professional fee	10,248	9,797	10,764	4,255
Accrued promotion and marketing expense	110,185	4,240	1,216	2,311
Others	13,119	13,988	16,899	22,952
	<u>434,579</u>	<u>344,457</u>	<u>316,128</u>	<u>370,183</u>

*Note:* Deposits from platform users including service providers and transacting users are cash deposited in the Group's platforms. Such deposits are refundable and can be used to settle the completed logistic and delivery orders by using the platforms. The contractual relationship between the Group and the platform users is primarily governed by the terms and condition of the platform.

## 27 Contract liabilities

	As at 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Receipt in advance from customers	4,358	6,421	9,353	8,147
Current portion	<u>4,358</u>	<u>6,421</u>	<u>9,353</u>	<u>8,147</u>

## (i) Significant changes in contract liabilities

The change in contract liabilities arose from the advance payments made and consumed by the customers throughout the Track Record Period.

## (ii) Revenue recognised in relation to contract liabilities

The following table shows the amount of revenue recognised in the year related to carried forward contract liabilities:

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>1,928</u>	<u>4,358</u>	<u>6,421</u>	<u>9,353</u>

**(iii) Unsatisfied performance obligation**

As permitted under IFRS15, the transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all of the Group's contracts have an original expected duration of 1 year or less.

**28 Other borrowing**

During the year ended 31 December 2020, the Group entered into a borrowing agreement with a structured entity of 58 Daojia, which a borrowing of RMB104,652,000 was provided to the Group. As at 31 December 2020, the outstanding balance was RMB104,652,000. The borrowing was unsecured, denominated in RMB, carried interest at 8% per annum and repayable in 2021. The balance was repaid in June 2021.

**29 Deferred income tax**

The analysis of deferred income tax liabilities as follow:

	<b>As at 31 December</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deferred income tax liabilities	(28,901)	(24,141)	(19,175)	(15,092)

The movement of deferred income tax liabilities during the years are as follow:

**Deferred income tax liabilities**

	<b>Intangible assets arising from business combinations</b>
	<i>RMB'000</i>
At 1 January 2018	(33,611)
Credited to consolidated statements of comprehensive income	5,040
Currency translation differences	(330)
	<hr/>
At 31 December 2018 and 1 January 2019	(28,901)
Credited to consolidated statements of comprehensive income	4,991
Currency translation differences	(231)
	<hr/>
At 31 December 2019 and 1 January 2020	(24,141)
Credited to consolidated statements of comprehensive income	4,507
Currency translation differences	459
	<hr/>
At 31 December 2020 and 1 January 2021	(19,175)
Credited to consolidated statements of comprehensive income	3,924
Currency translation differences	159
	<hr/>
At 31 December 2021	<u>(15,092)</u>



Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of RMB474 million, RMB860 million and RMB1,027 million and RMB708 million that can be carried forward against future taxable income as at 31 December 2018, 2019, 2020 and 2021. For the year ended 31 December 2021, certain subsidiaries in the PRC utilised previously unrecognised tax loss of RMB255,620,000 for the deemed contribution contributed by 58 Daojia which is recognised as transaction with equity holders (Note 23). These tax losses have not been recognised due to uncertainty of future realisation. The tax losses details are as below:

	At 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Expiry in				
In the first year	–	(17,897)	–	–
In the second year	(17,897)	(19,602)	(9,073)	(21,385)
In the third year	(19,602)	(9,074)	(216,292)	(178,304)
In the fourth year	(9,074)	(216,292)	(313,607)	(158,313)
After the fourth year	(427,733)	(597,456)	(488,211)	(349,539)
	<u>(474,306)</u>	<u>(860,321)</u>	<u>(1,027,183)</u>	<u>(707,541)</u>

**30 Convertible redeemable preferred shares and other financial liabilities at fair value through profit or loss**

	As at 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Convertible redeemable preferred shares ("CRPS")	<u>1,596,491</u>	<u>1,745,775</u>	<u>1,960,399</u>	<u>3,224,447</u>
Other financial liabilities:				
Warrants to CRPS ("Warrants") and related financial liabilities	176,868	61,602	79,455	–
Convertible notes	99,470	109,698	149,018	–
Less: current portion	<u>(111,141)</u>	<u>(3,327)</u>	<u>(39,847)</u>	<u>–</u>
Non-current portion	<u>165,197</u>	<u>167,973</u>	<u>188,626</u>	<u>–</u>

Since the date of incorporation and during the Track Record Period, the Company has completed several rounds of financing by issuing convertible redeemable preferred shares, warrants and convertible notes to investors. The details of the issuance are set out in the table below:

	Exercise period	Date of issuance/effective date	Number of instrument	Purchase price per convertible redeemable preferred shares (to the nearest 2 decimal places)	Exercise price per convertible redeemable preferred shares (to the nearest 2 decimal places)	Total cash consideration	
						US\$'000	RMB'000
Series A CRPS (Note (a))	N/A	7 August 2018	Preferred shares: 75,476,660	Nominal value	N/A	–*	1
Series B CRPS and Warrants	N/A	7 August 2018	Preferred shares: 57,446,943	US\$1.81	N/A	104,020	716,377
	Year ended 31 December 2018: From 7 August 2018 to 6 May 2019	7 August 2018	Warrants to subscribe for preferred shares: 57,988,166	N/A	US\$1.36/ US\$1.81		
	Year ended 31 December 2019: Extended to 6 July 2019						
Series B CRPS Conversion (Note c)	N/A	15 October 2021	Preferred shares: 13,426,392	US\$1.81	N/A	24,311	156,838
Series B Convertible notes and Warrants	Exercisable during the effective period of convertible notes (note 30 (b) and (c))	12 July 2018	13,754,286	N/A	RMB11.59 (equivalent to US\$1.81)	24,905	159,400
Supplemental agreement to the Series B Convertible notes (Note (b))	N/A	25 January 2019	(327,894)	N/A	N/A	(594)	(3,800)
Series B CRPS Conversion (Note (c))	N/A	30 August 2021 and 22 September 2022	(13,426,392)	N/A	N/A	(24,311)	(155,600)
Series B1 Convertible notes and Warrants	Exercisable during the effective period of convertible notes (note 30 (b) and (c))	25 January 2019	938,366	N/A	RMB12.37 (equivalent to US\$1.81)	1,699	11,607
Series B1 CRPS Conversion (Note (c))	N/A	30 August 2021	(938,366)	N/A	N/A	(1,699)	(11,607)
Series B1 CRPS	N/A	30 January and 27 February 2019	Preferred shares: 8,511,496	US\$1.81	N/A	15,412	106,291

	Exercise period	Date of issuance/effective date	Number of instrument	Purchase price per convertible redeemable preferred shares (to the nearest 2 decimal places)	Exercise price per convertible redeemable preferred shares (to the nearest 2 decimal places)	Total cash consideration	
						US\$'000	RMB'000
Series B1 CRPS Conversion (Note c)	N/A	15 October 2021	Preferred shares: 938,366	US\$1.81	N/A	1,699	10,961
Series B2 CRPS and Warrants	N/A	26 July 2019	Preferred shares: 7,889,546	US\$1.90	N/A	15,000	103,450
	Year ended 31 December 2019: From 6 July 2019 to 29 February 2020	6 July 2019	Warrants to subscribe for preferred shares: 21,038,790	N/A	US\$1.90		
	Year ended 31 December 2020: Extended to 30 June 2021						
	N/A	8 July 2021	Preferred shares: 13,068,244	US\$1.90	N/A	24,846	160,754
Series C CRPS	N/A	3 to 24 June 2021	Preferred shares: 27,000,838	US\$2.34	N/A	63,236	409,135
						<u>248,524</u>	<u>1,663,807</u>

*Note (a):* On 12 July 2018, Taobao China Holding Limited (“Taobao”), 58 Daojia, certain investors and the Company entered into a subscription agreement. Pursuant to the subscription agreement, Taobao forfeited certain of its interests in 58 Daojia and the Company allotted 75,476,660 Series A preferred shares to Taobao with a cash consideration of US\$189. The fair value of preferred shares granted less the cash consideration received by the Company of approximately RMB843,033,000 was recognised as deemed distribution to its shareholder, 58 Daojia.

*Note (b):* On 25 January 2019, the Structure Entities entered into a supplemental agreement to the convertible note agreement with the investor pursuant to which the principal amount was decreased by RMB3,800,000. Accordingly, the Structure Entities repaid RMB3,800,000 (equivalent to approximately US\$594,000) to the investor.

*Note (c):* On 30 August 2021 and 22 September 2021, all holders of convertible notes and warrants obtained all necessary approvals from the PRC authority and issued a form of notice of exercise to the Company to exercise its right to subscribe Series B and B1 CRPS pursuant to the term of such warrants. The entire transaction was completed on 15 October 2021.

\* Less than US\$1,000

## (a) Convertible redeemable preferred shares ("CRPS")

Details of the movements of number of CRPS are as follows:

	<b>Number of preferred shares</b>
<b>Opening as of 1 January 2018</b>	–
Issuance during the year	
– Series A CRPS	75,476,660
– Series B CRPS	57,446,943
<b>Outstanding as of 31 December 2018</b>	<b>132,923,603</b>
<b>Outstanding as of 31 December 2018 represented:</b>	
– Series A CRPS	75,476,660
– Series B CRPS	57,446,943
	<b>132,923,603</b>
<b>Opening as of 1 January 2019</b>	132,923,603
Issuance during the year	
– Series B1 CRPS	8,511,496
– Series B2 CRPS	7,889,546
<b>Outstanding as of 31 December 2019 and 31 December 2020</b>	<b>149,324,645</b>
<b>Outstanding as of 31 December 2019 and 31 December 2020 represented:</b>	
– Series A CRPS	75,476,660
– Series B CRPS	57,446,943
– Series B1 CRPS	8,511,496
– Series B2 CRPS	7,889,546
	<b>149,324,645</b>
<b>Opening as of 1 January 2021</b>	149,324,645
Issuance during the year	
– Series B CRPS	13,426,392
– Series B1 CRPS	938,366
– Series B2 CRPS	13,068,244
– Series C CRPS	27,000,838
<b>Outstanding as of 31 December 2021</b>	<b>203,758,485</b>
<b>Outstanding as of 31 December 2021 represented:</b>	
– Series A CRPS	75,476,660
– Series B CRPS	70,873,335
– Series B1 CRPS	9,449,862
– Series B2 CRPS	20,957,790
– Series C CRPS	27,000,838
	<b>203,758,485</b>

The key terms of the CRPS are summarised as follows:

*(i) Dividends right*

Each holder of the Series C preferred shares shall be entitled to receive pari passu with each other and, out of any funds and assets legally available, therefor, non-cumulative dividends at the rate of 5% per annum of the original series C issue price per share prior to, and in preference to, any dividend on any other class or series of shares of the Company.

After all declared dividends on the Series C preferred shares have been paid or set aside for payment to the holders of Series C preferred shares, each holder of the Series B (including Series B, B1 and B2) preferred shares and Series A preferred shares shall be entitled to receive, pari passu with each other and out of any funds and assets legally available therefor, noncumulative dividends at the rate of 5% per annum of the original series B (including Series B, B1 and B2) issue price or the original series A issue price (as the case may be) per share prior to, and in preference to, any dividend on any other class or series of shares of the Company. After all declared dividends on the Series C preferred shares, Series B (including Series B, B1 and B2) preferred shares and Series A preferred shares have been paid or set aside for payment to the holders of Series C preferred shares, Series B (including Series B, B1 and B2) preferred shares and Series A preferred shares in a calendar year, any additional dividends declared shall be distributed among all holders of ordinary shares; provided, that no dividend, whether in cash, in property or in shares of the Company, and whether pursuant to this sentence or otherwise, shall be paid on any ordinary shares or any other class or series of shares of the Company ranking on parity with or junior to ordinary shares unless and until a dividend in like amount (on an as converted basis) is first paid in full on the Series C preferred shares, Series B (including Series B, B1 and B2) preferred shares and Series A preferred shares.

*(ii) Conversion features*

The CRPS shall be converted into Class A ordinary shares at the options of holders at any time, or automatically converted into ordinary shares at the then effective applicable conversion price upon the closing of a firm commitment underwritten public offering of the Company in an internationally recognised securities exchange (including the New York Stock Exchange, the NASDAQ Global Market, the Main Board of the Stock Exchange of Hong Kong Limited, the Shanghai Stock Exchange, the Shenzhen Stock Exchange) ("IPO").

In the event of the automatic conversion of the preferred shares, the person(s) entitled to receive the Class A ordinary shares issuable upon such conversion of preferred shares shall not be deemed to have converted such preferred shares until immediately prior to the closing of IPO.

*(iii) Redemption features*

The Company is required to redeem the CRPS as requested by the holders if the Company fails to consummate an IPO, nor a trade sale of the Company within five years after the closing of the issuance and subscription of each series of CRPS or any redemption initiated by the holders of Series A or Series B CRPS subsequent to five years from the corresponding closing.

The redemption price paid by the Company to the preferred shareholders shall comprise of initial subscription price, any accrued but unpaid dividends thereon and a simple ten percent per annum interest of the original issue price on each preferred share accrued during the period from the issuance date of each CRPS until the date on which the redemption price is paid in full.

*(iv) Liquidation preferences*

Upon the occurrence of (i) any liquidation, dissolution or winding up of the Company, (ii) a trade sale of the Company, (iii) a trade sale of 58 Daojia when 58 Daojia controls the Company, (iv) disposition of material intellectual property of the Company or (v) permanent loss of control of the Structured Entities by the Company, all assets and funds of the Company legally available for distributions to the shareholders and the holder of warrants issued together with convertible notes (after satisfaction of all creditors' claims and claims that may be preferred by law) shall be distributed in the following manner:

Each holder of Series C preferred shares, shall be entitled to elect and receive, on parity with each other, based on each Series C preferred share then held by such holder, either (i) (1) an amount equal to the original series C issue price, together with a simple annual interest of 10%, calculated from the date on which such Series C preferred share was issued up until the date such holder of Series C preferred share receives all the amount due and (2) all declared but unpaid dividends relating to such preferred share, or (ii) such holder's pro rata share of the assets of the Company as of the date such holder of Series C Preferred Shares receives all the amount due (the "Series C Preferred Liquidation Preference"). The "pro rata share" shall be a fraction, the numerator of which is the total number of Series C preferred shares held by such holder, and the denominator of which is the total number of equity securities of the Company, in each case on an as-converted and fully diluted basis (disregarding any then unexercised warrants other than the warrants issued together with the convertible notes) as of the date such holder receives all the amount due. If the assets of the Company shall be insufficient to settle the Series C Preferred Liquidation Preference in full, then such assets shall be distributed among the holders of such Series C preferred shares ratably in proportion to the full amount to which they would otherwise be respectively entitled thereon.

After distribution or payment in full of the Series C Preferred Liquidation Preference and before any distribution or payment shall be made to the holders of any ordinary shares or shares of any other class or series of the Company, each holders of Series B (including Series B, B1 and B2) preferred shares and Series A preferred shares, shall be entitled to elect and receive, on parity with each other, based on each preferred share then held by such holder, either (i) (1) an amount equal to the original series B (including Series B, B1 and B2) issue price or the original series A issue price (as applicable), together with a simple annual interest of 10 percent, calculated with respect to the holder of preferred share from the date on which such preferred share was issued up until the date such holder of preferred share receives all the amount due and (2) all declared but unpaid dividends relating to such preferred shares, or (ii) such holder's "pro rata share" of the assets of the Company as of the date such holder of preferred shares receives all the amount due (the "Series A/B Preferred Liquidation Preference"). The pro rata share shall be a fraction, the numerator of which is the total number of preferred shares held by such holder, and the denominator of which is the total number of equity securities of the Company, in each case on an as-converted and fully diluted basis (disregarding any then-unexercised warrants other than the warrants issued together with the convertible notes) as of the date such holder of preferred shares receives all the amount due. If the assets of the Company shall be insufficient to settle the Series A/B Preferred Liquidation Preference in full, then such assets shall be distributed among the holders of such preferred shares ratably in proportion to the full amount to which they would otherwise be respectively entitled thereon.

The Group does not bifurcate any embedded derivatives from the host instruments and designates the entire instruments as financial liabilities at fair value through profit or loss with the changes in the fair value related to market risk recognised in the profit or loss and the component of fair value changes relating to the Company's own credit risk is recognised in other comprehensive income.

The movements of the CRPS are set out as below:

	<i>RMB'000</i>
<b>At 1 January 2018</b>	–
Issuance of Series A CRPS	843,033
Issuance of Series B CRPS	631,993
Change in fair value through profit or loss	142,774
Change in fair value through other comprehensive income due to own credit risk	(15,793)
Currency translation differences	(5,516)
	<hr/>
<b>At 31 December 2018 and 1 January 2019</b>	1,596,491
Issuance of Series B1 CRPS	106,290
Issuance of Series B2 CRPS	88,044
Change in fair value through profit or loss	(96,426)
Change in fair value through other comprehensive income due to own credit risk	23,686
Currency translation differences	27,690
	<hr/>
<b>At 31 December 2019 and 1 January 2020</b>	1,745,775
Change in fair value through profit or loss	397,138
Change in fair value through other comprehensive income due to own credit risk	(50,767)
Currency translation differences	(131,747)
	<hr/>
<b>At 31 December 2020 and 1 January 2021</b>	1,960,399
Issuance of Series B CRPS	190,628
Issuance of Series B1 CRPS	13,258
Issuance of Series B2 CRPS	180,895
Issuance of Series C CRPS	409,135
Change in fair value through profit or loss	564,314
Change in fair value through other comprehensive income due to own credit risk	(32,141)
Currency translation differences	(62,041)
	<hr/>
<b>At 31 December 2021</b>	<u><u>3,224,447</u></u>

**(b) Warrants and related financial liabilities**

On 12 July 2018, the Company issued warrants to the investors other than 58 Daojia for a right to subscribe for additional CRPS upon issuance of Series B CRPS and these warrants were expired in 2019. Meanwhile, the Company also issued warrants to two Series B investors located at the PRC who are subject to relevant rules and regulations imposed by the PRC government (see Note (c) below) for a right to subscribe for CRPS.

On 25 January 2019, the Company agreed to partially transfer the warrant held by a holder of Series B CRPS investor to its PRC affiliate. The PRC affiliate of that investor entered into a convertible note of approximately RMB11,607,000 with the Structured Entities of the Group (see Note (c) below).

On 26 July 2019, the Group also issued warrants to an investor for a right to subscribe for additional CRPS upon issuance of Series B2 CRPS. On 30 June 2021, an affiliate of that investor issued a form of notice of exercise to the Company to exercise its right to subscribe Series B2 CRPS pursuant to the term of such warrant. The transaction was completed on 8 July 2021 which warrants and related financial liabilities have been extinguished with CRPS.

On 30 August 2021 and 22 September 2021, all holders of convertible notes and warrants obtained all necessary approvals from the PRC authority and issued a form of notices of exercise to the Company to exercise its right to subscribe Series B and B1 CRPS pursuant to the term of such warrants. The entire transaction was completed on 15 October 2021 which warrants and related financial liabilities have been extinguished with CRPS.

The Warrants and related financial liabilities do not qualify for hedging accounting and the changes in fair values are recognised in profit or loss.

The movements of the warrants and related financial liabilities are set out as below:

	<i>RMB'000</i>
<b>As at 1 January 2018</b>	–
Issuance of warrants to Series B CRPS investors	155,599
Change in fair value through profit or loss	21,882
Currency translation differences	(613)
	<hr/>
<b>As at 31 December 2018 and 1 January 2019</b>	176,868
Issuance of warrants to Series B1 CRPS investors	4,859
Issuance of warrants to Series B2 CRPS investors	15,406
Change in fair value through profit or loss	(137,094)
Currency translation differences	1,563
	<hr/>
<b>As at 31 December 2019 and 1 January 2020</b>	61,602
Change in fair value through profit or loss	24,628
Currency translation differences	(6,775)
	<hr/>
<b>As at 31 December 2020 and 1 January 2021</b>	79,455
Exercise of warrants	(56,228)
Change in fair value through profit or loss	(22,386)
Currency translation differences	(841)
	<hr/>
<b>At 31 December 2021</b>	<hr/> <hr/>

(c) **Convertible notes**

During the Track Record Period, the Company issued certain warrants to investors located at the PRC which the investors are subject to relevant rules and regulations imposed by the PRC government and unable to remit the subscription proceeds to the Company prior to obtaining the approval from the PRC government. At the same date of the issuance of warrants, the investors entered into certain arrangements with the Structured Entities of the Group, whereas the Structured Entities issued convertible notes to these investors. In case that all necessary approvals has been obtained, the Structured Entities are required to repay the convertible notes and such repayment amount will be converted into US\$ and remitted to the Company to fund a full or partial exercise of the warrants.

The key terms of convertible notes are summarised as follows:

(i) ***Exchangeable features***

The convertible notes shall be exchanged for any equity instrument of the Structured Entities under mutual agreement between the investor and the Structured Entities within 10 years from the signing date of each agreements.

(ii) ***Repayment conditions***

The Structured Entities shall repay the convertible notes when either one of the following conditions are met: (i) the investors have notify the Company that all necessary approvals from the PRC government related to the subscription are obtained within 6 months after the IPO or (ii) 15 years from the signing date of each convertible notes agreements unless mutually agreed by the investors and the Structured Entities otherwise.



*(iii) Contingent call option*

If the investors and the Structured Entities cannot reach into an agreement within 30 days since 6 months after the IPO or the Company is required to redeem the convertible redeemable preferred shares or warrants, the Structured Entities can repay the convertible notes in the total of principals plus a simple 10% per annum interest.

The Group designated the convertible notes as financial liabilities at fair value through profit or loss because the purpose of the convertible notes and the warrants are to enable the investors located at the PRC to subscribe for the CRPS which are measured at fair value prior to obtaining the approvals from the PRC government.

The movements of other convertible notes are set out as below:

	<i>RMB'000</i>
<b>At 1 January 2018</b>	–
Addition in relation to issuance of warranty to Series B investors	96,774
Change in fair value through profit or loss	3,992
Change in fair value through other comprehensive income due to own credit risk	(1,296)
	<hr/>
<b>At 31 December 2018 and 1 January 2019</b>	99,470
Addition in relation to exercise of warranty granted Series B1 investors	6,749
Repayment to a Series B investor	(3,800)
Change in fair value through profit or loss	5,547
Change in fair value through other comprehensive income due to own credit risk	1,732
	<hr/>
<b>At 31 December 2019 and 1 January 2020</b>	109,698
Change in fair value through profit or loss	42,314
Change in fair value through other comprehensive income due to own credit risk	(2,994)
	<hr/>
<b>At 31 December 2020 and 1 January 2021</b>	149,018
Repayment to series B and B1 investors	(167,207)
Change in fair value through profit or loss	17,685
Change in fair value through other comprehensive income due to own credit risk	504
	<hr/>
<b>At 31 December 2021</b>	<hr/> <hr/>

**(d) Fair value measurements**

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation of the investments on a case by case basis. The team would use valuation techniques to determine the fair value of the Group's level 3 instruments which includes CRPS, warrants and related financial liabilities and convertible notes. External valuation experts will be involved when necessary.

The summary of changes in fair value of CRPS, warrants and related financial liabilities and convertible notes charged to profit or loss during the Track Record Period is as follows:

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
CRPS	(142,774)	96,426	(397,138)	(564,314)
Warrants and related financial liabilities	(21,882)	137,094	(24,628)	22,386
Convertible notes	(3,992)	(5,547)	(42,314)	(17,685)
	<u>(168,648)</u>	<u>227,973</u>	<u>(464,080)</u>	<u>(559,613)</u>

As the instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques.

**CRPS**

The Group applied the discounted cash flow method to determine the underlying equity value of the Company and adopted equity allocation model to determine the fair value of the CRPS. Key assumptions are set as below:

	As at 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Discount rate	18.5%	18.5%	18.0%	16.5%
Risk-free interest rate	2.5%	1.7%	0.2%	1.18%
DL0M	10%	10%	6%	2.5%
Volatility	45.6%	42.1%	42.3%	45.5%

Discount rate (post-tax) was estimated by weighted average cost of capital as at each valuation date. Management estimated the risk-free interest rate based on the market yield of US Treasury Curve with maturity close to expected redemption date as at the valuation date.

The DL0M was estimated based on the option-pricing method. Under option-pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount.

Volatility was estimated based on annualised standard deviation of the daily return embedded in historical stock prices of comparable companies with a time horizon close to the expected term.

Probability weight among redemption, liquidation and IPO scenarios was based on the Company's best estimates. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of the Preferred Shares at each valuation date.

Changes in fair value of the convertible redeemable preferred shares were recorded in “Changes in fair value of financial liabilities at fair value through profit or loss” in the profit or loss, and the fair value changes in the convertible redeemable preferred shares that are attributable to changes of own credit risk of this liability are recorded in other comprehensive income.

Fair value of convertible redeemable preferred shares is affected by changes in the Company's equity value. If the Company's equity value had increased/decreased by 10% with all other variables held constant, the loss before income tax for the years ended 31 December 2018, 2019, 2020 and 2021 would have been approximately RMB120,841,000/122,222,000 higher/lower, RMB129,788,000/132,234,000 higher/lower, RMB151,298,000/152,939,000 higher/lower and RMB304,563,000/304,703,000 higher/lower, respectively.

Fair value of convertible redeemable preferred shares is also affected by changes in the discount rate. If the discount rate had increased/decreased by 1% with all other variables held constant, the loss before income tax for the years ended 31 December 2018, 2019, 2020 and 2021 would have been approximately RMB114,752,000/131,154,000 lower/higher, RMB118,046,000/132,116,000 lower/higher, RMB149,978,000/172,005,000 lower/higher and RMB279,740,000/326,837,000 lower/higher, respectively.

#### ***Warrants and related financial liabilities***

The Group applied the discounted cash flow method to determine the fair value of warrants. Key assumptions are set as below:

	<b>As at 31 December</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Risk-free interest rate	2.5%	1.0%-1.7%	0.1%	N/A
Volatility	46.0%-54.0%	34.0%-42.0%	43.1%-47.6%	N/A

Discount rate (post-tax) was estimated by weighted average cost of capital as at each valuation date. Management estimated the risk-free interest rate based on the market yield of US Treasury Curve with maturity close to expected redemption date as at the valuation date.

The DLOM was estimated based on the option-pricing method. Under option-pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount.

Volatility was estimated based on annualised standard deviation of the daily return embedded in historical stock prices of comparable companies with a time horizon close to the expected term.

#### ***Convertible notes***

The Group applied the discounted cash flow method to determine the fair value of the other financial liabilities. Key assumptions are set as below:

	<b>As at 31 December</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Risk-free interest rate	2.5%	1.7%	0.2%	N/A
Volatility	45.6%	42.1%	42.3%	N/A

Discount rate (post-tax) was estimated by weighted average cost of capital as at each valuation date. Management estimated the risk-free interest rate based on the market yield of US Treasury Curve with maturity close to expected redemption date as at the valuation date.

The DLOM was estimated based on the option-pricing method. Under option-pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount.

Volatility was estimated based on annualised standard deviation of the daily return embedded in historical stock prices of comparable companies with a time horizon close to the expected term.

Fair value of other financial liabilities at fair value through profit and loss including warrants and related financial liabilities and convertible notes is affected by changes in the Company's equity value. If the Company's equity value had increased/decreased by 10% with all other variables held constant, the loss before income tax for the year ended 31 December 2018, 2019 and 2020 would have been approximately RMB48,775,000/44,644,000 higher/lower, RMB17,540,000/15,071,000 higher/lower and RMB28,845,000/27,217,000 higher/lower, respectively.

Fair value of other financial liabilities at fair value through profit and loss including warrants and related financial liabilities and convertible notes is also affected by changes in the discount rate. If the discount rate had increased/decreased by 1% with all other variables held constant, the loss before income tax for the year ended 31 December 2018, 2019 and 2020 would have been approximately RMB42,063,000/53,158,000 lower/higher, RMB13,567,000/17,884,000 lower/higher and RMB26,722,000/32,936,000 lower/higher, respectively.

### 31 Financial Instruments by Category

<b>Financial assets</b>	<b>Financial assets at amortised cost</b>
	<i>RMB'000</i>
<b>As at 31 December 2018</b>	
Accounts receivables ( <i>Note 19</i> )	52,857
Deposits and other receivables	16,307
Restricted cash ( <i>Note 21(b)</i> )	921
Cash and cash equivalents ( <i>Note 21(a)</i> )	348,269
	<u>418,354</u>
<b>As at 31 December 2019</b>	
Accounts receivables ( <i>Note 19</i> )	53,081
Deposits and other receivables	16,748
Restricted cash ( <i>Note 21(b)</i> )	2,182
Cash and cash equivalents ( <i>Note 21(a)</i> )	247,107
	<u>319,118</u>
<b>As at 31 December 2020</b>	
Accounts receivables ( <i>Note 19</i> )	53,695
Deposits and other receivables	12,070
Restricted cash ( <i>Note 21(b)</i> )	1,885
Cash and cash equivalents ( <i>Note 21(a)</i> )	217,253
	<u>284,903</u>



Financial liabilities	Financial liabilities at amortised cost	Financial Liabilities at fair value through profit or loss	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 31 December 2021</b>			
Accounts payables ( <i>Note 25</i> )	43,594	–	43,594
Accruals and other payables	294,451	–	294,451
CRPS ( <i>Note 30(a)</i> )	–	3,224,447	3,224,447
Lease liabilities	8,875	–	8,875
	346,920	3,224,447	3,571,367
	346,920	3,224,447	3,571,367

### 32 Discontinued Operation

In April 2020, the Group ceased the operation, applied for a dissolution and undertaken liquidation process of its subsidiary located at Taiwan. That subsidiary is thus reported as a discontinued operation during the Track Record Period. The liquidation was subsequently completed in October 2021.

The financial performance and cash flow information relating to the discontinued operation for the Track Record Period is set out below:

	Year ended 31 December			
	2018	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Discontinued operation</b>				
Statements of comprehensive income:				
Revenue	18,051	24,398	9,257	–
Expenses	(27,615)	(34,251)	(13,712)	(19)
	(9,564)	(9,853)	(4,455)	(19)
Loss before income tax	(9,564)	(9,853)	(4,455)	(19)
Income tax expense	–	–	–	–
	(9,564)	(9,853)	(4,455)	(19)
	(9,564)	(9,853)	(4,455)	(19)
Statements of cash flows of the discontinued operation:				
Net cash generated from/(used in) operating activities:	1,297	998	(2,482)	(19)

## 33 Cash Flow Information

## (a) Net cash used in operating activities

	Note	Year ended 31 December			
		2018	2019	2020	2021
		RMB'000	RMB'000	RMB'000	RMB'000
Loss before income tax					
Continuing operations		(1,066,411)	(170,374)	(653,311)	(872,576)
Discontinued operation		(9,564)	(9,853)	(4,455)	(19)
Loss before income tax from continuing and discontinued operations		(1,075,975)	(180,227)	(657,766)	(872,595)
Adjustments for:					
Amortisation of intangible assets	17	22,800	23,430	21,689	17,830
Depreciation of property, plant and equipment	16	2,734	5,706	5,942	4,349
Depreciation of right-of-use assets	15	4,526	8,378	6,992	7,278
Finance income		(2,996)	(3,196)	(4,186)	(2,739)
Finance cost		344	788	7,878	1,700
Loss/(gain) on disposal of property, plant and equipment		–	29	(2)	428
Gain on remeasurement of right-of-use assets		–	–	(60)	(5)
Changes in fair value on CRPS	30(d)	142,774	(96,426)	397,138	564,314
Changes in fair value on warrants	30(d)	21,882	(137,094)	24,628	(22,386)
Changes in fair value of convertible notes	30(d)	3,992	5,547	42,314	17,685
Net impairment losses/(reversal of impairment losses) of financial and non-financial assets		83,149	(5,191)	2,373	(50)
Other share-based compensation	24(b)	33,018	–	–	–
Share of net profit of a joint venture accounted for using equity method		–	–	–	(28)
Equity-settled share-based compensation	23	87,441	16,131	8,713	2,125
Change in working capital:					
Changes in accounts receivables		(97,513)	4,927	(2,347)	(12,854)
Changes in other operating assets		31,944	(25,458)	26,549	(109,244)
Changes in accounts payables		17,773	(9,195)	4,003	12,496
Changes in amounts due to related parties		333,119	23,124	19,461	(19,986)
Changes in other operating liabilities		10,867	(87,502)	(29,702)	53,058
<b>Net cash used in operating activities</b>		<b>(380,121)</b>	<b>(456,229)</b>	<b>(126,383)</b>	<b>(358,624)</b>

**(b) Reconciliation of liabilities arising from financing activities***For the year ended 31 December 2018*

	Convertible redeemable preferred shares	Other financial liabilities at fair value through profit or loss	Amounts due to related parties	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2018	–	–	60,379	3,318	63,697
Financing cash flow	422,267	219,355	(35,568)	(4,772)	601,282
Non-cash transactions:					
Other share-based compensation ( <i>Note 24(b)</i> )	–	33,018	–	–	33,018
Change in fair value through profit or loss ( <i>Note 30</i> )	142,774	25,874	–	–	168,648
Change in fair value through other comprehensive income ( <i>Note 30</i> )	(15,793)	(1,296)	–	–	(17,089)
Deemed distribution to shareholder ( <i>Note (c)(i)</i> )	843,033	–	–	–	843,033
Waiver of amounts due to related companies ( <i>Note (c)(ii)</i> )	209,726	–	–	–	209,726
Addition of right-of-use assets	–	–	–	9,405	9,405
Interest expenses	–	–	–	344	344
Effect on exchange difference	(5,516)	(613)	–	(24)	(6,153)
As at 31 December 2018	<u>1,596,491</u>	<u>276,338</u>	<u>24,811</u>	<u>8,271</u>	<u>1,905,911</u>

*For the year ended 31 December 2019*

	Convertible redeemable preferred shares	Other financial liabilities at fair value through profit or loss	Amounts due to related parties	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2019	1,596,491	276,338	24,811	8,271	1,905,911
Financing cash flow	194,334	23,214	151,467	(8,968)	360,047
Non-cash transactions:					
Change in fair value through profit or loss ( <i>Note 30</i> )	(96,426)	(131,547)	–	–	(227,973)
Change in fair value through other comprehensive income ( <i>Note 30</i> )	23,686	1,732	–	–	25,418
Addition of right-of-use assets	–	–	–	14,772	14,772
Interest expenses	–	–	–	788	788
Remeasurement of right-of-use assets	–	–	–	(90)	(90)
Effect on exchange difference	27,690	1,563	–	83	29,336
As at 31 December 2019	<u>1,745,775</u>	<u>171,300</u>	<u>176,278</u>	<u>14,856</u>	<u>2,108,209</u>



*For the year ended 31 December 2020*

	Convertible redeemable preferred shares	Other financial liabilities at fair value through profit or loss	Amounts due to related parties	Lease liabilities	Other borrowings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2020	1,745,775	171,300	176,278	14,856	–	2,108,209
Financing cash flow	–	–	(921)	(7,508)	104,652	96,223
Non-cash transactions:						
Change in fair value through profit or loss ( <i>Note 30</i> )	397,138	66,942	–	–	–	464,080
Change in fair value through other comprehensive income ( <i>Note 30</i> )	(50,767)	(2,994)	–	–	–	(53,761)
Addition of right-of-use assets	–	–	–	2,154	–	2,154
Interest expenses	–	–	–	561	–	561
Remeasurement of right-of-use assets	–	–	–	(1,606)	–	(1,606)
Effect on exchange difference	(131,747)	(6,775)	–	(427)	–	(138,949)
As at 31 December 2020	<u>1,960,399</u>	<u>228,473</u>	<u>175,357</u>	<u>8,030</u>	<u>104,652</u>	<u>2,476,911</u>

*For the year ended 31 December 2021*

	Convertible redeemable preferred shares	Other financial liabilities at fair value through profit or loss	Amounts due to related parties	Lease liabilities	Other borrowings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2021	1,960,399	228,473	175,357	8,030	104,652	2,476,911
Financing cash flow	737,688	(167,207)	8,842	(7,823)	(104,652)	466,848
Non-cash transactions:						
Change in fair value through profit or loss ( <i>Note 30</i> )	564,314	(4,701)	–	–	–	559,613
Change in fair value through other comprehensive income ( <i>Note 30</i> )	(32,141)	504	–	–	–	(31,637)
Exercise of warrants	56,228	(56,228)	–	–	–	–
Contribution from shareholder ( <i>Note (c)(iii)</i> )	–	–	(175,357)	–	–	(175,357)
Addition of right-of-use assets	–	–	–	8,751	–	8,751
Interest expenses	–	–	–	347	–	347
Remeasurement of right-of-use assets	–	–	–	(552)	–	(552)
Effect on exchange difference	(62,041)	(841)	–	122	–	(62,760)
As at 31 December 2021	<u>3,224,447</u>	<u>–</u>	<u>8,842</u>	<u>8,875</u>	<u>–</u>	<u>3,242,164</u>

**(c) Material non-cash transactions**

- (i) On 12 July 2018, Taobao China Holding Limited (“Taobao”), 58 Daojia, certain investors and the Company entered into a subscription agreement. Pursuant to the subscription agreement, Taobao forfeited certain of its interests in 58 Daojia and the Company allotted 75,476,660 Series A preferred shares to Taobao with a consideration of US\$189. The fair value of preferred shares granted less the consideration received by the Company of approximately RMB843,033,000 was treated as deemed distribution to its shareholder, 58 Daojia.
- (ii) On 12 July 2018, 58 Daojia, certain investors and the Company entered into a subscription agreement. The fair value of preferred shares allotted to 58 Daojia less the consideration by way of waiver of certain amount due by the Group to 58 Daojia amounted to approximately RMB209,726,000 was treated as capital contribution from its shareholder, 58 Daojia, of approximately RMB24,430,000.
- (iii) On 30 April 2021, 58 Daojia and the Company entered into a debt waiver agreement. Pursuant to the debt waiver agreement, 58 Daojia agreed to waive the amount due by the Group and the amount including the trade and non-trade was treated as capital contribution of approximately RMB298,553,000.

**34 Related Party Transactions**

The following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties and the balances arising from related party transactions in addition to the related party information shown elsewhere in this Historical Financial Information:

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the Track Record Period:

Name of related parties	Relationship with the Group
58 Daojia	Immediate and ultimate controlling shareholder
58.com	Shareholder of the ultimate controlling shareholder of the Group
Alibaba Group Service Limited (“Alibaba Group”)	Shareholder of the Group
Daojia Limited	Joint venture of the ultimate controlling shareholder
Wuhu Kaixindaojia Technology Co., Ltd.	Joint venture of the Group

**(a) Transactions with related parties**

	<b>Year ended 31 December</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Provision of services</b>				
Provision of logistic services to entities controlled by Alibaba Group	1,158	1,082	1,164	13,793
Provision of value added services to an entity controlled by 58.com	–	256	224	120
<b>Purchase of services</b>				
Purchase of services from entities controlled by Alibaba Group	–	1,662	4,392	8,697
Purchase of services from entities controlled by 58 Daojia	151,789	109,048	50,571	3,449
Purchase of services from entities controlled by Daojia Limited	–	–	16	9,153
Purchase of services from entities controlled by 58.com	5,948	–	–	155
Purchase of services from Wuhu Kaixindaojia Technology Co., Ltd.	–	–	–	96

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Rentals</b>				
Rental expenses to entities controlled by Alibaba Group	2,901	11,383	–	–
Rental expenses to entities controlled by 58.com	106	1,038	117	50
Rental expenses to entities controlled by Daojia Limited	–	–	–	173
<b>Lease</b>				
Lease payments to entity controlled by Daojia Limited	–	–	–	453
<b>Finance costs</b>				
Interest expense on borrowing from an entity controlled by 58 Daojia	–	–	7,317	1,353

Transactions with related parties were determined based on prices and terms mutually agreed by the relevant parties involved.

**(b) Balances with related parties**

	As at 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Right-of-use assets</b>				
Entities controlled by Daojia Limited – trade	–	–	–	4,111
<b>Amount due from a director</b>				
Mr. Lam Hoi Yuen ( <i>Note (i)</i> ) – non-trade	–	580	580	–
<b>Accounts receivables</b>				
Entities controlled by 58.com – trade	–	89	77	–
Entities controlled by Alibaba Group – trade	1,126	590	869	1,230
	1,126	679	946	1,230
<b>Prepayments and other receivables</b>				
Entities controlled by 58.com – trade	316	98	–	156
Entities controlled by Alibaba Group – trade	633	621	413	665
	949	719	413	821

	As at 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Other payables</b>				
Entities controlled by Daojia Limited – trade	–	–	17	20
Entities controlled by Alibaba Group – trade	3,484	1,695	1,841	3,365
Entities controlled by 58.com – trade	73	59	–	–
Wuhu Kaixindaojia Technology Co., Ltd. – trade	–	–	–	142
	<u>3,557</u>	<u>1,754</u>	<u>1,858</u>	<u>3,527</u>
<b>Amounts due to related parties</b>				
Entities controlled by Daojia Limited – non-trade ( <i>Note (iii)</i> )	454	921	–	–
Entities controlled by 58 Daojia – trade ( <i>Note (ii), (iii)</i> )	91,755	114,879	134,340	–
Entities controlled by 58 Daojia – non-trade ( <i>Note (ii)</i> )	24,357	175,357	175,357	–
	<u>116,566</u>	<u>291,157</u>	<u>309,697</u>	<u>–</u>
<b>Other borrowing</b>				
An entity controlled by 58 Daojia – non-trade ( <i>Note 28</i> )	–	–	104,652	–
	<u>–</u>	<u>–</u>	<u>104,652</u>	<u>–</u>
<b>Lease liability</b>				
Entity controlled by Daojia Limited – trade	–	–	–	4,382
	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,382</u>

## Notes:

- (i) The amount due from a director is unsecured, interest-free and is repayable on demand. The amount had been fully settled on 23 August 2021.
- (ii) On 30 April 2021, 58 Daojia and the Company entered into a debt waiver agreement, 58 Daojia agreed to waive the amount due by the Group and the amount was treated as capital contribution of approximately RMB298,553,000.
- (iii) The amount had been fully settled in October 2021.

## (c) Key management personnel compensation

	Year ended 31 December			
	2018	2019	2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Salaries and bonuses	2,618	2,905	3,742	4,902
Welfare and other employee benefits	97	99	79	213
Equity-settled share-based compensation	19,513	6,911	1,244	–
	<u>22,228</u>	<u>9,915</u>	<u>5,065</u>	<u>5,115</u>

**35 Contingent Liabilities**

As at 31 December 2018, 2019, 2020 and 2021, there were no material contingent liabilities to the Group.

**36 Events Occurring After the Reporting Period**

In addition to Notes 1.2, 2.1, 18 and 24 of this report, the following significant events took place subsequent to 31 December 2021:

After another wave of outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2022, a series of precautionary and control measures have been and continued to be implemented especially across the PRC. The pandemic in early 2022 has already caused a decrease in demand of the Group’s services in certain cities in the regional outbreak, which in turn resulted in downward pressure on the Group’s operations. The Group will pay close attention to the development of the COVID-19 outbreak and continuously evaluate its impact on the financial position and operating results of the Group.

**III. SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2021 and up to the date of this report. No dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2021 and up to the date of this report.

## APPENDIX II      UNAUDITED PRO FORMA FINANCIAL INFORMATION

*The information set forth in this appendix does not form part of the Accountant’s Report from the Company’s reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, as set forth in Appendix I to this prospectus, and is included herein for illustrative purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed “Financial Information” in this prospectus and the Accountant’s Report set forth in Appendix I to this prospectus.*

### A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is an illustrative statement of unaudited pro forma adjusted consolidated net tangible assets which has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Global Offering as if it had taken place on December 31, 2021 and based on the audited consolidated net tangible liabilities attributable to equity holders of the Company as at December 31, 2021 and adjusted as described below.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as of December 31, 2021 or at any future dates.

Audited consolidated net tangible liabilities attributable to equity holders of the Company as at December 31, 2021 <sup>(1)</sup>	Estimated net proceeds from the Global Offering <sup>(2)</sup>	Estimated impact related to the conversion of convertible redeemable preferred shares <sup>(3)</sup>	Unaudited pro forma adjusted consolidated net tangible assets attributable to equity holders of the Company	Unaudited pro forma adjusted net tangible assets per Share <sup>(4), (5)</sup>		
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB</i>	<i>HK\$</i>	
Based on an Offer Price of HK\$21.5 per Share	(3,164,493)	515,742	3,224,447	575,696	0.94	1.10

*Notes:*

- (1) The audited consolidated net tangible liabilities attributable to equity holders of the Company as at December 31, 2021 is extracted from the Accountant's Report as set out in Appendix I to this prospectus, which is based on the audited consolidated net liabilities of the Group attributable to equity holders of the Company as at December 31, 2021 of approximately RMB2,075,809,000 with adjustments for the intangible assets and goodwill as at December 31, 2021 of RMB68,346,000 and RMB1,020,338,000 respectively.
- (2) The estimated net proceeds to be received by the Company from the Global Offering are based on 31,200,000 new Shares to be issued and the indicative Offer Price of HK\$21.5 per Share, after deduction of the underwriting fees and other related expenses (excluding listing expenses of approximately RMB33,812,000 which have been accounted for in the consolidated statements of comprehensive income of the Group prior to December 31, 2021) payable by the Company, and takes no account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option, any Shares which may be issued under the Pre-IPO Share Incentive Plan or any Shares which may be issued or repurchased by the Company under the general mandate to issue Shares and general mandate to repurchase Shares as described in the section headed "Share Capital" in this prospectus.
- (3) Upon the Listing and the completion of the Global Offering, all the Preferred Shares will be converted into Shares on a one-to-one basis by way of re-designation to Shares. The convertible redeemable preferred shares which were accounted for as liabilities will be re-designated from liabilities to equity. Also, the convertible notes and the warrants issued to certain investors in the PRC for subscription of the Preferred Shares are also assumed to be converted into Shares for the purpose of this unaudited pro forma financial information. Accordingly, the unaudited pro forma adjusted consolidated net tangible assets attributable to equity holders of the Company will be increased by RMB3,224,447,000, being the carrying amount of the convertible redeemable preferred shares issued to the PRC investors, respectively, which were accounted for as liabilities as of December 31, 2021.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 615,527,987 Shares were in issue assuming that the Global Offering and the re-designation of the Preferred Shares, Class A ordinary shares and Class B ordinary shares into Shares had been completed on December 31, 2021 but does not take into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, any Shares which may be issued under the Pre-IPO Share Incentive Plan or any Shares which may be issued or repurchased by the Company under the general mandate to issue Shares and general mandate to repurchase Shares as described in the section headed "Share Capital" in this prospectus.
- (5) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, the amounts stated in RMB are converted into Hong Kong dollars at rate of RMB0.84956 to HK\$1. No representation is made that RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
- (6) Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to December 31, 2021.

**B.    REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.*



羅兵咸永道

**INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**To the Directors of GOGOX HOLDINGS LIMITED (formerly named as “58 Freight Inc.”)**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of GOGOX HOLDINGS LIMITED (formerly named as “58 Freight Inc.”) (the “Company”) and its subsidiaries (collectively the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2021 and related notes (the “Unaudited Pro Forma Financial Information”) as set out on pages II-1 to II-2 of the Company’s prospectus dated 14 June 2022, in connection with the proposed initial public offering of the shares of the Company (the “Prospectus”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group’s financial position as at 31 December 2021 as if the proposed initial public offering had taken place at 31 December 2021. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial information for the year ended 31 December 2021, on which an accountant’s report has been published.

***Directors’ Responsibility for the Unaudited Pro Forma Financial Information***

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*, (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).



***Our Independence and Quality Control***

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

***Reporting Accountant's Responsibilities***

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at 31 December 2021 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

***Opinion***

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**PricewaterhouseCoopers**  
*Certified Public Accountants*  
Hong Kong, 14 June 2022

**SUMMARY OF THE CONSTITUTION OF THE COMPANY**

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of the Cayman Companies Act.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 June 2017 under the Companies Act. The Company's constitutional documents consist of its Memorandum and Articles of Association.

**1 Memorandum of Association**

The Memorandum of Association of the Company was conditionally adopted on June 9, 2022 and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

The Memorandum of Association is on display on the websites of the Stock Exchange and the Company as specified in the section headed “– Documents on display” in Appendix V to this prospectus.

**2 Articles of Association**

The Articles of Association of the Company were conditionally adopted on June 9, 2022 and include provisions to the following effect:

**2.1 Classes of Shares**

The share capital of the Company consists of ordinary shares. The capital of the Company at the date of adoption of the Articles is US\$50,000 divided into 20,000,000,000 shares of US\$0.0000025 each.

**2.2 Directors***(a) Power to allot and issue Shares*

Subject to the provisions of the Companies Act and the Memorandum and Articles of Association, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Directors shall determine.

Subject to the provisions of the Articles of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such

preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Directors may determine. Subject to the Companies Act and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof, liable to be redeemed.

*(b) Power to dispose of the assets of the Company or any subsidiary*

The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles of Association expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not by the Articles of Association or the Companies Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies Act and of the Articles of Association and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or the Articles of Association, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

*(c) Compensation or payment for loss of office*

Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

*(d) Loans to Directors*

There are provisions in the Articles of Association prohibiting the making of loans to Directors or their respective close associates which are equivalent to the restrictions imposed by the Companies Ordinance.

*(e) Financial assistance to purchase Shares*

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in the Company or any such subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

(f) *Disclosure of interest in contracts with the Company or any of its subsidiaries*

No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may be made by the Company.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his close associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving to such Director or any of his close associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
  - (A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or
  - (B) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(g) *Remuneration*

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

*(h) Retirement, appointment and removal*

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting, but shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation at such meeting.

The Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his term of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment of office as a result of the termination of this appointment as Director). The Company may also by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed.

The Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. No person shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary of the Company notice in writing by a member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The office of a Director shall be vacated:

- (i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;
- (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;
- (iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 12 consecutive months, and the Directors resolve that his office be vacated;
- (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles of Association;
- (vi) if he is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) for the time being then in office; or
- (vii) if he shall be removed from office by an ordinary resolution of the members of the Company under the Articles of Association.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

(i) *Borrowing powers*

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.



(j) *Proceedings of the Board*

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairperson of the meeting shall have a second or casting vote.

**2.3 *Alteration to constitutional documents***

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

**2.4 *Variation of rights of existing shares or classes of shares***

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

**2.5 *Alteration of capital***

The Company may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Companies Act; and
- (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Act, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies Act.

### *2.6 Special resolution – majority required*

A “special resolution” is defined in the Articles of Association to have the meaning ascribed thereto in the Companies Act, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of the Company entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an “ordinary resolution” is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

### *2.7 Voting rights*

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting (a) every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have the right to speak, (b) on a show of hands, every member present in such manner shall have one vote, and (c) on a poll, every member present in such manner shall have one vote for each share registered in his name in the register of members of the Company.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairperson of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands.

### ***2.8 Annual general meetings and extraordinary general meetings***

The Company shall hold a general meeting as its annual general meeting in each financial year. The annual general meeting shall be specified as such in the notices calling it.

The board of Directors may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s). If the Directors do not

within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to them by the Company.

### ***2.9 Accounts and audit***

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Companies Act.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to inspection by members of the Company (other than officers of the Company) and no such member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Companies Act or any other relevant law or regulation or as authorised by the Directors or by the Company in general meeting.

The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law. Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by the Company as provided in the Articles of Association to every member of the Company and every holder of debentures of the Company provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

**2.10 Auditors**

The Company shall at every annual general meeting by ordinary resolution appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the auditors shall be fixed by the Company at the annual general meeting at which they are appointed by ordinary resolution, provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.

**2.11 Notice of meetings and business to be conducted thereat**

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place.

The Directors also have the power to provide in every notice calling a general meeting that in the event of a gale warning or a black rainstorm warning is in force at any time on the day of the general meeting (unless such warning is cancelled at least a minimum period of time prior to the general meeting as the Directors may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

Where a general meeting is postponed:

- (a) the Company shall endeavour to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, but failure to place or publish such notice shall not affect the automatic postponement of a general meeting due to a gale warning or black rainstorm warning being in force on the day of the general meeting;
- (b) the Directors shall fix the date, time and place for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting; and such notice shall specify the date, time and place at which the postponed meeting will be reconvened and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and
- (c) only the business set out in the notice of the original meeting shall be transacted at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be transacted at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where new business is to be transacted at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles of Association.

### *2.12 Transfer of shares*

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

- (a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be cancelled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of shares;
- (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;
- (e) the shares concerned are free of any lien in favour of the Company; and
- (f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be suspended and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.



***2.13 Power of the Company to purchase its own shares***

The Company is empowered by the Companies Act and the Articles of Association to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the Securities and Futures Commission of Hong Kong. Shares which have been repurchased will be treated as cancelled upon the repurchase.

***2.14 Power of any subsidiary of the Company to own shares***

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

***2.15 Dividends and other methods of distribution***

Subject to the Companies Act and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of the Company in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

The Directors may, with the sanction of the members of the Company in general meeting, direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe for securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular

may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

### ***2.16 Proxies***

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.

Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

*2.17 Calls on shares and forfeiture of shares*

The Directors may from time to time make calls upon the members of the Company in respect of any monies unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of the Company shall (subject to the Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the person at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by instalments and shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other monies due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or instalment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or instalment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of the Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon at such rate not exceeding 15% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

#### ***2.18 Inspection of register of members***

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be closed at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the Company without charge and by any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Directors may determine for each inspection.

#### ***2.19 Quorum for meetings and separate class meetings***

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairperson which shall not be treated as part of the business of the meeting.

Two members of the Company present in person or by proxy shall be a quorum provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles of Association to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

#### ***2.20 Rights of minorities in relation to fraud or oppression***

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

#### ***2.21 Procedure on liquidation***

Subject to the Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.

If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Companies Act, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

### *2.22 Untraceable members*

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

## SUMMARY OF CAYMAN ISLANDS COMPANIES ACT AND TAXATION

### **1 Introduction**

The Companies Act is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Companies Act and the current Companies Act of England. Set out below is a summary of certain provisions of the Companies Act, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

### **2 Incorporation**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 June 2017 under the Companies Act. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorised share capital.

### 3 Share Capital

The Companies Act permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the “share premium account”. At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Act provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Act);
- (d) writing-off the preliminary expenses of the company;
- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and
- (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Act provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.



Subject to the detailed provisions of the Companies Act, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorised either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

#### **4 Dividends and Distributions**

With the exception of section 34 of the Companies Act, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Companies Act permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

#### **5 Shareholders' Suits**

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is *ultra vires* the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

**6 Protection of Minorities**

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

**7 Disposal of Assets**

The Companies Act contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

**8 Accounting and Auditing Requirements**

The Companies Act requires that a company shall cause to be kept proper books of account with respect to:

- (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the company; and
- (c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

**9 Register of Members**

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

**10 Inspection of Books and Records**

Members of a company will have no general right under the Companies Act to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

**11 Special Resolutions**

The Companies Act provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorised by the articles of association of the company.

**12 Subsidiary Owning Shares in Parent**

The Companies Act does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

**13 Mergers and Consolidations**

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and

liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company, and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

#### **14 Reconstructions**

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing 75% in value of shareholders or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

#### **15 Take-overs**

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

**16 Indemnification**

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

**17 Liquidation**

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

**18 Stamp Duty on Transfers**

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

**19 Taxation**

Pursuant to section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, the Company may obtain an undertaking from the Financial Secretary of the Cayman Islands:

- (a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
  - (i) on or in respect of the shares, debentures or other obligations of the Company;  
or
  - (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act (As Revised).

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

**20 Exchange Control**

There are no exchange control regulations or currency restrictions in the Cayman Islands.

**21 General**

Maples and Calder (Hong Kong) LLP, the Company's legal advisors on Cayman Islands law, have sent to the Company a letter of advice summarising aspects of Cayman Islands Companies Act. This letter, together with a copy of the Companies Act, is on display on the websites as referred to in the section headed "– Documents on display" in Appendix V to this prospectus. Any person wishing to have a detailed summary of Cayman Islands Companies Act or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

**A. FURTHER INFORMATION ABOUT OUR GROUP****1. Incorporation of Our Company**

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on June 8, 2017 under the name of “58 Freight Inc.” Our registered office is at PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. Accordingly, our Company’s corporate structure and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Articles of Association is set out in the section headed “Summary of the Constitution of the Company and Cayman Islands Company Law – 2 Articles of Association” in Appendix III to this prospectus.

Our registered place of business in Hong Kong is 19/F, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on August 20, 2021 with the Registrar of Companies in Hong Kong. Ms. Yu Wing Sze of TMF Hong Kong Limited has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

In November 2021, the name of our Company was changed to GOGO X HOLDINGS LIMITED (快狗打车控股有限公司).

**2. Changes in the Share Capital**

As of the date of incorporation of our Company, our authorized share capital was US\$50,000, divided into 50,000 shares of a nominal or par value of US\$1.00 each.

The following changes in the share capital of our Company took place during the two years immediately preceding the date of this prospectus:

- (a) On June 3, 2021, our Company issued 6,404,809 Series C Preferred Shares to 58 Daojia.
- (b) On June 23, 2021, our Company issued an aggregate of 10,775,322 Series C Preferred Shares to Smart Pioneer Inc Limited, Idea Chance Limited and Alibaba Hong Kong Entrepreneurs Fund, L.P.; and on June 24, 2021, our Company issued an aggregate of 9,820,707 Series C Preferred Shares to BOCOM International Asset Management Limited and CMF Six Limited.
- (c) On July 8, 2021, our Company issued 13,068,244 Series B Shares to Dawanqu SPC (for and on behalf of GBA Logistics SP).
- (d) On August 18, 2021, for the purpose of reserving shares for the issuance pursuant to awards under the Share Incentive Plan, 58 Daojia and GoGoVan Cayman surrendered 41,172,639 Class B Ordinary Shares and 7,735,002 Class A Ordinary Shares, respectively. Such surrendered shares were canceled by the Company.
- (e) On January 13, 2022, Mr. Chen exercised his Options granted under the Share Incentive Plan. As a result, 7,912,383 Shares were issued to Genesis Fortune Holdings Limited, a special purpose vehicle wholly owned by Major Group Enterprises Limited, which is in turn wholly owned by Mr. Chen Xiaohua.

For more details, see the sections headed “History, Reorganization and Corporate Structure – Major Shareholding Changes of our Company” and “History, Reorganization and Corporate Structure – Share Incentive Plan” in this prospectus.

Save as disclosed above, there has been no alteration in the share capital of our Company during the two years immediately preceding the date of this prospectus.

### **3. Resolutions of our Shareholders**

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on June 9, 2022, it was resolved, among others:

- (a) the Memorandum and Articles of Association were approved and adopted conditional upon Listing;
- (b) conditional upon all the conditions set out in “Structure of the Global Offering – Conditions of the Global Offering” in this prospectus being fulfilled:
  - (i) the Global Offering was approved and the Board (or any committee thereof established by the Board pursuant to the Articles) was authorized to make or effect the same as it thinks fit;
  - (ii) the Board (or any committee thereof established by the Board pursuant to the Articles) was authorized to allot, issue and approve the transfer of such number of Shares in connection with the Global Offering; and
  - (iii) the Board (or any committee thereof established by the Board pursuant to the Articles) was authorized to agree to the price per Offer Share with the Joint Bookrunners.
- (c) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with Shares or securities convertible into Shares and to make or grant offers or agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which might require Shares to be allotted, issued or dealt with, otherwise than pursuant to the Global Offering, or pursuant to the exercise of outstanding Options under the Share Incentive Plan, or pursuant to a right issue or pursuant to the exercise of any subscription rights attaching to any warrants or any option scheme or similar arrangement which may be allotted and issued by our Company from time to time on a specific authority granted by the Shareholders in general meeting or, pursuant to the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles, Shares not exceed 20% of the number of the Shares in issue immediately following completion of the Global Offering (assuming no new Shares are issued pursuant to the exercise of the Over-allotment Option or the Share Incentive Plan), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or



the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles or any applicable laws, or until revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever is the earliest;

- (d) a general unconditional mandate was given to the Directors authorizing them to exercise all the powers of our Company to repurchase its own Shares on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares will represent up to 10% of the number of the Shares in issue immediately following the completion of the Global Offering (assuming no new Shares are issued pursuant to the exercise of the Over-allotment Option or the Share Incentive Plan), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles or any applicable laws, or until revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever occurs first; and
- (e) the general mandate mentioned in paragraph (c) above be extended by the addition to the number of the Shares which may be allotted, or agreed conditionally or unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the number of Shares repurchased by the Company pursuant to the mandate to purchase shares referred to in paragraph (d) above.

#### **4. Changes in the Capital of our Subsidiaries**

Our subsidiaries during the Track Record Period are referred to in the Accountant's Report set out in Appendix I to this prospectus. The following alterations in the share or registered capital of our subsidiaries have taken place within two years immediately preceding the date of this prospectus.

##### ***Hainan 58 Supply Chain***

On April 21, 2020, Hainan 58 Daojia Supply Chain Management Services Co., Ltd. was founded with the registered capital of RMB21,000,000.

##### ***Hainan 58 Freight***

On April 9, 2021, Hainan 58 Daojia Freight Services Co., Ltd. was founded with the registered capital of RMB1,000,000.

***Hainan 58 Technology***

On May 21, 2021, Hainan 58 Daojia Technology Co., Ltd. was founded with the registered capital of US\$35,000,000.

***Tianjin Kuaigou Freight***

On December 13, 2021, Tianjin Kuaigou Freight was founded with the registered capital of RMB10 million.

***GoGoVan India Private Limited***

Since February 3, 2020, GoGoVan India Private Limited undertook two rounds of share allotments to its existing shareholders. As a result, the registered share capital of GoGoVan India Private Limited increased from 3,363,385 to 3,903,175 equity shares.

***GoGoVan Korea***

On November 19, 2020, the share capital of GoGoVan Korea increased from 407,280 to 823,198 shares. On December 16, 2021, the share capital of GoGoVan Korea increased from 823,198 shares to 1,138,975 shares.

***GOGOX Vietnam Corporation***

On October 12, 2021, GOGOX Vietnam Corporation was founded with the registered capital of VND23 billion.

Save as disclosed above, there have been no alterations in the capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

**5. Repurchases of our Own Securities*****(a) Provisions of the Listing Rules***

Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

***(i) Shareholders' approval***

All proposed repurchases of Shares (which must be fully paid up) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the Shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution of our Company passed at an extraordinary general meeting of our Company held on June 9, 2022, a general unconditional mandate (the “**Repurchase Mandate**”) was given to the Directors authorizing any repurchase by our Company of Shares on the Stock Exchange or on any other stock exchange on which the securities may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, of not more than 10% of the number of Shares in issue immediately following the completion of the Global Offering until the conclusion of our next annual general meeting, or the date by which our next annual general meeting is required by the Articles of Association or any applicable law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to the Directors, whichever occurs first.

*(ii) Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with our Articles and the applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

*(iii) Trading restrictions*

The total number of Shares which our Company may repurchase is up to 10% of the total number of our Shares in issue immediately after the completion of the Global Offering. Our Company may not issue or announce a proposed issue of Shares for a period of 30 days immediately following a repurchase of Shares without the prior approval of the Stock Exchange. Our Company is also prohibited from repurchasing Shares on the Stock Exchange if the repurchase would result in the number of listed Shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. Our Company is required to procure that the broker appointed by our Company to effect a repurchase of Shares discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require. As required by the prevailing requirements of the Listing Rules, an issuer shall not purchase its shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

*(iv) Status of repurchased Shares*

All repurchased Shares (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those Shares must be canceled and destroyed.

(v) *Suspension of repurchase*

Pursuant to the Listing Rules, our Company may not make any repurchases of Shares after inside information has come to its knowledge until the information is made publicly available. In particular, under the requirements of the Listing Rules in force as of the date hereof, during the period of one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of our Company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and in each case ending on the date of the results announcement, our Company may not repurchase Shares on the Stock Exchange unless the circumstances are exceptional.

(vi) *Procedural and reporting requirements*

As required by the Listing Rules, repurchases of Shares on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Stock Exchange business day following any day on which our Company may make a purchase of Shares. The report must state the total number of Shares purchased the previous day, the purchase price per Share or the highest and lowest prices paid for such purchases. In addition, our Company's annual report is required to disclose details regarding repurchases of Shares made during the year, including a monthly analysis of the number of shares repurchased, the purchase price per Share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate prices paid.

(vii) *Connected parties*

A company is prohibited from knowingly repurchasing securities on the Stock Exchange from a core connected person (as defined in the Listing Rules) and a core connected person shall not knowingly sell its securities to the company on the Stock Exchange.

*(b) Reasons for repurchases*

The Directors believe that it is in the best interests of our Company and Shareholders for the Directors to have general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where the Directors believe that such repurchases will benefit our Company and our Shareholders.

*(c) Funding of repurchases*

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

On the basis of the current financial position as disclosed in this prospectus and taking into account the current working capital position, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Company as compared with the position disclosed in this prospectus. The Directors, however, do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of our Company which in the opinion of the Directors are from time to time appropriate for our Company.

The exercise in full of the Repurchase Mandate, on the basis of 615,527,987 Shares in issue immediately following the completion of the Global Offering, could accordingly result in 61,552,798 Shares being repurchased by our Company during the period prior to the earliest occurrence of (1) the conclusion of the next annual general meeting of our Company; (2) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws of Hong Kong to be held; or (3) the revocation or variation of the purchase mandate by an ordinary resolution of the Shareholders in general meeting (the “**Relevant Period**”).

*(d) General*

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of Hong Kong. Our Company have not repurchased any Shares since our incorporation.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate. Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than 25% of our Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

## B. FURTHER INFORMATION ABOUT OUR BUSINESS

### 1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this prospectus that are or may be material:

- (a) an exclusive management services and business cooperation agreement (獨家管理服務和業務合作協議) dated August 16, 2021 entered into among Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司), Zhenjiang 58 Daojia Supply Chain Management Services Co., Ltd. (鎮江五八到家供應鏈管理服務有限公司), Hainan 58 Daojia Supply Chain Management Services Co., Ltd. (海南五八到家供應鏈管理服務有限公司), Hainan 58 Daojia Freight Services Co., Ltd. (海南五八到家貨運服務有限公司), CHEN Xiaohua (陳小華) and YAO Jinbo (姚勁波);
- (b) a letter of acceptance of rights and obligations (權利義務承受函) dated December 25, 2021 signed by Tianjin Kuaigou Freight Services Co., Ltd. (天津快狗貨運服務有限公司);
- (c) an exclusive option agreement (獨家購股權協議) dated August 16, 2021 entered into among Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), CHEN Xiaohua (陳小華), YAO Jinbo (姚勁波) and Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司);
- (d) an exclusive option agreement (獨家購股權協議) dated January 26, 2022 entered into among Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司) and Hainan 58 Daojia Supply Chain Management Services Co., Ltd. (海南五八到家供應鏈管理服務有限公司);

- (e) an exclusive option agreement (獨家購股權協議) dated January 26, 2022 entered into among Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司) and Zhenjiang 58 Daojia Supply Chain Management Services Co., Ltd. (鎮江五八到家供應鏈管理服務有限公司);
- (f) an exclusive option agreement (獨家購股權協議) dated January 26, 2022 entered into among Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司) and Hainan 58 Daojia Freight Services Co., Ltd. (海南五八到家貨運服務有限公司);
- (g) an exclusive option agreement (獨家購股權協議) dated January 26, 2022 entered into among Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司) and Tianjin Kuaigou Freight Services Co., Ltd. (天津快狗貨運服務有限公司);
- (h) an equity pledge agreement (股權質押協議) dated August 16, 2021 entered into among Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), CHEN Xiaohua (陳小華), YAO Jinbo (姚勁波) and Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司);
- (i) an equity pledge agreement (股權質押協議) dated January 26, 2022 entered into among Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司) and Hainan 58 Daojia Supply Chain Management Services Co., Ltd. (海南五八到家供應鏈管理服務有限公司);
- (j) an equity pledge agreement (股權質押協議) dated January 26, 2022 entered into among Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司) and Zhenjiang 58 Daojia Supply Chain Management Services Co., Ltd. (鎮江五八到家供應鏈管理服務有限公司);
- (k) an equity pledge agreement (股權質押協議) dated January 26, 2022 entered into among Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司) and Hainan 58 Daojia Freight Services Co., Ltd. (海南五八到家貨運服務有限公司);
- (l) an equity pledge agreement (股權質押協議) dated January 26, 2022 entered into among Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司) and Tianjin Kuaigou Freight Services Co., Ltd. (天津快狗貨運服務有限公司);
- (m) a power of attorney (授權委託書) dated August 16, 2021 signed by CHEN Xiaohua (陳小華);
- (n) a power of attorney (授權委託書) dated August 16, 2021 signed by YAO Jinbo (姚勁波);

- (o) a power of attorney (授權委託書) dated January 26, 2022 signed by Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司) with respect to its equity interest in Tianjin Kuaigou Freight Services Co., Ltd. (天津快狗貨運服務有限公司);
- (p) a power of attorney (授權委託書) dated January 26, 2022 signed by Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司) with respect to its equity interest in Hainan 58 Daojia Supply Chain Management Services Co., Ltd. (海南五八到家供應鏈管理服務有限公司);
- (q) a power of attorney (授權委託書) dated January 26, 2022 signed by Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司) with respect to its equity interest in Hainan 58 Daojia Freight Services Co., Ltd. (海南五八到家貨運服務有限公司);
- (r) a power of attorney (授權委託書) dated January 26, 2022 signed by Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司) with respect to its equity interest in Zhenjiang 58 Daojia Supply Chain Management Services Co., Ltd. (鎮江五八到家供應鏈管理服務有限公司);
- (s) a consent letter (同意函) dated August 16, 2021 signed by HE Feng (何鳳), the spouse of CHEN Xiaohua (陳小華);
- (t) a consent letter (同意函) dated August 16, 2021 signed by DAI Keying (戴科英), the spouse of YAO Jinbo (姚勁波);
- (u) the cornerstone investment agreement dated June 10, 2022 entered into among our Company, CHERY COMMERCIAL VEHICLE (ANHUI) COMPANY LIMITED, UBS SECURITIES HONG KONG LIMITED, UBS AG HONG KONG BRANCH, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED, BOCOM INTERNATIONAL (ASIA) LIMITED, ABCI CAPITAL LIMITED and BOCOM INTERNATIONAL SECURITIES LIMITED, pursuant to which CHERY COMMERCIAL VEHICLE (ANHUI) COMPANY LIMITED agreed to subscribe for Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$50.0 million;
- (v) the cornerstone investment agreement dated June 10, 2022 entered into among our Company, GF GLOBAL CAPITAL LIMITED, UBS SECURITIES HONG KONG LIMITED, UBS AG HONG KONG BRANCH, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED, BOCOM INTERNATIONAL (ASIA) LIMITED, ABCI CAPITAL LIMITED and BOCOM INTERNATIONAL SECURITIES LIMITED, pursuant to which GF GLOBAL CAPITAL LIMITED agreed to subscribe for Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$13.5 million; and
- (w) the Hong Kong Underwriting Agreement.









## 2. Intellectual Property Rights of our Group


## (a) Trademarks

As of the Latest Practicable Date, our Group had registered the following trademarks in the PRC which we consider to be material to our Group's business:






























Trademark	Place of registration	Registered owner
	PRC	Tianjin 58 Freight
	PRC	Tianjin 58 Freight
快狗速运	PRC	Tianjin 58 Freight
	PRC	Tianjin 58 Freight
	PRC	Tianjin 58 Freight
快狗	PRC	Tianjin 58 Freight
快狗速运	PRC	Tianjin 58 Freight
快狗拉货	PRC	Tianjin 58 Freight
快狗货的	PRC	Tianjin 58 Freight
快狗货运	PRC	Tianjin 58 Freight
快狗打车	PRC	Tianjin 58 Freight

Trademark	Place of registration	Registered owner
	PRC	Tianjin 58 Freight
	PRC	Tianjin 58 Freight
咪咪找车	PRC	Tianjin 58 Freight
	PRC	Tianjin 58 Freight
	PRC	Tianjin 58 Freight
	PRC	Tianjin 58 Freight
	PRC	Tianjin 58 Freight

As of the Latest Practicable Date, our Group had made applications to register the following trademarks in the PRC which we consider to be material to our Group's business:

Trademark	Place of application	Applicant
	PRC	Tianjin 58 Freight
GOGO快狗	PRC	Tianjin 58 Freight

As at the Latest Practicable Date, our Group had registered the following trademarks in Hong Kong which we consider to be material to our Group’s business:

Trademark	Place of registration	Registered owner
A 	Hong Kong	GoGo Tech HK
B 		
X  K  C  D 	Hong Kong	GoGo Tech HK
W 	Hong Kong	GoGo Energy Limited
R 		
	Hong Kong	GGEx Limited
	Hong Kong	GGEx Limited
	Hong Kong	GGEx Limited
GOGODELIVERY	Hong Kong	GoGo Tech HK
X  Y  Z  A 	Hong Kong	GoGo Tech HK
X  Y  Z  A 	Hong Kong	GoGo Tech HK
Mark A  Mark B 	Hong Kong	GoGo Tech HK
Mark C  Mark D 		
Mark A  Mark B 	Hong Kong	GoGo Tech HK
Mark C  Mark D 		
Mark A  Mark B 	Hong Kong	GoGo Tech HK

*(b) Domain Names*

As of the Latest Practicable Date, our Group had registered the following domain names which we consider to be material to our Group's business:

<u>Domain name</u>	<u>Registered owner</u>	<u>Expiry date</u>
58freight.cn	Tianjin 58 Freight	May 16, 2025
58freight.com	Tianjin 58 Freight	May 15, 2025
kuaigou.co	Tianjin 58 Freight	November 28, 2024
kg-inc.cn	Tianjin 58 Freight	April 8, 2023
kgdc.cn	Tianjin 58 Freight	December 13, 2023
kgtest.cn	Tianjin 58 Freight	April 23, 2025
kakazhaoche.com	Tianjin 58 Freight	July 18, 2026
kgdns.net	Tianjin 58 Freight	April 24, 2023
kakazhaoche.com.cn	Tianjin 58 Freight	October 15, 2029
kgcdn.cn	Tianjin 58 Freight	May 20, 2027
kgdache.com	Tianjin 58 Freight	April 24, 2023
kgdc-inc.com	Tianjin 58 Freight	April 24, 2023
kgdc.cc	Tianjin 58 Freight	November 4, 2027
58freight.com.cn	Zhenjiang 58 Supply Chain	May 16, 2023
daojiahuoyun.cn	Hainan 58 Supply Chain	May 12, 2025
daojiahuoyun.com	Hainan 58 Supply Chain	May 12, 2025
kuaigouhuoyun.com	Hainan 58 Freight	May 19, 2026
kgdc.vip	Tianjin Kuaigou Freight	November 15, 2027
gogoenergy.hk	GoGo Tech HK	April 11, 2022
gogotech.hk	GoGo Tech HK	October 1, 2022
gogovan.co.in	GoGo Tech HK	December 2, 2022
gogovan.hk	GoGo Tech HK	March 5, 2023
gogovan.kr	GoGo Tech HK	November 13, 2022
gogovan.sg	GoGo Tech HK	March 9, 2022
gogovan.tw	GoGo Tech HK	February 21, 2022
gogoenergy.sg	GoGo Tech HK	October 21, 2022
gogox.com	GoGo Tech HK	September 8, 2022
gogoxholdings.com	GoGo Tech HK	May 20, 2023

*(c) Patents*

As of the Latest Practicable Date, our Group had registered the following patents which we consider to be material to our Group's business:

<b>Title</b>	<b>Place of Registration</b>	<b>Registered Owner</b>
A method and device for data processing (數據處理方法及裝置)	PRC	Tianjin 58 Technology
A method, equipment, system and storage medium for driving data processing (駕駛數據處理方法、設備、系統及存儲介質)	PRC	Tianjin 58 Technology
Users' interfaces with graphics for mobile devices (用於移動設備的圖形用戶界面)	PRC	Tianjin 58 Freight
Mobile devices with users' interfaces with graphics (帶圖形用戶界面的移動設備)	PRC	Tianjin 58 Freight
Users' interfaces with graphics for mobile devices (用於移動設備的圖形用戶界面)	PRC	Tianjin 58 Freight
Mobile devices with users' interfaces with graphics (帶圖形用戶界面的移動設備)	PRC	Tianjin 58 Freight
Telephone number query, a method and equipment for calling (電話號碼查詢、撥打電話方法和設備)	PRC	Tianjin 58 Technology
A method and device for resource determination, resource processing (資源確定、資源處理方法及裝置)	PRC	Tianjin 58 Technology
A method, device, equipment and storage medium for application page update (應用頁面更新方法、裝置、設備和存儲介質)	PRC	Tianjin 58 Technology

Title	Place of Registration	Registered Owner
A method and terminal device for information display (信息顯示方法和終端設備)	PRC	Tianjin 58 Technology
A method, device, server and storage medium for online ride-hailing user matching (網約車用戶匹配方法、裝置、服務器及存儲介質)	PRC	Tianjin 58 Technology
A method, device and electronic device for task execution (任務執行方法、裝置及電子設備)	PRC	Tianjin 58 Technology
A method, device, equipment and storage medium for alarm (報警方法、裝置、設備和存儲介質)	PRC	Tianjin 58 Technology
A method, device and electronic device for driving status determination (行駛狀態確定方法、裝備及電子設備)	PRC	Tianjin 58 Technology
A method and device for tab display (頁籤顯示方法及裝置)	PRC	Tianjin 58 Technology
A method, device, server and storage medium for acquisition of auxiliary tools in freight transportation (貨運中輔助工具獲取方法、裝置、服務器及存儲介質)	PRC	Tianjin 58 Technology

As of the Latest Practicable Date, our Group had made applications to register the following patents which we consider to be material to our Group's business:

<b>Title</b>	<b>Place of Application</b>	<b>Applicant</b>
A method, equipment and storage medium for confirmation of the vehicle (確定車輛的方法、設備及存儲介質)	PRC	Tianjin 58 Technology
A method, equipment and storage medium for freight delivery (貨物配送方法、設備及存儲介質)	PRC	Tianjin 58 Technology
A method, device, equipment and storage medium for regression test (回歸測試方法、裝置、設備和存儲介質)	PRC	Tianjin 58 Technology
A method, terminal equipment and storage medium for selection of the vehicle (車輛選擇方法、終端設備及存儲介質)	PRC	Tianjin 58 Technology
A method, terminal equipment and storage medium for recommendation of the vehicle type (車型推薦方法、終端設備及存儲介質)	PRC	Tianjin 58 Technology
A method, terminal equipment and storage medium for recommendation of the vehicle type (車型推薦方法、終端設備及存儲介質)	PRC	Tianjin 58 Technology
A method, terminal equipment and storage medium for recommendation of the vehicle type (車型推薦方法、終端設備及存儲介質)	PRC	Tianjin 58 Technology

Title	Place of Application	Applicant
A method, server equipment and storage medium for order allocation (訂單分配方法、服務端設備及存儲介質)	PRC	Tianjin 58 Technology
Task response system (任務響應系統)	PRC	Tianjin 58 Technology
A method, equipment and storage medium for dispatching drivers (司機調度方法、設備及存儲介質)	PRC	Tianjin 58 Technology
A method, equipment and storage medium for reviewing the information (信息審核方法、設備及存儲介質)	PRC	Tianjin 58 Technology
A method, equipment and storage medium for management and control of drivers and order review (司機管控與訂單審核方法、設備及存儲介質)	PRC	Tianjin 58 Technology
A method, terminal device and computer-readable storage medium for updating the application (應用程序更新方法、終端設備和計算機可讀存儲介質)	PRC	Tianjin 58 Technology
A method, device, equipment and storage medium for association of the data (數據關聯方法、裝置、設備和存儲介質)	PRC	Tianjin 58 Technology
A method, device, equipment and storage medium for safety certification of car-hailing drivers (網約車司機安全認證方法、裝置、設備及存儲介質)	PRC	Tianjin 58 Technology



Title	Place of Application	Applicant
A method, device and storage medium for updating the application (應用更新方法、設備及存儲介質)	PRC	Tianjin 58 Technology
A method, equipment and storage medium for freight transportation and ordering (貨物運輸和下單方法、設備及存儲介質)	PRC	Tianjin 58 Technology
A method, device, equipment and storage medium for freight processing (貨運處理方法、裝置、設備和存儲介質)	PRC	Tianjin 58 Technology
A method, device and electronic equipment for transportation task allocation (運輸任務分配方法、裝置及電子設備)	PRC	Tianjin 58 Technology
A method, device, equipment and storage medium for generation of the insurance policy (保單生成方法、裝置、設備和存儲介質)	PRC	Tianjin 58 Technology
A method, system and service end equipment for distribution route planning (配送路線的規劃方法及系統、服務端設備)	PRC	Tianjin 58 Freight
A method, electronic equipment and storage medium for automatic establishment of the test environment (自動搭建測試環境的方法、電子設備及存儲介質)	PRC	Tianjin 58 Freight
A system, method, equipment and medium for the application test (應用測試系統及方法、設備、介質)	PRC	Tianjin 58 Freight

<b>Title</b>	<b>Place of Application</b>	<b>Applicant</b>
A method, equipment and medium for pushing the freight work plan (貨運工作方案的推送方法、設備、介質)	PRC	Tianjin 58 Freight
A user data service system, and a method, equipment and storage medium for user data processing (用戶數據服務系統、用戶數據處理方法、設備和存儲介質)	PRC	Tianjin 58 Freight
A method, computer equipment and storage medium for policy matching (策略匹配方法、計算機設備及存儲介質)	PRC	Tianjin 58 Freight

**(d) Software copyrights**

As of the Latest Practicable Date, our Group had registered the following software copyrights which we consider to be material to our Group's business:

<b>Title</b>	<b>Place of registration</b>	<b>Registered owner</b>
58 Daojia express car-hailing platform Android client software V4.5.1 (58到家速運叫車平台Android用戶端軟件V4.5.1)	PRC	Tianjin 58 Freight
58 Daojia express car-hailing platform iOS client software V4.5.1 (58到家速運叫車平台iOS用戶端軟件V4.5.1)	PRC	Tianjin 58 Freight
58 Daojia express car-hailing platform driver software V4.6.3 (58到家速運叫車平台司機端軟件V4.6.3)	PRC	Tianjin 58 Freight

<b>Title</b>	<b>Place of registration</b>	<b>Registered owner</b>
58 Daojia express platform V1.0.2 (58到家速運平台 V1.0.2)	PRC	Tianjin 58 Freight
58 Daojia express car-hailing platform client software V2.2 (58到家速運叫車平台用戶端軟件V2.2)	PRC	Tianjin 58 Freight
58 Daojia express car-hailing platform driver software V2.2 (58到家速運叫車平台司機端軟件V2.2)	PRC	Tianjin 58 Freight
Kuaigou Dache client software (Android version) V5.2.0 (快狗打車客戶端軟件(Android版)V5.2.0)	PRC	Tianjin 58 Freight
Kuaigou Dache owner software (Android version) V5.3.3 (快狗打車車主端軟件(Android版)V5.3.3)	PRC	Tianjin 58 Freight
Kuaigou Dache client software (iOS version) V5.2.0 (快狗打車客戶端軟件(iOS版)V5.2.0)	PRC	Tianjin 58 Freight
Kuaigou Dache owner software (iOS version) V3.4.2 (快狗打車車主端軟件(iOS版)V3.4.2)	PRC	Tianjin 58 Freight
Kuaigou Dache enterprise software (Android version) V2.8.7 (快狗打車企業版軟件(Android版)V2.8.7)	PRC	Tianjin 58 Freight
Kuaigou Dache enterprise software (iOS version) V2.8.7 (快狗打車企業版軟件(iOS版)V2.8.7)	PRC	Tianjin 58 Freight
58 Daojia express iOS enterprise software V1.0 (58到家速運iOS企業版軟件 V1.0)	PRC	Tianjin 58 Freight

<u>Title</u>	<u>Place of registration</u>	<u>Registered owner</u>
58 Daojia express Android enterprise software V1.0 (58到家速運Android企業版軟件V1.0)	PRC	Tianjin 58 Freight
Kaka car finding software V1.0 (咔咔找車軟件V1.0)	PRC	Tianjin 58 Freight
Kuaigou Dache user software (Android version) V5.11.9 (快狗打車用戶版軟件(安卓版)V5.11.9)	PRC	Tianjin 58 Freight
Kuaigou Dache user software (iOS version) V5.11.9 (快狗打車用戶版軟件(iOS版)V5.11.9)	PRC	Tianjin 58 Freight
Kuaigou Dache driver software (Android version) V7.30.0 (快狗打車司機版軟件(安卓版)V7.30.0)	PRC	Tianjin 58 Freight
Kuaigou Dache driver software (iOS version) V7.30.0 (快狗打車司機版軟件(iOS版)V7.30.0)	PRC	Tianjin 58 Freight
Kuaigou Dache fast application software V1.3.3 (快狗打車快應用軟件V1.3.3)	PRC	Tianjin 58 Freight
Kuaigou Dache enterprise software for Android version V4.1.0 (快狗打車企業版Android版軟件V4.1.0)	PRC	Hainan 58 Supply Chain
Kuaigou Dache enterprise software for iOS version V4.1.0 (快狗打車企業版iOS版軟件V4.1.0)	PRC	Hainan 58 Supply Chain

Save as disclosed above, as of the Latest Practicable Date, there were no other trademarks, service marks, patents, intellectual property rights, or individual property rights which are or may be material in relation to our business.

## C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

### 1. Disclosure of Interests

#### (a) *Interests and short positions of our Directors in the share capital of our Company and its associated corporations following completion of the Global Offering*

Immediately following completion of the Global Offering (without taking into account the Shares to be allotted and issued upon the exercise of the Over-allotment Option), the interests and/or short positions (as applicable) of our Directors or chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required under Section 352 of the SFO to be entered in the register referred to in that section, or which will be required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (“Model Code”) once the Shares are listed, will be as follows:

#### (i) *Interest in Shares of our Company*

<u>Name of Director</u>	<u>Number of Shares</u>	<u>Nature of interest</u>	<u>Approximate percentage of shareholding interest in our Company immediately after the Global Offering</u>
Mr. Chen	7,912,383	Interest held by controlled corporations <sup>(1)</sup>	1.29%
	11,000,000	Beneficial owner <sup>(1)</sup>	1.79%
Mr. HE Song	16,537,168	Beneficial owner <sup>(2)</sup>	2.69%
Mr. HU Gang	6,100,000	Beneficial owner <sup>(3)</sup>	0.99%
Mr. LAM Hoi Yuen	5,000,000	Beneficial owner <sup>(4)</sup>	0.81%

*Notes:*

1. On January 13, 2022, Mr. Chen exercised certain of his Options granted under the Share Incentive Plan. As a result, 7,912,383 Shares were issued to Genesis Fortune Holdings Limited, a special purpose vehicle wholly owned by Major Group Enterprises Limited, which is in turn wholly owned by Mr. Chen. Options representing the right to subscribe for 11,000,000 Shares remain outstanding.
2. Represents 16,537,168 Shares underlying the Options to Mr. HE Song.
3. Represents 6,100,000 Shares underlying the Options to Mr. HU Gang.
4. Represents 5,000,000 Shares underlying the Options to Mr. LAM Hoi Yuen.

*(ii) Interests in associated corporations*

<u>Name of Director</u>	<u>Name of associated corporation</u>	<u>Number of shares</u>	<u>Nature of interest</u>	<u>Approximate percentage of interests</u>
Mr. Chen	58 Daojia	24,000,000	Interest held by controlled corporations <sup>(1)</sup>	5.21%
		12,400,000	Beneficial owner <sup>(2)</sup>	2.69%
	Daojia Limited	20,865,888	Interest held by controlled corporations <sup>(3)</sup>	3.95%
		9,709,468	Beneficial owner <sup>(4)</sup>	1.84%
	Tianjin 58 Freight <sup>(5)</sup>	N/A	Beneficial owner	50%
	Changsha Daojia Youxiang Home Service Co., Ltd. (長沙市到家悠享家政服務有限公司) <sup>(6)</sup>	N/A	Beneficial owner	82.88%
	Wuba Daojia Co., Ltd. (五八到家有限公司) <sup>(6)</sup>	N/A	Beneficial owner	82.88%
	Tianjin Haodaojia Information Technology Co., Ltd. (天津好到家信息技術有限公司) <sup>(6)</sup>	N/A	Beneficial owner	82.88%
	Tianjin 58 Daojia Life Services Co., Ltd. (天津五八到家生活服務有限公司) <sup>(7)</sup>	N/A	Beneficial owner	4.5%
	Mr. HE Song	58 Daojia	2,560,000	Beneficial owner <sup>(8)</sup>
Daojia Limited		2,004,535	Beneficial owner <sup>(9)</sup>	0.38%

*Notes:*

1. As of the Latest Practicable Date, Trumpway Limited held 24,000,000 Class C ordinary shares of 58 Daojia. Trumpway Limited is wholly owned by Mr. Chen. Therefore, Mr. Chen is deemed to be interested in the shares of 58 Daojia held by Trumpway Limited.

2. Represents 12,400,000 ordinary shares of 58 Daojia underlying the restricted share units vested to Mr. Chen.
3. Represents (i) 4,000 series A preferred shares and 3,925,661 series B preferred shares of Daojia Limited held by Trumpway Limited, and (ii) 16,936,227 ordinary shares of Daojia Limited to be distributed as in-kind dividends or transferred by 58 Daojia to Trumpway Limited. Trumpway Limited is wholly owned by Mr. Chen. Therefore, Mr. Chen is deemed to be interested in the shares of Daojia Limited held and to be held by Trumpway Limited.
4. Represents Mr. Chen's entitlement to receive up to 9,709,468 ordinary shares of Daojia Limited pursuant to the exercise of options granted to him.
5. Tianjin 58 Freight is a limited liability company incorporated in the PRC and controlled through contractual arrangements by our Company. It did not issue any share. As of the Latest Practicable Date, Mr. Chen directly held 50% equity interest in Tianjin 58 Freight.
6. Each of Changsha Daojia Youxiang Home Service Co., Ltd., Wuba Daojia Co., Ltd. and Tianjin Haodaojia Information Technology Co., Ltd. is a limited liability company incorporated in the PRC and controlled through contractual arrangements by 58 Daojia. None of them issued any share. As of the Latest Practicable Date, Mr. Chen directly held 82.88% equity interest in Changsha Daojia Youxiang Home Service Co., Ltd., Wuba Daojia Co., Ltd. and Tianjin Haodaojia Information Technology Co., Ltd., respectively.
7. Tianjin 58 Daojia Life Services Co., Ltd. is a limited liability company incorporated in the PRC and controlled through contractual arrangements by 58 Daojia. It did not issue any share. As of the Latest Practicable Date, Mr. Chen directly held 4.5% equity interest in Tianjin 58 Daojia Life Services Co., Ltd.
8. Represents Mr. HE Song's entitlement to receive up to 2,560,000 ordinary shares of 58 Daojia pursuant to the exercise of options granted to him.
9. Represents Mr. HE Song's entitlement to receive up to 2,004,535 ordinary shares of Daojia Limited pursuant to the exercise of options granted to him.

***(b) Interests of the substantial shareholders of our Group***

For information on the persons who will, immediately following the completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of the Company or of any member of the Group, see "Substantial Shareholders."

**2. Particulars of Service Contracts and Appointment Letters**

***(a) Executive Directors***

Each of the executive Directors has entered into a service contract with our Company under which they agreed to act as executive Directors for an initial term of three years commencing from the Listing Date, until terminated in accordance with the terms and conditions of the service contract or by not less than 30 days notice by the executive Director.

The appointments of the executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles.

*(b) Non-executive Director and Independent Non-executive Directors*

Each of the non-executive Directors and the independent non-executive Directors has signed an appointment letter with our Company for a term of three years with effect from the Listing Date until terminated in accordance with the terms and conditions of the appointment letter. Under their respective appointment letters, each of the independent non-executive Directors is entitled to a fixed Director's fee while the non-executive Directors are not entitled to any remuneration. The appointments are subject to the provisions of retirement and rotation of Directors under the Articles.

*(c) Others*

- (i) Save as disclosed above, none of the Directors has entered into any service contract with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).
- (ii) During the year ended December 31, 2021, the aggregate of the remuneration paid and benefits in kind granted to the Directors was approximately RMB1.9 million. Details of the Directors' remuneration are also set out in Note 10 of the Accountant's Report set out in Appendix I to this prospectus. Save for the foregoing, no other emoluments have been paid or are payable in respect of the year ended December 31, 2021 by our Company to the Directors.
- (iii) None of the Directors or any past Directors of any members of our Group has been paid any sum of money during the Track Record Period (i) as an inducement to join or upon joining our Company or (ii) for loss of office as a Director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.
- (iv) There has been no arrangement under which a Director has waived or agreed to waive any remuneration or benefits in kind during the Track Record Period.
- (v) None of the Directors has been or is interested in the promotion of, or in the property proposed to be acquired by, our Company, and no sum has been paid or agreed to be paid to any of them in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him in connection with the promotion or formation of our Company.



### 3. Fees or commissions received

Save as disclosed in the section headed “Underwriting” in this prospectus, none of the Directors or any of the persons whose names are listed under the section headed “– E. Other Information – 10. Qualification of Experts” below had received any commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

### 4. Miscellaneous

- (a) Save as disclosed in the section headed “– C. Further Information about Our Directors and Substantial Shareholders – 1. Disclosure of Interests,” none of the Directors or chief executive of our Company has any interest or short positions in the Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to in that section, or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code, in each case once our Shares are listed on the Stock Exchange;
- (b) None of our Directors nor any of the parties listed in the section headed “– E. Other Information – 10. Qualification of Experts” below has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (c) None of our Directors nor any of the parties listed in the section headed “– E. Other Information – 10. Qualification of Experts” below is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (d) Other than pursuant to the Underwriting Agreements, none of the parties listed in the section headed “– E. Other Information – 10. Qualification of Experts” below:
  - (i) is interested legally or beneficially in any of our Shares or any shares of any of our subsidiaries; or
  - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;

- (e) None of our Directors or their respective close associates (as defined under the Listing Rules) or any of our Shareholders (who to the knowledge of our Directors owns more than 5% of our number of issued shares) has any interest in our five largest suppliers or our five large customers.

#### D. SHARE INCENTIVE PLAN

To recognize and acknowledge the contributions made by certain of management members, employees and consultants, each of 58 Daojia and GoGoVan Cayman had previously adopted certain share incentive plans. In addition, the Company had previously reserved certain number of Shares for issuance to eligible participants. In order to facilitate the Company's management of employee incentive awards, the Company decided to combine the three tranches into one Share Incentive Plan. In this connection, on August 18, 2021, 58 Daojia and GoGoVan Cayman surrendered 41,172,639 Class B Ordinary Shares and 7,735,002 Class A Ordinary Shares, respectively. Such surrendered shares were cancelled by the Company, and the same number of Shares may be issued by our Company in the future, as part of the Shares under the Share Incentive Plan.

The following is a summary of the principal terms of our Share Incentive Plan as approved and adopted pursuant to the written resolutions of all Shareholders dated August 18, 2021, as amended from time to time. The terms of the Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules.

##### (a) Purpose

The Share Incentive Plan is established to recognize and acknowledge the contributions that the Participants (as defined below) have made to the growth and development of our Group, to promote the success and enhance the value of our Company by linking the personal interests of the Participants to those of the Shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Shareholders. The Share Incentive Plan will provide the Participants with an opportunity to acquire proprietary interests in our Company with the view to achieving the following principal objectives: (i) to motivate the Participants to optimize their performance and efficiency for the benefit of our Group; (ii) to attract and retain the Participants whose contributions are, will or expected to be beneficial to our Group; and (iii) to enable the Daojia Participants and GoGoVan Participants (each as defined below) to directly hold the relevant share options to be granted by our Company.

##### (b) Who may join

Those eligible to participate in the Share Incentive Plan include directors, employees and consultants of the Company, any parent or subsidiary (including the Daojia Participants and GoGoVan Participants, each as defined below), as determined by the Board or a committee authorized by the Board (the "**Administrator**"). The Administrator may, from time to time, select from among all eligible individuals ("**Participants**") to whom awards in the form of options ("**Options**"), restricted shares ("**Restricted Shares**") and restricted share units ("**RSUs**") (collectively "**Awards**") will be granted, and will determine the nature and number of Awards to be granted and the number of Shares to which an Award will relate.

**(c) Maximum number of Ordinary Shares may be issued under the Share Incentive Plan**

The maximum aggregate number of Shares which may be issued under the Share Incentive Plan shall initially be 104,134,465 Ordinary Shares, representing approximately 16.92% of our total issued share capital upon completion of the Global Offering (assuming no over-allotment option is exercised) including:

- i. 41,172,639 Ordinary Shares reserved for eligible Participants who have been granted Awards by 58 Daojia prior to the Listing (“**Daojia Participants**”);
- ii. 7,735,002 Ordinary Shares reserved for eligible Participants who have been granted Awards by GoGoVan Cayman prior to the Listing (“**GoGoVan Participants**”); and
- iii. 55,226,824 Ordinary Shares reserved for such eligible Participants as determined by the Administrator.

**(d) Administration**

The Share Incentive Plan is administered by the Board or a committee (the “**Committee**”) of one or more members of the Board to whom the Board shall delegate the authority to grant or amend Awards to Participants other than any of the Committee members.

A majority of the Committee shall constitute a quorum. The acts of a majority of the members of the Committee present at any meeting at which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any parent, subsidiary or related entity of the Company, the Company’s independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Share Incentive Plan.

Subject to any specific designation in the Share Incentive Plan, the Committee has the exclusive power, authority and discretion to:

- i. designate Participants to receive Awards;
- ii. determine the type or types of Awards to be granted to each Participant;
- iii. determine the number of Awards to be granted and the number of Shares to which an Award will relate;
- iv. determine the terms and conditions of any Award granted pursuant to the Share Incentive Plan, including, but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse

of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;

- v. determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;
- vi. prescribe the form of each Award Agreement, which need not be identical for each Participant;
- vii. decide all other matters that must be determined in connection with an Award;
- viii. establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Share Incentive Plan;
- ix. interpret the terms of, and any matter arising pursuant to, the Share Incentive Plan or any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium (“**Award Agreement**”);
- x. reduce the exercise price per Share underlying an Option; and
- xi. make all other decisions and determinations that may be required pursuant to the Share Incentive Plan or as the Committee deems necessary or advisable to administer the Share Incentive Plan.

**(e) Grant of Awards**

The Administrator is authorized to grant Awards to Participants in accordance with the terms of the Share Incentive Plan. Awards granted will be evidenced by an Award Agreement in the form approved by the Administrator. The Award Agreement contains the terms established by the Administrator for that Award, as well as any other additional terms, provisions, or restrictions that the Administrator may impose on the Award.

**(f) Term of the Share Incentive Plan**

The Share Incentive Plan is effective on the date it is adopted and approved by the Board (the “**Effective Date**”) and will expire on, and no Award may be granted pursuant to the Share Incentive Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Share Incentive Plan and the applicable Award Agreement.

**(g) Options*****General information on Options under Share Incentive Plan******(i) Exercise price***

The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement which may be a fixed or variable price related to the fair market value of the Shares. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by the relevant applicable laws or any exchange rule, a downward adjustment of the exercise prices of Options mentioned in the preceding sentence may be effective without the approval of the Shareholders or the approval of the affected Participants.

***(ii) Time and Conditions of Exercise***

The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; *provided* that the term of any Option granted under the Share Incentive Plan shall not exceed ten years, amended, modified or terminated by the Committee with the approval of the Board. The Committee shall also determine any conditions, if any, that must be satisfied before all or part of an Option may be exercised.

***(iii) Payment***

The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the relevant applicable laws, cash or check in Chinese Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a fair market value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) after the trading date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a fair market value equal to the exercise price, or (vii) any combination of the foregoing.

*(iv) Effects of termination of employment or service on Options*

Termination of employment or service shall have the following effects on Options granted to the Participants:

1. Dismissal for cause. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the service recipient is terminated for cause, the Participant's Options will terminate upon such termination, whether or not the Option is then vested and/or exercisable.
2. Death or disability. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the service recipient terminates as a result of the Participant's death or disability:
  - a. the Participant (or his or her legal representative or beneficiary, in the case of the Participant's Disability or death, respectively) will have the right to exercise the Participant's Options (or portion thereof) until the tenth anniversary of the grant date to the extent that such Options were vested and exercisable on the date of the Participant's termination of employment on account of death or disability;
  - b. the Options, to the extent not vested and exercisable on the date of the Participant's termination of employment or service, shall terminate upon the Participant's termination of employment or service on account of death or disability; and
  - c. the Options, to the extent exercisable on the date of the Participant's termination of employment on account of death or disability and not exercised prior to the tenth anniversary of the grant date, shall terminate at the close of business on the tenth anniversary of the grant date.
3. Other terminations of employment or service. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the service recipient terminates for any reason other than a termination by the service recipient for cause or because of the Participant's death or disability:
  - a. the Participant will have the right to exercise his or her Options (or portion thereof) until the tenth anniversary of the grant date to the extent that such Options were vested and exercisable on the date of the Participant's termination of employment or service;

- b. the Options, to the extent not vested and exercisable on the date of the Participant's termination of employment or service, shall terminate upon the Participant's termination of employment or service; and
- c. the Options, to the extent exercisable on the date of the Participant's termination of employment or service and not exercised prior to the tenth anniversary of the grant date, shall terminate at the close of business on the tenth anniversary of the grant date.

**(h) Restricted Shares**

*(i) Grant of Restricted Shares*

The Committee, at any time and from time to time, may grant Restricted Shares to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Shares to be granted to each Participant.

*(ii) Restricted Shares Award Agreement*

Each Award of Restricted Shares shall be evidenced by an Award Agreement that shall specify the period of restriction, the number of Restricted Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.

*(iii) Issuance and Restrictions*

Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

*(iv) Forfeiture and repurchase*

Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or

forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

*(v) Certificates for Restricted Shares*

Restricted Shares granted pursuant to the Share Incentive Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

*(vi) Removal of Restrictions*

Except as otherwise provided, Restricted Shares granted under the Share Incentive Plan shall be released from escrow as soon as practicable after the last day of the period of restriction. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable legal restrictions. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

**(i) RSUs**

*(i) Grant of RSUs*

The Committee, at any time and from time to time, may grant Restricted Share Units to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of RSUs to be granted to each Participant.

*(ii) RSUs Award Agreement*

Each Award of RSUs shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of RSUs granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.



*(iii) Performance objectives and other terms*

The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of RSUs that will be paid out to the Participants.

*(iv) Form and timing of payment of RSUs*

At the time of grant, the Committee shall specify the date or dates on which the RSUs shall become fully vested and nonforfeitable. Upon vesting, the Committee, in its sole discretion, may pay RSUs in the form of cash, in Shares or in a combination thereof.

*(v) Forfeiture and repurchase*

Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, RSUs that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the Committee may (a) provide in any RSUs Award Agreement that restrictions or forfeiture and repurchase conditions relating to RSUs will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to RSUs.

**(j) Limits on Transfers**

Unless otherwise expressly provided in (or pursuant to) the Share Incentive Plan, by applicable law and by the Award Agreement, as the same may be amended, and subject to certain limited exceptions, all Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge; Awards will be exercised only by the Participant; and amounts payable or Shares issuable pursuant to an Award will be delivered only to (or for the account of), and, in the case of Ordinary Shares, registered in the name of, the Participant.

**(k) Adjustments**

In the event of any dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its Shareholders, or any other change affecting the number or type of Shares or the share price of a Share, the Committee shall make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Share Incentive Plan (including, but not limited to, adjustments

of the limitations in the Share Incentive Plan); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant or exercise price per Share for any outstanding Awards under the Share Incentive Plan.

**(l) Amendment, termination and Suspension**

With the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; provided, however, that (a) to the extent necessary and desirable to comply with applicable laws or stock exchange rules, the Company shall obtain Shareholder approval of any amendment to the Share Incentive Plan in such a manner and to such a degree as required, unless the Company decides to follow home country practice, and (b) unless the Company decides to follow home country practice, Shareholder approval is required for any amendment to the Share Incentive Plan that (i) increases the number of Shares available under the Share Incentive Plan (other than any adjustment as provided by the Share Incentive Plan), or (ii) permits the Committee to extend the term of the Share Incentive Plan or the exercise period for an Option beyond ten years from the date of grant.

**(m) Outstanding Awards**

None of the grantees were required to pay any consideration for the grant of the Options. After Listing, no further awards (options or other types of awards) would be granted under this Share Incentive Plan.

A total of 104,134,465 Options had been granted to eligible participants from 2021 to 2022. On January 13, 2022, Mr. Chen exercised the 7,912,383 Options granted to him under the Share Incentive Plan and as a result, 7,912,383 Shares were issued to Genesis Fortune Holdings Limited, a special purpose vehicle indirectly wholly owned by Mr. Chen. In June 2022, due to the departure of certain employees of the Group and a subsidiary of 58 Daojia, 10,982 Options historically granted were cancelled. Accordingly, as of the date of this prospectus, there are an aggregate of 96,211,100 outstanding and unexercised options granted to 570 grantees, representing the right to subscribe for an aggregate of 96,211,100 Shares.

Assuming full exercise of outstanding and unexercised Options under the Share Incentive Plan, the shareholding of our Shareholders immediately following the Global Offering will be diluted by approximately 15.63% if calculated on the basis of 615,527,987 Shares in issue immediately following completion of the Global Offering, and assuming that the Over-allotment Option is not exercised and without taking into account any additional Shares to be issued pursuant to the Share Incentive Plan.

Details of the outstanding Options granted under the Share Incentive Plan to our Directors, senior management and other connected persons are set out below:

Name of Option Holder	Position within the Group	Address	Grant date	Exercise price	Vesting period <sup>(1)</sup>	Number of Shares underlying the Options granted	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the Global Offering <sup>(2)</sup>
							(US\$)
CHEN Xiaohua	Chairman of the Board and Executive Director	Laiguangying Shanshuilanwei No. 16, 4-501, Chaoyang District, Beijing, PRC	January 12, 2022 and May 24, 2022	0 to 0.38	0 to 4 years	11,936,087	1.94%
HE Song	Executive Director and Co-Chief Executive Officer	Room 602, Door 4, Building 10, East District of Longzeyuan Huilongguan, Changping District, Beijing, PRC	January 12, 2022	0.01 to 0.38	0 to 4 years	16,537,168	2.69%
Lam Hoi Yuen	Executive Director and Co-Chief Executive Officer	Flat 421, Hong Ying Court, 225 Pik Wan Road, Lam Tin, Kowloon, Hong Kong	January 12, 2022	0.38	4 years	5,000,000	0.81%
HU Gang	Executive Director and Chief Financial Officer	Room 306, Building 31, Huayanli, Chaoyang District, Beijing, PRC	January 12, 2022	0.38	4 years	6,100,000	0.99%

Name of Option Holder	Position within the Group	Address	Grant date	Exercise price	Vesting period <sup>(1)</sup>	Number of Shares underlying the Options granted	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the Global Offering <sup>(2)</sup>
							(US\$)
Lee Yew Cheung	Chief operating officer of the Company	9 Springleaf Height, Singapore 788103, Singapore	January 12, 2022	0.0001 to 0.5	0 to 4 years	1,753,959	0.28%
HU Xinchao	Director and manager of certain consolidated affiliated entities of the Company	No. 33 Zhansong Street, Dasungezhuang Village, Dasungezhuang Town, Shunyi District, Beijing	January 12, 2022	0.015 to 0.55	0 to 4 years	934,000	0.15%
Kwan Chun Man	Director of certain subsidiaries of the Company	Flat C, 28/F Winsome Park, 42 Conduit Road, Mid levels, Hong Kong	January 12, 2022	0.38	4 years	1,226,547	0.20%
Wong Fook Seng Patrick	Director and chief executive officer of two subsidiaries of the Company	89 Tampines Ave 1 #12-35, Singapore 528689	January 12, 2022	0.0001 to 0.5	0 to 4 years	513,124	0.08%
Kyung Hyun Nam	Director and chief executive officer of a subsidiary of the Company	123-1202, 151, Apgujeong-ro, Gangnam-gu, Seoul, Republic of Korea	January 12, 2022	0.0001 to 0.5	0 to 4 years	561,154	0.09%

Name of Option Holder	Position within the Group	Address	Grant date	Exercise price	Vesting period <sup>(1)</sup>	Number of Shares underlying the Options granted	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the Global Offering <sup>(2)</sup>
							(US\$)
Vasanthraj Panneer Selvam	Director and chief executive officer of a subsidiary of the Company	Block 3, villa 8 Bollenehi hillside apartments, Perumbakkam, Chennai, Tamil Nadu, India, 600126	January 12, 2022	0.38	4 years	80,000	0.01%
KUNCHALA MURALI KRISHNA	Former director of a subsidiary of the Company	403, sai Maharaja willows, Bhagya nagar, 4th lane, Housing board colony, Ongole – 523001 Andhra Pradesh, India	January 12, 2022	0.0001 to 0.5	0 to 3 years	14,779	0.00%
Tang Kuen Wai	Director of certain subsidiaries of the Company	96 Shek Kong Wai, Ha Tsuen, Yuen Long	January 12, 2022	0.0001 to 0.5	0 to 4 years	2,812,995	0.46%
To Ba Lam	Former director of a subsidiary of the Company	L1.06-02, Landmark 1, Vinhomes Central Park, 720A Dien Bien Phu, Ward 22, Binh Thanh district, Ho Chi Minh city, Vietnam	January 12, 2022	0.38	4 years	85,397	0.01%

*Note:*

- (1) The exercise period of the Options granted shall commence from the date on which relevant Options become vested and end on the expiry date (which shall be 10 years from the grant date, subject to the terms of the Share Incentive Plan and the share option award agreement signed by the grantee).
- (2) Assuming no new Shares are issued under the Over-allotment Option or pursuant to the outstanding options under the Share Incentive Plan.

As of the date of this prospectus, 557 grantees who are not Directors, members of senior management or other connected persons of our Company held an aggregate of 48,655,890 Options. We set forth below the information on the Options granted to grantees who are not Directors, members of senior management or other connected persons of our Company under the Share Incentive Plan as of the Latest Practicable Date.

Range of Shares underlying the Options granted	Total number of grantees	Grant date	Exercise price <i>(US\$)</i>	Vesting period <sup>(1)</sup>	Number of Shares underlying the Options granted	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the Global Offering <sup>(2)</sup>
1 to 99,999	476	January 12, 2022	0.0001 to 0.78	0 to 4 years	12,309,395	2.00%
100,000 to 499,999	65	January 12, 2022	0.0001 to 0.78	0 to 4 years	12,391,619	2.01%
500,000 or above	16	January 12, 2022	0.0001 to 0.78	0 to 4 years	23,954,876	3.89%
<b>Total:</b>	<b>557</b>				<b>48,655,890</b>	<b>7.90%</b>

*Note:*

- (1) The exercise period of the Options granted shall commence from the date on which relevant Options become vested and end on the expiry date (which shall be 10 years from the grant date, subject to the terms of the Share Incentive Plan and the share option award agreement signed by the grantee).
- (2) Assuming no new Shares are issued under the Over-allotment Option or pursuant to the outstanding options under the Share Incentive Plan.

Details of the outstanding Options granted under the Share Incentive Plan to the 16 grantees (other than our Directors, senior management and other connected persons) who have been granted 500,000 Options or more as of the Latest Practicable Date are set out below:

Name of Option Holder	Relationship with the Group	Address	Grant date	Exercise price	Vesting period <sup>(1)</sup>	Number of Shares underlying the Options granted	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the Global Offering <sup>(2)</sup>
							(US\$)
Yuan Jing	Vice president and general manager of platform services of the Company	1103, Unit 2, Building 3, Phase 3 Berlin Aile, Chaoyang District, Beijing, PRC	January 12, 2022	0.0252 to 0.78	0 to 4 years	3,102,096	0.50%
Shen Jian	Vice president and chief technical officer of the Company	Building 1, Vanke Xingyuan, Olympic Village Street, Chaoyang District, Beijing, PRC	January 12, 2022	0.01 to 0.38	0 to 4 years	1,510,476	0.25%
Cao Ying	Vice president of human resource department of the Company	Building 25, District 1 Hexiejiayuan, Huilongguan, Changping District, Beijing, PRC	January 12, 2022	0.38 to 0.78	0 to 4 years	1,427,620	0.23%
Ma Xinqi	Ex-senior director of finance department of the Company	710, Building 1, Huixinjiayuan, Wanliu Middle Road, Haidian District, Beijing, PRC	January 12, 2022	0.38	4 years	1,100,000	0.18%

Name of Option Holder	Relationship with the Group	Address	Grant date	Exercise price	Vesting period <sup>(1)</sup>	Number of Shares underlying the Options granted	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the Global Offering <sup>(2)</sup>
							(US\$)
Qin Zuohong	General manager of corporate business of the Company	3/F, Building 13, Jinxiu Xiangjiang, Houhu Community, Chengguan Town, Gucheng County, Xiangyang City, Hubei Province, PRC	January 12, 2022	0.38	4 years	800,000	0.13%
Wang Yiqing	Director of user operations of the Company	Room 402, Unit 2, Building 2, Tiantongyuan Sixth District, Tiantongyuan South Street, Changping District, Beijing, PRC	January 12, 2022	0.38 to 0.78	0 to 4 years	569,143	0.09%
Duan Dong	Employee of a subsidiary of 58 Daojia	1008, Building A6, Sailuo Jiayuan, No.5 Baiziwan, Chaoyang District, Beijing, PRC	January 12, 2022	0.01 to 0.38	0 to 4 years	3,194,857	0.52%
An Jing	Ex-employee of a subsidiary of 58 Daojia	3-4-201, Phase II Kangcheng Garden, No.9 Shuangqiao East Road, Chaoyang District, Beijing, PRC	January 12, 2022	0.01 to 0.38	0 to 4 years	2,573,810	0.42%



Name of Option Holder	Relationship with the Group	Address	Grant date	Exercise price	Vesting period <sup>(1)</sup>	Number of Shares underlying the Options granted	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the Global Offering <sup>(2)</sup>
							(US\$)
Jia Xiangfei	Ex-employee of a subsidiary of 58 Daojia	1-1-301 Baicuiyuan, First Avenue TEDA Development Zone, Tianjin, PRC	January 12, 2022	0.01	0 year	765,714	0.12%
Zhuang Jiandong	Employee of 58.com	602, Unit 2, Building 13, No.8 Lize West Street, Chaoyang District, Beijing, PRC	January 12, 2022	0.01	0 year	816,762	0.13%
Zhou Hao	Employee of 58.com	Room 2303, Building 2, Qiantan Oriental Yueyao, Lane 667 Gaoqing West Road, Sanlin Town, Pudong New Area, Shanghai, PRC	January 12, 2022	0.01	0 year	625,333	0.10%
Li Ying	Ex-employee of a subsidiary of 58 Daojia	11003, Building 3a, Poly Lugu Linyu i Zone, Yue Lu District, Changsha City, Hunan Province, PRC	January 12, 2022	0.0015	0 year	1,595,239	0.26%

Name of Option Holder	Relationship with the Group	Address	Grant date	Exercise price	Vesting period <sup>(1)</sup>	Number of Shares underlying the Options granted	Approximate percentage of enlarged issued share capital of our Company immediately after completion of the Global Offering <sup>(2)</sup>
							(US\$)
Li Ruiling	Ex-employee of a subsidiary of 58 Daojia	Room 1403, Unit 5, Building 2, Shoukai Wisdom Society, Huilongguan, Changping District, Beijing, PRC	January 12, 2022	0.0015	0 year	1,276,191	0.21%
Yu Jianqiang	Ex-employee of a subsidiary of 58 Daojia	No. 701, Door 2, Building 16, Shangdi Jiayuan, Haidian District, Beijing, PRC	January 12, 2022	0.55	0 year	638,095	0.10%
O Hing Pong	Marketing director of a subsidiary of the Company	Flat C, 32/F, Tower 2B, Vibe Centro, 9 Muk Ning Street, Kowloon City, Kowloon	January 12, 2022	0.0001 to 0.38	0 to 3 years	2,812,995	0.46%
Catarina Cardoso	Ex-employee of a subsidiary of the Company	5/F Fu Fai Court, 33 Tin Hau Temple Road, Hong Kong	January 12, 2022	0.0001	0 year	1,146,545	0.19%

*Note:*

- (1) The exercise period of the Options granted shall commence from the date on which relevant Options become vested and end on the expiry date (which shall be 10 years from the grant date, subject to the terms of the Share Incentive Plan and the share option award agreement signed by the grantee).
- (2) Assuming no new Shares are issued under the Over-allotment Option or pursuant to the outstanding options under the Share Incentive Plan.

As the Group recorded net loss during the Track Record Period, options to be granted under the Share Incentive Plan would not be included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Our Company has applied for and has been granted a waiver from (i) a waiver from the Stock Exchange from strict compliance with the disclosure requirements under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules; and (ii) an exemption from the SFC from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance. For details, please refer to the section headed “Waivers from Strict Compliance with the Listing Rules and Exemptions from Strict Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance” in this prospectus.

An application has been made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of the options which were granted pursuant to the Share Incentive Plan.

## **E. OTHER INFORMATION**

### **1. Estate Duty**

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries or consolidated affiliated entities.

### **2. Litigation**

As of the Latest Practicable Date, we are not aware of any litigation or arbitration proceedings of material importance pending or threatened against us or any of our Directors that could have a material adverse effect on our financial condition or results of operations.

### **3. Application for Listing**

The Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued or sold as mentioned in this prospectus. All necessary arrangements have been made to enable such Shares into CCASS.

### **4. No Material Adverse Change**

The Directors confirm that there has been no material change in the financial or trading position or prospects of our Group since December 31, 2021 (being the date to which the latest audited combined financial statements of our Group were prepared).

### **5. Agency Fees and Commissions Received**

The Underwriters will receive an underwriting commission as referred to in the section headed “Underwriting – Underwriting Arrangements and Expenses – Commissions and Expenses”.

## 6. The Joint Sponsors and Joint Sponsors' fees

ABCI Capital Limited, as one of the Joint Sponsors, does not satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules based on the ground that, Ever Thriving Limited, a wholly-owned subsidiary of ABCI Investment Management Limited which is a member of the sponsor group (as defined pursuant to Rule 3A.01(9) of the Listing Rules), entered into a facility agreement with the Company in June 2022, and therefore has a business relationship with the Company falling under Rule 3A.07(9) of the Listing Rules.

Save as disclosed above, each of the Joint Sponsors is independent from our Company pursuant to Rule 3A.07 of the Listing Rules. The fees payable by our Company to each of the Joint Sponsors to act as sponsor to our Company in connection with the Global Offering are US\$500,000 or in aggregate US\$2,000,000.

## 7. Preliminary expenses

We have not incurred any material preliminary expenses.

## 8. Promoter

The Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

## 9. Taxation of holders of Shares

### (a) *Hong Kong*

The sale, purchase and transfer of shares registered with our Hong Kong register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.13% of the consideration or, if higher, of the value of the shares being sold or transferred. Profits from dealings in the shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

### (b) *Cayman Islands*

Under present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of shares in our Company as long as we do not hold any interest in land in the Cayman Islands.

*(c) People's Republic of China*

We may be treated as a PRC resident enterprise for PRC enterprise income tax purposes. In that case, distributions to our Shareholders may be subject to PRC withholding tax and gains from dispositions of our Shares may be subject to PRC tax. See “Risk Factors – Risks Related to Doing Business in Mainland China – We may be classified as a “PRC resident enterprise” for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our shareholders and have a material adverse effect on our results of operations and the value of your investment” of this prospectus.

*(d) Consultation with professional advisors*

Potential investors in the Global Offering are urged to consult their professional tax advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, and dealing in our Shares (or exercising rights attached to them). None of our Company, our Directors or the other parties involved in the Global Offering accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our Shares.

**10. Qualification of Experts**

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

<b>Name</b>	<b>Qualification</b>
UBS Securities Hong Kong Limited	Licensed to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 7 (providing automated trading services) regulated activities under the SFO
China International Capital Corporation Hong Kong Securities Limited	Licensed to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities under the SFO
BOCOM International (Asia) Limited	Licensed corporation under the SFO to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
ABCI Capital Limited	Licensed corporation under the SFO permitted to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO

<u>Name</u>	<u>Qualification</u>
PricewaterhouseCoopers	Certified Public Accountants under the Professional Accountants Ordinance (Cap. 50) and Registered Public Interest Entity Auditor under the Financial Reporting Council Ordinance (Cap. 588)
Tian Yuan Law Firm	Our Company's PRC legal advisor
Maples and Calder (Hong Kong) LLP	Our Company's Cayman Islands attorneys-at-law
Frost & Sullivan International Limited	Independent industry consultants

### **11. Consent of Experts**

Each of the experts mentioned in the sub-section headed “– Qualification of Experts” above has given and has not withdrawn its respective written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or the references to its name included in this prospectus in the form and context in which it is respectively included.

### **12. Binding Effect**

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

### **13. Bilingual prospectus**

The English and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

## **F. MISCELLANEOUS**

- (a) Save as disclosed in the section headed “History, Reorganization and Corporate Structure” in this prospectus, and the subsection headed “– D. Share Incentive Plan,” within the two years immediately preceding the date of this prospectus:
- (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
  - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

- (iii) no founders or management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
  - (iv) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
  - (v) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries.
- (b) our Group had not issued any debentures nor did it have any outstanding debentures nor any convertible debt securities.
- (c) Our Directors confirm that:
- (i) there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2021 (being the date to which the latest audited combined financial statements of our Group were prepared);
  - (ii) there is no arrangement under which future dividends are waived or agreed to be waived; and
  - (iii) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.
- (d) The principal register of members of our Company will be maintained in the Cayman Islands by our Principal Share Registrar. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Hong Kong Share Registrar.
- (e) All necessary arrangements have been made to enable our Shares to be admitted into CCASS for clearing and settlement.
- (f) No company within our Group is presently listed on any stock exchange or traded on any trading system.

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## APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND ON DISPLAY

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### DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

- (a) a copy of the **GREEN** Application Form;
- (b) the written consents referred to in the section headed “Statutory and General Information – E. Other Information – 11. Consent of Experts” in Appendix IV to this prospectus; and
- (c) copies of the material contracts referred to in the section headed “Statutory and General Information – B. Further Information about our Business – 1. Summary of Material Contracts” in Appendix IV to this prospectus.

### DOCUMENTS ON DISPLAY

Copies of the following documents will be on display on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our Company’s website at [gogoxholdings.com](http://gogoxholdings.com) during a period of 14 days from the date of this prospectus:

- (a) the Memorandum and the Articles of Association;
- (b) the Accountant’s Report from PricewaterhouseCoopers, the texts of which are set out in Appendix I to this prospectus;
- (c) the report on the unaudited pro forma financial information of our Group from PricewaterhouseCoopers, the texts of which are set forth in Appendix II to this prospectus;
- (d) the audited consolidated financial statements of our Group for the four financial years ended December 31, 2018, 2019, 2020 and 2021;
- (e) the PRC legal opinions issued by our PRC Legal Advisor on PRC law, in respect of certain general corporate matters of our Group and the property interests of our Group;
- (f) the letter of advice prepared by Maples and Calder (Hong Kong) LLP, our legal advisor on Cayman Islands law, summarizing certain aspects of the Cayman Islands Company Law referred to in Appendix III to this prospectus;
- (g) the report issued by Frost & Sullivan International Limited, from which information in the section headed “Industry Overview” of this prospectus is extracted;



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**APPENDIX V    DOCUMENTS DELIVERED TO THE REGISTRAR OF  
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- (h) the written consents referred to in the section headed “Statutory and General Information – E. Other Information – 11. Consent of Experts” in Appendix IV to this prospectus;
- (i) the material contracts referred to in the section headed “Statutory and General Information – B. Further Information about our Business – 1. Summary of Material Contracts” in Appendix IV to this prospectus;
- (j) the service contracts and the appointment letters with our Directors referred to in the section headed “Statutory and General Information – C. Further Information about our Directors and Substantial Shareholders – 2. Particulars of Service Contracts and Appointment Letters” in Appendix IV to this prospectus;
- (k) the terms of the Share Incentive Plan; and
- (l) the Cayman Companies Act.

**DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the full list of all the grantees under the Share Incentive Plan, containing all the details as required under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of CYL & Partners in Association with Cooley HK, at Suites 3501-3505, 35/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus.

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