

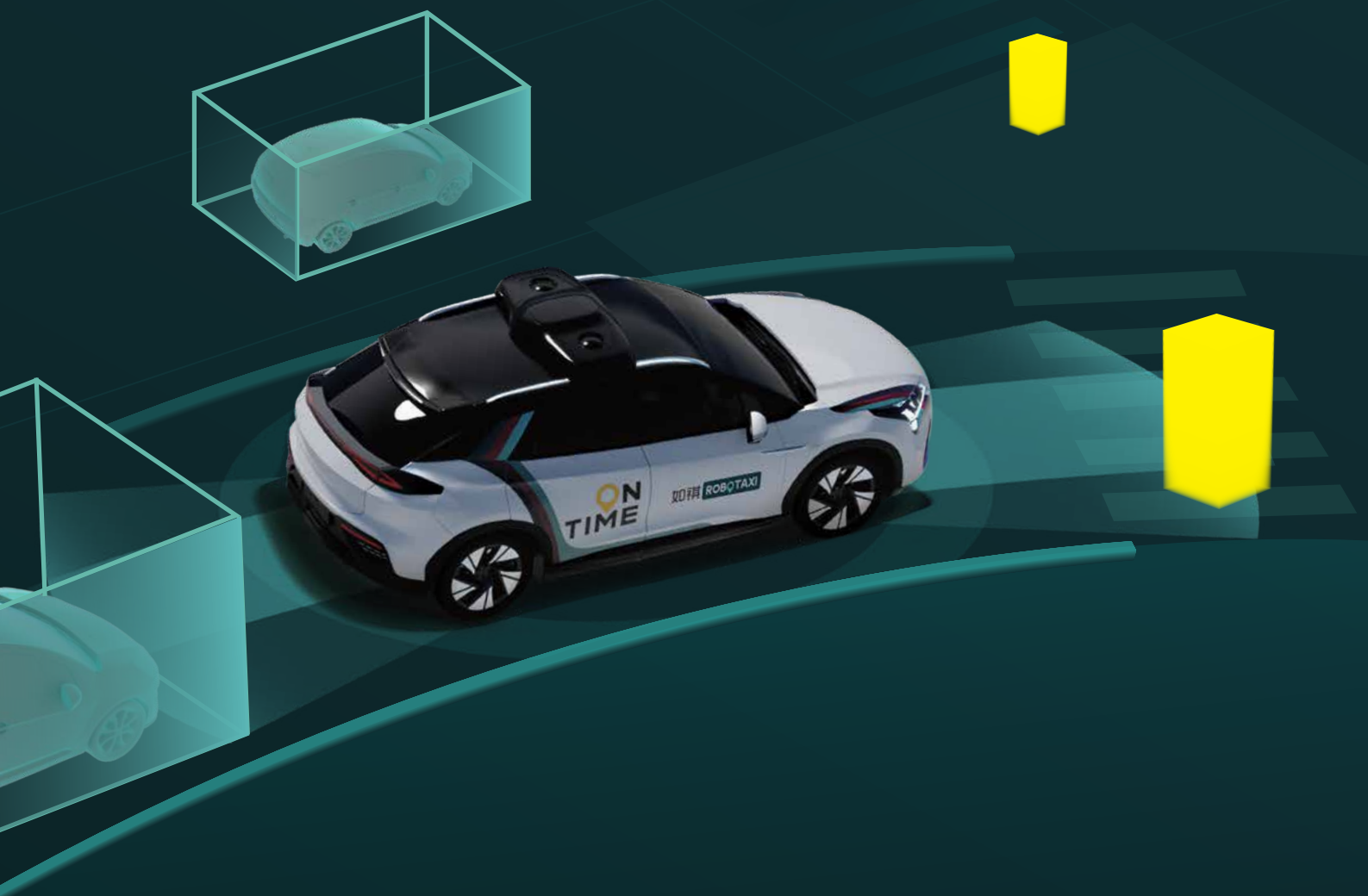


如祺出行
O N T I M E

Chenqi Technology Limited 如祺出行科技有限公司

(Incorporated in the Cayman Islands with limited liability)

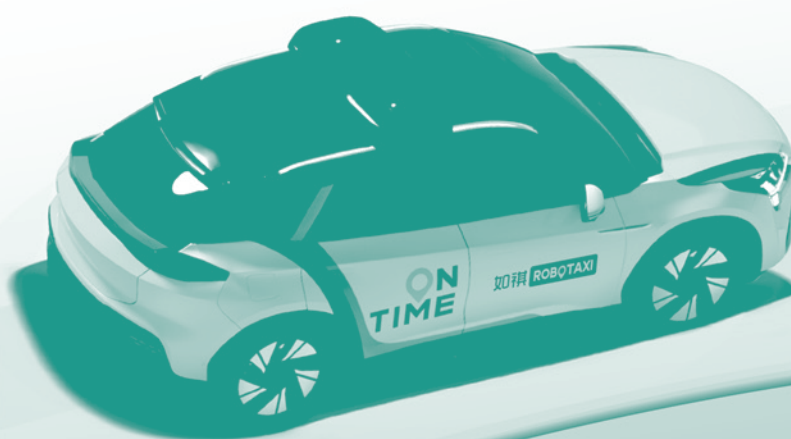
Stock Code : 9680



2024 INTERIM REPORT

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DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

| | |
|---|--|
| “AI” | artificial intelligence |
| “Articles” or “Articles of Association” | the articles of association of the Company |
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Audit Committee” | the audit committee of the Company |
| “Board” | the board of Directors of our Company |
| “CG Code” | the Corporate Governance Code as set out in Appendix C1 to the Listing Rules |
| “Chenqi Mobility” | Guangzhou Chenqi Mobility Technology Co., Ltd. (廣州宸祺出行科技有限公司), a wholly foreign-owned enterprise established under the laws of the PRC and our indirect wholly-owned subsidiary |
| “China” or “PRC” | the People’s Republic of China, which, for the purposes of this interim report, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “China Lounge” | China Lounge Investments Limited (中隆投資有限公司), a company incorporated under the laws of Hong Kong with limited liability, a wholly-owned subsidiary of GAC, one of our controlling shareholders |
| “Company”, “our Company”, “the Company”, “we” or “us” | Chenqi Technology Limited, an exempted company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 9680) |
| “connected person(s)” | has the meaning ascribed to it in the Listing Rules |
| “Consolidated Affiliated Entities” | the entities that the Company controls through the Contractual Arrangements, namely Qichen Technology and its subsidiaries, details of which are set out in “Contractual Arrangements” in the Prospectus |
| “Contractual Arrangements” | the series of contractual arrangements entered into among Chenqi Mobility, Qichen Technology and the Registered Shareholders, details of which are described in “Contractual Arrangements” in the Prospectus |
| “controlling shareholders” | has the meaning as ascribed under the Listing Rules |
| “Directors” | the director(s) of our Company or any one of them |
| “GAC” | Guangzhou Automobile Group Co., Ltd. (廣州汽車集團股份有限公司), a joint stock company established under the laws of the PRC with limited liability and listed on the Stock Exchange (stock code: 02238) and the Shanghai Stock Exchange (stock code: 601238), and one of our controlling shareholders |
| “GAC Group” | GAC and its subsidiaries |

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS



| | |
|--|--|
| “GAIG” | Guangzhou Automobile Industry Group Co., Ltd. (廣州汽車工業集團有限公司), a wholly state-owned enterprise established under the laws of the PRC, and the controlling shareholder of GAC, and one of our controlling shareholders |
| “Global Offering” | the global offering of the Company as defined in the Prospectus |
| “Group”, “our Group” or “the Group” or “we” or “us” or “our” | the Company, its subsidiaries and the Consolidated Affiliated Entities |
| “GTV” | the value of paid transactions on our platform. In ride-hailing services, the key differences between GTV and the revenue recognized by us during the Reporting Period were the incentives provided to riders as well as the toll fees, parking fees and taxes paid to third parties |
| “hitch” | collaborative use of a private car by several individuals traveling along the same or similar itinerary at mutually compatible times |
| “HK\$” or “HKD” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “IFRSs” | IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board |
| “L4” | level four of driving automation, namely high automation level. Vehicles with L4 autonomy are capable of driving fully autonomously in proper settings such as highways and urban roads without the assistance or intervention of a human driver. A human driver is only required in limited scenarios where the road conditions are not met |
| “L5” | level five of driving automation, namely full automation level. Under L5, vehicles do not require human attention and can drive under all conditions |
| “Listing” | the listing of our Shares on the Main Board of the Stock Exchange |
| “Listing Date” | July 10, 2024, the date on which our Shares are listed and from which dealings therein first commence on the Main Board of the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time) |
| “Main Board” | the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange |
| “Model Code” | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules |
| “Ordinary Share(s)” or “Share(s)” | the ordinary share(s) of a par value of US\$0.0005 per share in the authorized share capital of our Company |



DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

| | |
|---------------------------------|---|
| “Pre-IPO Equity Incentive Plan” | the 2021 Equity Incentive Plan approved by the Board on July 14, 2021 and as amended from time to time, the principal terms of which are set out in the Prospectus. For the avoidance of doubt, the Pre-IPO Equity Incentive Plan is not subject to Chapter 17 of the Listing Rules |
| “Preferred Share(s)” | the series A preferred share(s) and series B preferred share(s) in the authorized share capital of our Company, which have been converted into Ordinary Share(s) on one-to-one basis prior to the Listing and Global Offering |
| “Prospectus” | the prospectus of the Company dated June 28, 2024 issued in connection with the Global Offering |
| “Qichen Technology” | Guangzhou Qichen Technology Co., Ltd. (廣州祺宸科技有限公司), a company established under the laws of the PRC with limited liability and one of our Consolidated Affiliated Entities |
| “R&D” | research and development |
| “Registered Shareholders” | the registered shareholders of Qichen Technology, namely Ms. SUN Yanhong (孫艷紅), Guangzhou Zhujiang Investment Holding Group Co. Ltd. (廣州珠江投資控股集團有限公司) and Nanjing Wangdian Technology Co., Ltd. (南京網典科技有限公司) |
| “Reporting Period” | the six months ended June 30, 2024 |
| “RMB” or “Renminbi” | Renminbi, the lawful currency of the PRC |
| “Robotaxi” | a driverless shared mobility vehicle built-in with L4 and L5 autonomous driving technology |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “US\$”, “USD” or “U.S. dollars” | United States dollars, the lawful currency for the time being of the United States |
| “%” | per cent. |



BOARD OF DIRECTORS

Executive Director

Mr. JIANG Hua (*Chief executive officer*)

Non-executive Directors

Mr. GAO Rui (*Chairperson of the Board*)

Ms. XIAO Yan

Mr. LIANG Weiqiang

Mr. ZHONG Xiangping

Ms. BAI Hui

Independent non-executive Directors

Mr. ZHANG Junyi

Mr. ZHANG Senquan

Mr. LI Maoxiang

AUDIT COMMITTEE

Mr. ZHANG Senquan (*Chairperson*)

Mr. ZHANG Junyi

Mr. LI Maoxiang

REMUNERATION COMMITTEE

Mr. ZHANG Junyi (*Chairperson*)

Mr. GAO Rui

Mr. LI Maoxiang

NOMINATION COMMITTEE

Mr. GAO Rui (*Chairperson*)

Mr. ZHANG Junyi

Mr. LI Maoxiang

REGISTERED OFFICE

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

AUTHORIZED REPRESENTATIVES

(for the purpose of the Listing Rules)

Mr. JIANG Hua

Ms. LI Jiawei

JOINT COMPANY SECRETARIES

Ms. LI Jiawei

Mr. CHUNG Ming Fai

AUDITOR

KPMG

Certified Public Accountants

Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

8th Floor, Prince's Building

10 Chater Road, Central

Hong Kong

LEGAL ADVISER

As to Hong Kong law:

Linklaters

11th Floor, Alexandra House

18 Chater Road,

Central, Hong Kong

COMPLIANCE ADVISER

Maxa Capital Limited

Unit 2602, 26/F, Golden Centre

188 Des Voeux Road Central

Sheung Wan

Hong Kong



CORPORATE INFORMATION

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 30-4, Kaitai Avenue
Huangpu District
Guangzhou City
Guangdong Province
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

COMPANY WEBSITE

<https://www.ruqimobility.com>

STOCK CODE

9680

LISTING DATE

July 10, 2024

PRINCIPAL SHARE REGISTRAR IN CAYMAN ISLANDS

Maples Fund Services (Cayman) Limited
PO Box 1093 Boundary Hall Cricket Square
Grand Cayman, KY1-1102 Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

CITIC Bank
Guangzhou International Building Branch

China Construction Bank
Guangzhou Development District Branch

FINANCIAL HIGHLIGHTS



A summary of the results and of the assets and liabilities of the Group for the six months ended June 30, 2024 together with the comparative figures in the corresponding period are set out below:

| | For the six months ended June 30, | |
|--|-----------------------------------|--------------------------------|
| | 2024 RMB'000 (Unaudited) | 2023 RMB'000 (Unaudited) |
| Revenue | 1,037,053 | 912,624 |
| Gross loss | (32,445) | (70,689) |
| Loss from operations | (255,887) | (309,642) |
| Loss before taxation | (331,634) | (345,410) |
| Loss for the period attributable to equity shareholders of the Company | (331,634) | (345,410) |
| Loss per Share — Basic and diluted (RMB) | (3.67) | (3.84) |

| | As of | |
|-------------------------|--|--|
| | June 30, 2024 RMB'000 (Unaudited) | December 31, 2023 RMB'000 (Audited) |
| Non-current assets | 149,366 | 147,274 |
| Current assets | 529,481 | 775,762 |
| Current liabilities | 2,417,437 | 2,329,284 |
| Non-current liabilities | 13,294 | 23,916 |
| Net liabilities | (1,751,884) | (1,430,164) |

KEY OPERATIONAL HIGHLIGHTS

The following table sets forth the key operating data of our mobility services (including ride-hailing, Robotaxi and hitch services) for the periods indicated:

| | For the six months ended June 30, | |
|--------------------------------|-----------------------------------|---------|
| | 2024 | 2023 |
| Registered riders (millions) | 33.8 | 21.6 |
| GTV (RMB in millions) | 1,295.9 | 1,250.1 |
| Order volume (millions) | 48.5 | 43.2 |
| Daily order volume (thousands) | 266.7 | 238.9 |
| Average GTV per order (RMB) | 26.7 | 28.9 |



MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

Overview

We are a mobility service company in China primarily offering ride-hailing services. We serve and connect various participants of the mobility industry including the riders, drivers, automobile OEMs, vehicle service providers and autonomous driving solution providers. We offer (i) mobility services; (ii) technology services, primarily AI data and model solutions, and high-definition (HD) maps; and (iii) fleet sale and maintenance where we offer a full suite of support for drivers and car partners.

While we remained loss-making during the Reporting Period, we continue to make improvement in our financial performance and financial position. Our total revenue increased to RMB1,037.1 million for the six months ended June 30, 2024 from RMB912.6 million for the same period of 2023 attributable to the increases in our ride-hailing GTV, which was mainly driven by our loyal and expanding rider base and the increased order volume. Our gross loss decreased to RMB32.4 million for the six months ended June 30, 2024 from RMB70.7 million for the same period of 2023 attributable to the continuous improvement in the gross loss of our mobility services. Our order volume increased to 48.5 million for the six months ended June 30, 2024 from 43.2 million for the same period of 2023, and our daily order volume also improved to 266.7 thousand for the six months ended June 30, 2024 from 238.9 thousand for the same period of 2023.

Since June 30, 2024 and up to the date of this interim report, there was no material adverse change in our financial or trading position or prospects and there was no event that would materially affect the information set out in our Group's consolidated financial statements in this interim report.

Business Outlook

Leveraging on our competitive strengths, our success in key regions and our first-mover advantage in Robotaxi operation, we will continue to enhance our mobility service platform with full-suite of offerings to our customers. We will continue to implement our business strategies, including to leverage our success and expand our presence in the mobility service market for ride-hailing and Robotaxi to an international scale, implement our geographical expansion strategy to enhance ride-hailing operational efficiency, refine our hybrid operation model or manned ride-hailing and Robotaxi services and offer smooth Robotaxi experience, optimize operational management with data analysis, enhance brand awareness, and continue to recruit and cultivate talents.



II. FINANCIAL REVIEW

Revenue

Our total revenue was RMB1,037.1 million for the six months ended June 30, 2024, representing an increase of 13.6% from RMB912.6 million for the same period of 2023. The year-on-year increase was mainly attributable to the increase in the revenue from our mobility services.

The following table sets forth a breakdown of our revenue by business segment in amounts and as percentages of our total revenue for the periods indicated.

| | For the six months ended June 30, | | | |
|-----------------------------------|---|---------------|---|--------|
| | 2024 (Unaudited) (RMB in thousands, except for percentage) | | 2023 (Unaudited) (RMB in thousands, except for percentage) | |
| Mobility services | 879,063 | 84.8% | 790,937 | 86.7% |
| — Ride-hailing services | 878,514 | 84.7% | 789,875 | 86.6% |
| — Others ⁽¹⁾ | 549 | 0.1% | 1,062 | 0.1% |
| Technology services | 8,740 | 0.8% | 3,169 | 0.3% |
| Fleet sale and maintenance | 149,250 | 14.4% | 118,518 | 13.0% |
| Total | 1,037,053 | 100.0% | 912,624 | 100.0% |

Note (1): Others primarily consist of (i) Robotaxi services; (ii) hitch services; and (iii) marketing and promotion services.

Our revenue from mobility services increased by 11.1% from RMB790.9 million for the six months ended June 30, 2023 to RMB879.1 million for the six months ended June 30, 2024, primarily due to the increased revenue of ride-hailing services. The increase was primarily attributable to the increase in our ride-hailing GTV from RMB1,233.0 million for the six months ended June 30, 2023 to RMB1,288.9 million for the six months ended June 30, 2024, which was mainly due to the increase in the order volume from 43.0 million in the first half of 2023 to 48.4 million in the first half of 2024.

Our revenue from technology services increased by 175.8% from RMB3.2 million for the six months ended June 30, 2023 to RMB8.7 million for the six months ended June 30, 2024, primarily due to our operational strategy for technology services and our enhanced efforts in selling and marketing for technology services.

Our revenue from fleet sale and maintenance increased by 25.9% from RMB118.5 million for the six months ended June 30, 2023 to RMB149.3 million for the six months ended June 30, 2024, primarily due to the continuous growth of our business operations.



MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Revenue

Our cost of revenue increased by 8.8% from RMB983.3 million for the six months ended June 30, 2023 to RMB1,069.5 million for the six months ended June 30, 2024, primarily due to (i) an increase in drivers' service fee, which was in line with the growth of our ride-hailing business; (ii) an increase in cost of auto service center resulting from increased vehicle procurement costs related to our fleet sale and maintenance business; (iii) an increase in cost of technology services resulting from the growth of our technology services business; and (iv) an increase in third-party mobility service platform costs, which was attributable to the increased service fees payable to our cooperative third-party mobility service platforms, resulting from the increase in the volume of orders placed through our cooperative third-party mobility service platforms to us.

Gross Profit/(Loss) and Gross Margin

Our gross loss decreased by 54.1% from RMB70.7 million for the six months ended June 30, 2023 to RMB32.4 million for the six months ended June 30, 2024, and our gross loss margin improved from -7.7% for the six months ended June 30, 2023 to -3.1% for the six months ended June 30, 2024.

The following table sets forth a breakdown of gross loss/profit and gross margin by business segment for the periods indicated.

| | For the six months ended June 30, | | | |
|----------------------------|--|--------------|--|--------------|
| | 2024 | | 2023 | |
| | Gross (Loss)/Profit (Unaudited) (RMB in thousands, except for percentages) | Gross Margin | Gross (Loss)/Profit (Unaudited) (RMB in thousands, except for percentages) | Gross Margin |
| Mobility services | (40,722) | (4.6)% | (77,804) | (9.8)% |
| Technology services | 1,422 | 16.3% | 1,238 | 39.1% |
| Fleet sale and maintenance | 6,855 | 4.6% | 5,877 | 5.0% |
| Total | (32,445) | (3.1)% | (70,689) | (7.7)% |

We incurred an overall gross loss during the Reporting Period, primarily due to the high cost of revenue along with our expansion of business scale and our continued expansion of geographical coverage and acquisition of new users. The improvement in overall gross margin notwithstanding the intensifying competition in the mobility market in China was primarily because (i) we recorded increase in the revenue from our fleet sale and maintenance and technology services, of which the gross margins are higher than ride-hailing business in nature; and (ii) the improvement of gross loss margin of our mobility services, primarily due to (a) the decrease in our incentives to customers, attributable to our more prudent customer incentive policy after effectively increasing penetration rate; (b) the decrease in our incentives to drivers, attributable to that our fleet sale and maintenance provide drivers a range of vehicle purchase, maintenance and repair services, helping them to optimize their cost structure and strengthen their trust with our platform, and an uptick in user traffic has led to an increase in order volume, ensuring that the income generated from orders is adequate to satisfy the drivers' income expectations, thereby negating the necessity for additional incentives to drivers; and (c) the decrease in management fee that we paid to car partner, attributable to the free access to our proprietary vehicle and driver management systems provided to our car partners and training provided to our car partners, improving their efficiency and enhancing cost management.



Other Income

Our other income amounted to RMB6.1 million and RMB5.3 million for the six months ended June 30, 2023 and 2024, respectively.

Selling and Marketing Expenses

Our selling and marketing expenses were RMB85.9 million for the six months ended June 30, 2024, representing a decrease of 21.7% from RMB109.6 million for the same period of 2023, primarily due to the decrease in promotion and marketing expenses, attributable to our stronger brand awareness brought by our commitment to the implementation of our geographical expansion strategy.

General and Administrative Expenses

Our general and administrative expenses were RMB63.4 million for the six months ended June 30, 2024, representing a decrease of 12.8% from RMB72.7 million for the same period of 2023, mainly attributable to (i) a decrease in the listing expenses that we incurred for the Listing and Global Offering during the Reporting Period; and (ii) the benefit from economies of scale as a result of our business expansion and our efforts in improving operation efficiency.

R&D Expenses

Our R&D expenses were RMB73.5 million for the six months ended June 30, 2024, representing an increase of 27.5% from RMB57.7 million for the same period of 2023, primarily due to (i) an increase in the staff expenses resulting from the recruitment of new R&D staff to enhance our R&D capabilities; (ii) an increase in depreciation and amortization expenses related to the Robotaxi vehicles and related software; and (iii) an increase in the service cost of Robotaxi test drivers resulting from the R&D activities.

Credit Loss on Trade and Other Receivables

Our credit loss on trade and other receivables were RMB3.9 million for the six months ended June 30, 2024, representing an increase of 125.2% from RMB1.7 million for the same period of 2023, primarily because of the increase in the loss allowances of trade and other receivables measured at an amount equal to lifetime expected credit losses.

Other Net Loss

Our other net loss amounted to RMB3.3 million and RMB2.1 million for the six months ended June 30, 2023 and 2024, respectively.

Finance Costs

Our finance costs amounted to RMB1.3 million and RMB0.9 million for the six months ended June 30, 2023 and 2024, respectively.

Changes in the Carrying Amount of Convertible Redeemable Preferred Shares

We recorded a loss of RMB28.3 million and RMB66.3 million for the six months ended June 30, 2023 and 2024, respectively, from the changes in the carrying amount of convertible redeemable preferred shares, primarily due to the changes in redemption amount of the convertible redeemable preferred shares that we issued to our Series A investors and Series B investors.



Changes in the Carrying Amount of Other Financial Liabilities Issued to Investors

We recorded a loss of RMB6.2 million and RMB8.6 million for the six months ended June 30, 2023 and 2024, respectively, from the changes in the carrying amount of other financial liabilities issued to investors, primarily due to the changes in redemption amount of the warrants and related loans issued to Series A investors and Series B investors.

Loss for the Period

As a result of the foregoing, our net loss was RMB331.6 million for the six months ended June 30, 2024, representing a decrease of 4.0% from RMB345.4 million for the same period of 2023.

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRSs. We believe this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items.

We believe adjusted net loss (non-IFRS measure) provides useful information to investors and others in understanding and evaluating our results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRSs.

We define adjusted net loss (non-IFRS measure) as net loss for the period adjusted by adding back changes in the carrying amount of convertible redeemable preferred shares, changes in the carrying amount of other financial liabilities issued to investors, equity-settled share-based payments and listing expenses related to the Global Offering.

Our adjusted net loss (non-IFRS measure) was RMB242.0 million for the six months ended June 30, 2024, representing a decrease of 14.0% from RMB281.3 million for the same period of 2023.

| | For the six months ended June 30, | |
|--|--|--|
| | 2024 (Unaudited) (RMB in thousands) | 2023 (Unaudited) (RMB in thousands) |
| Reconciliation of net loss to adjusted net loss (non-IFRS measure): | | |
| Net loss for the period | (331,634) | (345,410) |
| Add: | | |
| – Changes in the carrying amount of convertible redeemable preferred shares ⁽¹⁾ | 66,290 | 28,297 |
| – Changes in the carrying amount of other financial liabilities issued to investors ⁽²⁾ | 8,552 | 6,174 |
| – Equity-settled share-based payments ⁽³⁾ | 8,197 | 16,738 |
| – Listing expenses ⁽⁴⁾ | 6,602 | 12,853 |
| Adjusted net loss (non-IFRS measure) | (241,993) | (281,348) |



Notes:

- (1) Changes in the carrying amount of convertible redeemable preferred shares mainly represent changes in the carrying amount of certain preferred shares we issued to investors pursuant to the financing agreements. All the convertible redeemable preferred shares have been re-designated from financial liabilities to equity as a result of the automatic conversion into our Shares upon the Listing.
- (2) Changes in the carrying amount of other financial liabilities issued to investors mainly represent changes in the carrying amount of the warrants we issued to certain investors for the right to the subscription of our convertible redeemable preferred shares and related loans provided by the investors.
- (3) Equity-settled share-based payments are non-cash employee benefit expenses incurred in connection with our award to key employees. Such expenses in any specific period are not expected to result in future cash payments.
- (4) Listing expenses mainly relate to the Global Offering.

Liquidity and Capital Resources

We closely monitor the level of our working capital, diligently review future cash flow requirement, and make necessary adjustment to our operation and expansion plans, to ensure that we maintain a sufficient level of liquidity to support our business operations.

As of June 30, 2024, we had RMB373.0 million in cash and cash equivalents, as compared to RMB612.9 million as of December 31, 2023. Our cash and cash equivalents primarily consist of cash at banks under RMB and USD denominations.

Our net cash used in our operating activities for the six months ended June 30, 2024 was RMB200.0 million, representing a decrease from RMB373.3 million for the six months ended June 30, 2023. Our net cash used in operating activities in the first half of 2024 is attributable to our loss before taxation of RMB331.6 million, as adjusted by non-cash and non-operating items of RMB101.6 million, and further adjusted by working capital changes mainly comprising (i) a decrease in inventories of RMB16.3 million; (ii) an increase in accruals and other payables of RMB15.5 million; and (iii) an increase in contract liabilities of RMB13.4 million.

Indebtedness

The following table sets forth the details of our indebtedness as of the dates indicated:

| | As at June 30, 2024 RMB'000 (Unaudited) | As at December 31, 2023 RMB'000 (Audited) |
|----------------------|---|---|
| Current | | |
| Loans and borrowings | 15,025 | 14,033 |
| Lease liabilities | 7,151 | 31,007 |
| Non-current | | |
| Loans and borrowings | — | 13,000 |
| Lease liabilities | 13,294 | 10,916 |
| Total | 35,470 | 68,956 |



MANAGEMENT DISCUSSION AND ANALYSIS

Loans and Borrowings

As of June 30, 2024, we had loans and borrowings of RMB15.0 million, as compared to that of RMB27.0 million as of December 31, 2023. We primarily used the funds for replenishment of working capital.

As of June 30, 2024, we had one long-term unsecured bank borrowing of RMB15.0 million, with a fixed interest rate of 4.0% per annum. As of June 30, 2024, we had unutilized bank facilities of RMB60.0 million.

Lease Liabilities

As of June 30, 2024, we recognized total lease liabilities of RMB20.4 million, representing a decrease from RMB41.9 million as of December 31, 2023, primarily attributable to our payment of the lease liabilities.

Financial Ratios

Our current ratio (calculated as current assets divided by current liabilities as of the same date) decreased to 21.9% as of June 30, 2024 from 33.3% as of December 31, 2023, mainly attributable to the decrease in current assets due to our operating cash outflows and the increase in current liabilities due to the changes in carrying amount of the convertible redeemable preferred shares that we issued to our investors.

Our gearing ratio (calculated as total liabilities divided by total assets as of the same date) increased to 358.1% as of June 30, 2024 from 254.9% as of December 31, 2023, mainly attributable to the decrease in current assets due to our operating cash outflows and the increase in current liabilities due to the changes in carrying amount of the convertible redeemable preferred shares that we issued to our investors.

Charge on Assets

As of June 30, 2024, there was no charge on assets of our Group (June 30, 2023: nil).

Capital Expenditures and Capital Commitments

In the first half of 2024, our capital expenditures decreased to RMB5.8 million from RMB22.0 million in the first half of 2023. Our capital expenditures were primarily used for purchase of property, plant and equipment and purchase of intangible assets.

Our capital commitments were primarily related to contracted purchases of software and property, plant and equipment. As of June 30, 2024, we had capital commitments of RMB2.2 million, of which RMB0.4 million were attributable to contracted purchases of software and RMB1.8 million were attributable to contracted purchases of property, plant and equipment, which was decreased from our capital commitments of RMB7.8 million as of December 31, 2023.

Save as disclosed in this interim report, the Group had no other material capital expenditure or investment plan as of the date of this interim report.

Contingent Liabilities

As of June 30, 2024, our Company did not have any material contingent liabilities.

Significant Investments and Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this interim report, our Company had no other significant investments and/or material acquisition or disposal of subsidiaries, associates and joint venture during the Reporting Period.



Human Resources

As of June 30, 2024, we had a total of 466 full-time employees, the majority of whom were based in Guangzhou, Guangdong province, China. We recruit our employees through a combination of campus and lateral hiring. Our Group's total employee benefits (including fees, salaries, allowances, other benefits, discretionary bonuses, retirement scheme contributions and equity-settled share based payments) for the Reporting Period were RMB106.3 million. We offer our employees competitive salaries, performance-based cash bonuses and comprehensive benefit packages. We adhere to a long-term growth strategy, and constantly invest in training and team building to help our employees to grow with us. The Company has also adopted the Pre-IPO Equity Incentive Plan to attract, retain and motivate the officers, directors and employees of our Group, details of which are set out in the Prospectus. We are committed to making continued efforts to build a fair workplace environment that is conducive to individual growth.

Financial Risks

We are exposed to credit, liquidity, interest rate and currency risks arising in the normal course of our Group's business. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit Risk

Our Group's credit risk is primarily attributable to trade receivables, deposits and other receivables. Our Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit ratings, which our Group considers have low credit risks.

Liquidity Risk

Individual operating entities within our Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, subject to approval by our Company's board when the borrowings exceed certain predetermined levels of authority. Our Group's policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Interest Rate Risk

Our Group does not account for any fixed-rate financial instruments at fair value through profit or loss at the end of the Reporting Period. Therefore, interest-bearing financial instruments at fixed rates do not expose our Group to fair value interest rate risk. Our Group's interest rate risk arises primarily from cash at banks at variable rates, which exposes our Group to cash flow interest rate risk.

Currency Risk

Our Group is exposed to currency risk primarily through transactions or recognized monetary assets and liabilities that are denominated in a currency other than the functional currency of the operations to which the transactions relate. Our transactions in the PRC are mainly denominated in RMB. Our Company and our subsidiaries in other geographical locations normally adopt the local currency as the functional currency and normally conduct transactions in that local currency. As a result, the Directors do not expect that there was any significant foreign exchange exposure which may arise as a currency risk for us during the Reporting Period. Our Group was mainly exposed to the currency risk relating to the cash balances that are denominated in a foreign currency during the Reporting Period. The cash balances denominated in foreign currency at the end of the Reporting Period were insignificant. The Company did not use any foreign currency related hedges during the Reporting Period.



III. USE OF NET PROCEEDS FROM LISTING AND GLOBAL OFFERING

On July 10, 2024, in connection with the Global Offering, 30,004,800 ordinary Shares of US\$0.0005 each were issued at an offer price of HK\$35.00 per Share for a total cash consideration, before expenses, of approximately HK\$1,050.2 million. The net proceeds from the Global Offering amounted to approximately HK\$983.6 million.

For details of the Company's future plans and proposed uses of the net proceeds from the Global Offering, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As of the date of this interim report, there had not been any change in the intended use of the net proceeds and the expected implementation timeline as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. From the Listing Date up to the date of this interim report, the Group has not used any part of the net proceeds and the Group will gradually utilize the net proceeds in accordance with the intended purposes as stated in the Prospectus.



INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2024 (six months ended June 30, 2023: nil).

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim report, we are not aware of any material subsequent events since the end of the Reporting Period and up to the date of this interim report.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

The Company has adopted the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance. The CG Code has been applicable to the Company with effect from the Listing Date and was not applicable to the Company during the Reporting Period. Since the Listing Date up to the date of this interim report, the Company has complied with all applicable code provisions of the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. As the Company's Shares were listed on the Stock Exchange on July 10, 2024, the Model Code was not applicable to the Company during the Reporting Period.

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code throughout the period from the Listing Date to the date of this interim report. No incident of non-compliance of the Model Code by the employees who are likely to be in possession of inside information of the Company was noted by the Company.



OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

As the Shares of the Company had not yet been listed on the Stock Exchange during the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period (including sale of treasury shares (as defined under the Listing Rules)).

UPDATES ON THE DIRECTORS' INFORMATION

Save as disclosed below, as at the date of this interim report, there were no changes in the Directors' information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

- Our independent non-executive Director, Mr. ZHANG Junyi, joined SenseAuto Technology Development Limited, which is a subsidiary of SenseTime Group Inc., a company listed on the Stock Exchange (stock code: 0020 and 80020), as Senior Vice President (SVP) of Finance on August 20, 2024, primarily responsible for financial management and capital management of SenseAuto; and
- Our independent non-executive Director, Mr. ZHANG Senquan, acted as an independent non-executive director of TKY Medicines, Inc, a company which became listed on the Stock Exchange on August 20, 2024 (stock code: 2410).

REVIEW OF INTERIM RESULTS AND INTERIM REPORT

The Board has established the Audit Committee which comprises three independent non-executive Directors, namely Mr. ZHANG Junyi, Mr. ZHANG Senquan and Mr. LI Maoxiang. Mr. ZHANG Senquan, who has the professional qualification or accounting or related financial management expertise in compliance with the requirements of the Listing Rules, serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee are, among others, to provide an independent view of the Company's financial reporting process, internal control and risk management system, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

The Audit Committee, together with the management of the Company, has considered and reviewed the Group's interim results for the Reporting Period and the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters, and is of the view that the interim results of the Group are prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

The interim financial report for the six months ended June 30, 2024 is unaudited, but has been reviewed by KPMG, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of June 30, 2024, since the Shares were not listed on the Stock Exchange, the disclosure requirements of relevant regulations in Hong Kong, including Divisions 7 and 8 of Part XV of the SFO and section 352 of the SFO and the Model Code were not applicable to the Company and the Directors, and chief executive of the Company.

The Shares were listed on the Stock Exchange on July 10, 2024. As at the date of this interim report, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required: (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long positions in the Shares or underlying Shares of the Company

| Name of Director | Capacity/Nature of Interest | Number of Shares held ⁽¹⁾ | Approximate percentage of shareholding interest ⁽²⁾ |
|------------------|-----------------------------|--------------------------------------|--|
| JIANG Hua | Beneficial owner | 880,000 (L) ⁽³⁾ | 0.43% |

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) The approximate percentage of shareholding interest in the Company is calculated based on the total number of 204,113,852 Shares in issue as at the date of this interim report.
- (3) The interest comprises 660,000 underlying Shares in respect of the options granted to Mr. JIANG Hua pursuant to the Pre-IPO Equity Incentive Plan, as well as 110,000 Shares and 110,000 underlying Shares in respect of the restricted stock granted to Mr. JIANG Hua pursuant to the Pre-IPO Equity Incentive Plan.

Save as disclosed above and to the best knowledge of the Directors and chief executive of the Company, as at the date of this interim report, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.



OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2024, as the Shares were not listed on the Stock Exchange, the relevant regulations relating to interest or short position in the Shares and underlying Shares of the Company which are required to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or interests or short positions which are required to be entered in the register of interests and short positions of the substantial shareholders pursuant to section 336 of SFO, were not applicable to the Company.

The Shares were listed on the Stock Exchange on July 10, 2024. As at the date of this interim report, so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Interests in Shares or underlying Shares of the Company

| Name of Shareholder | Capacity/Nature of Interest | Number of Shares held ⁽¹⁾ | Approximate percentage of shareholding interest ⁽²⁾ |
|---|------------------------------------|--------------------------------------|--|
| GAIG ⁽³⁾ | Beneficial owner | 46,302,391 (L) | 22.68% |
| | Interest in controlled corporation | 26,202,774 (L) | 12.84% |
| GAC ⁽³⁾ | Interest in controlled corporation | 26,202,774 (L) | 12.84% |
| China Lounge ⁽³⁾ | Beneficial owner | 26,202,774 (L) | 12.84% |
| Tencent Mobility Limited ⁽⁴⁾ | Beneficial owner | 32,396,688 (L) | 15.87% |
| Tencent Holdings Limited ⁽⁴⁾ | Interest of controlled corporation | 32,396,688 (L) | 15.87% |
| Hongkong Pony AI Limited ⁽⁵⁾ | Beneficial owner | 10,909,912 (L) | 5.35% |
| Pony AI Inc. ⁽⁵⁾ | Interest of controlled corporation | 10,909,912 (L) | 5.35% |
| PENG Jun ⁽⁵⁾ | Interest of controlled corporation | 10,909,912 (L) | 5.35% |
| Didi Global Inc. ⁽⁶⁾ | Interest of controlled corporation | 11,627,700 (L) | 5.70% |

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) The approximate percentage of shareholding interest in the Company is calculated based on the total number of 204,113,852 Shares in issue as at the date of this interim report.
- (3) China Lounge is wholly owned GAC, a company listed on the Stock Exchange (stock code: 02238) and the Shanghai Stock Exchange (stock code: 601238), which is in turn owned as to 52.51% by GAIG. By virtue of the SFO, each of GAC and GAIG is deemed to be interested in the Shares in which China Lounge is interested.
- (4) Tencent Mobility Limited is a wholly-owned subsidiary of Tencent Holdings Limited, a company listed on the Stock Exchange (stock code: 00700). By virtue of the SFO, Tencent Holdings Limited is deemed to be interested in the Shares in which Tencent Mobility Limited is interested.
- (5) Hongkong Pony AI Limited is a wholly-owned subsidiary of Pony AI Inc., which is, in turn, controlled by Mr. PENG Jun, who holds more than 50% of the voting rights of Pony AI Inc.. By virtue of the SFO, Mr. PENG Jun and Pony AI Inc. are deemed to be interested in the Shares in which Hongkong Pony AI Limited is interested.
- (6) 5,000,000 Shares were beneficially owned by Jovial Lane Limited, which is a wholly-owned subsidiary of Cheering Venture Global Limited, which is in turn wholly owned by Didi Global Inc.; and 6,627,700 Shares were beneficially owned by Voyager Global Inc., which is owned as to 70.40% by Didi Global Inc. Didi Global Inc.'s American depository receipts are listed and traded on the Over-The-Counter Market (stock symbol: DIDIY). By virtue of the SFO, Didi Global Inc. is deemed to be interested in the Shares in which both of Jovial Lane Limited and Voyager Global Inc. are interested.



Save as disclosed above, as of date of this interim report, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

On behalf of the Board

Chenqi Technology Limited
GAO Rui
Chairman

Guangzhou, the PRC, 28 August 2024



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended June 30, 2024 – unaudited
(Expressed in Renminbi)

| | Note | Six months ended June 30, | |
|---|------|---------------------------|-----------------|
| | | 2024 RMB'000 | 2023 RMB'000 |
| Revenue | 3 | 1,037,053 | 912,624 |
| Cost of revenue | | (1,069,498) | (983,313) |
| Gross loss | | (32,445) | (70,689) |
| Other income | 4 | 5,304 | 6,113 |
| Selling and marketing expenses | | (85,877) | (109,617) |
| General and administrative expenses | | (63,395) | (72,726) |
| Research and development expenses | | (73,524) | (57,666) |
| Credit loss on trade and other receivables | | (3,890) | (1,727) |
| Other net loss | | (2,060) | (3,330) |
| Loss from operations | | (255,887) | (309,642) |
| Finance costs | 5(a) | (905) | (1,297) |
| Changes in the carrying amount of convertible redeemable preferred shares | 15 | (66,290) | (28,297) |
| Changes in the carrying amount of other financial liabilities issued to investors | 16 | (8,552) | (6,174) |
| Loss before taxation | | (331,634) | (345,410) |
| Income tax | 6 | — | — |
| Loss for the period attributable to equity shareholders of the Company | | (331,634) | (345,410) |
| Loss per share | 7 | | |
| Basic and diluted (RMB) | | (3.67) | (3.84) |

Details of dividends payable to equity shareholders of the Company are set out in note 18(a).

The notes on pages 29 to 49 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended June 30, 2024 – unaudited
(Expressed in Renminbi)

| | Six months ended June 30, | |
|---|---------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Loss for the period | (331,634) | (345,410) |
| Items that may be reclassified subsequently to profit or loss: | | |
| Exchange differences on translation of financial statements of foreign operations | (3,356) | (18,430) |
| Other comprehensive income for the period | (3,356) | (18,430) |
| Total comprehensive income for the period attributable to equity shareholders of the Company | (334,990) | (363,840) |

The notes on pages 29 to 49 form part of this interim financial report.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at June 30, 2024 – unaudited

(Expressed in Renminbi)

| | Note | At June 30, 2024 RMB'000 | At December 31, 2023 RMB'000 |
|---|------|--------------------------------|------------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 8 | 60,423 | 63,752 |
| Right-of-use assets | 9 | 43,767 | 45,445 |
| Intangible assets | | 25,336 | 29,303 |
| Other non-current assets | | 19,840 | 8,774 |
| | | 149,366 | 147,274 |
| Current assets | | | |
| Inventories | 10 | 1,965 | 18,311 |
| Trade receivables | 11 | 25,972 | 20,044 |
| Prepayments, deposits and other receivables | 12 | 128,504 | 124,549 |
| Cash and cash equivalents | | 373,040 | 612,858 |
| | | 529,481 | 775,762 |
| Current liabilities | | | |
| Trade payables | 13 | 80,076 | 78,168 |
| Accruals and other payables | 14 | 170,241 | 153,043 |
| Loans and borrowings | | 15,025 | 14,033 |
| Contract liabilities | | 16,272 | 2,837 |
| Lease liabilities | | 7,151 | 31,007 |
| Convertible redeemable preferred shares | 15 | 2,128,672 | 1,161,283 |
| Other financial liabilities issued to investors | 16 | — | 888,913 |
| | | 2,417,437 | 2,329,284 |
| Net current liabilities | | (1,887,956) | (1,553,522) |
| Total assets less current liabilities | | (1,738,590) | (1,406,248) |
| Non-current liabilities | | | |
| Loans and borrowings | | — | 13,000 |
| Lease liabilities | | 13,294 | 10,916 |
| | | 13,294 | 23,916 |
| NET LIABILITIES | | (1,751,884) | (1,430,164) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



at June 30, 2024 – unaudited
(Expressed in Renminbi)

| | Note | At June 30, 2024 RMB'000 | At December 31, 2023 RMB'000 |
|-----------------------------|------|--------------------------------|------------------------------------|
| CAPITAL AND RESERVES | 18 | | |
| Share capital | | 310 | 310 |
| Reserves | | (1,752,194) | (1,430,474) |
| TOTAL DEFICIT | | (1,751,884) | (1,430,164) |

Approved and authorized for issue by the board of directors on August 28, 2024.

Gao Rui

Chairman

Jiang Hua

Executive Director

The notes on pages 29 to 49 form part of this interim financial report.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended June 30, 2024 – unaudited

(Expressed in Renminbi)

| | Share capital RMB'000 note 18(b) | Share premium RMB'000 | Capital reserve RMB'000 | Share-based payment reserve RMB'000 | Translation reserve RMB'000 | Other reserve RMB'000 | Accumulated losses RMB'000 | Total deficit RMB'000 |
|---|--|--------------------------|----------------------------|--|--------------------------------|--------------------------|-------------------------------|--------------------------|
| Balance at January 1, 2023 | 309 | 899,684 | 50,992 | 49,175 | 884 | (7,216) | (1,743,468) | (749,640) |
| Changes in equity for the six months ended June 30, 2023: | | | | | | | | |
| Loss for the period | — | — | — | — | — | — | (345,410) | (345,410) |
| Other comprehensive income for the period | — | — | — | — | (18,430) | — | — | (18,430) |
| Total comprehensive income for the period | — | — | — | — | (18,430) | — | (345,410) | (363,840) |
| Waiver of payment of expenses by a shareholder | — | — | 427 | — | — | — | — | 427 |
| Equity-settled share-based transactions | — | — | — | 16,738 | — | — | — | 16,738 |
| Deemed contribution from investors | — | — | — | — | — | 12,522 | — | 12,522 |
| Balance at June 30, 2023 and July 1, 2023 | 309 | 899,684 | 51,419 | 65,913 | (17,546) | 5,306 | (2,088,878) | (1,083,793) |
| Changes in equity for the six months ended December 31, 2023: | | | | | | | | |
| Loss for the period | — | — | — | — | — | — | (347,384) | (347,384) |
| Other comprehensive income for the period | — | — | — | — | 10,218 | — | — | 10,218 |
| Total comprehensive income for the period | — | — | — | — | 10,218 | — | (347,384) | (337,166) |
| Waiver of payment of expenses by a shareholder | — | — | 2,136 | — | — | — | — | 2,136 |
| Subscription of restricted stock as replacement of onshore share awards | 1 | 1,899 | (1,900) | — | — | — | — | — |
| Equity-settled share-based transactions | — | — | — | 9,648 | — | — | — | 9,648 |
| Issuance of other financial liabilities to investors | — | — | — | — | — | (20,989) | — | (20,989) |
| Balance at December 31, 2023 | 310 | 901,583 | 51,655 | 75,561 | (7,328) | (15,683) | (2,436,262) | (1,430,164) |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended June 30, 2024 – unaudited
(Expressed in Renminbi)

| | Share capital RMB'000 note 18(b) | Share premium RMB'000 | Capital reserve RMB'000 | Share- based payment reserve RMB'000 | Translation reserve RMB'000 | Other reserve RMB'000 | Accumulated losses RMB'000 | Total deficit RMB'000 |
|--|---|-----------------------------|-------------------------------|--|-----------------------------------|-----------------------------|----------------------------------|-----------------------------|
| Balance at January 1, 2024 | 310 | 901,583 | 51,655 | 75,561 | (7,328) | (15,683) | (2,436,262) | (1,430,164) |
| Changes in equity for the six months ended June 30, 2024: | | | | | | | | |
| Loss for the period | – | – | – | – | – | – | (331,634) | (331,634) |
| Other comprehensive income for the period | – | – | – | – | (3,356) | – | – | (3,356) |
| Total comprehensive income for the period | – | – | – | – | (3,356) | – | (331,634) | (334,990) |
| Waiver of payment of expenses by a shareholder | – | – | 2,814 | – | – | – | – | 2,814 |
| Subscription of restricted stock under share incentive plan | –* | 2,259 | – | – | – | – | – | 2,259 |
| Equity-settled share-based transactions | – | – | – | 8,197 | – | – | – | 8,197 |
| Balance at June 30, 2024 | 310 | 903,842 | 54,469 | 83,758 | (10,684) | (15,683) | (2,767,896) | (1,751,884) |

* The increase in share capital was less than RMB1,000.

The notes on pages 29 to 49 form part of this interim financial report.



CONSOLIDATED CASH FLOW STATEMENT

for the six months ended June 30, 2024 – unaudited
(Expressed in Renminbi)

| | Note | Six months ended June 30, | |
|--|------|---------------------------|------------------|
| | | 2024 RMB'000 | 2023 RMB'000 |
| Operating activities | | | |
| Cash used in operations | | (200,010) | (373,250) |
| Income tax paid | | — | — |
| Net cash used in operating activities | | (200,010) | (373,250) |
| Investing activities | | | |
| Interest received | | 4,824 | 6,091 |
| Payment for purchase of property, plant and equipment | | (5,484) | (16,819) |
| Payment for purchase of intangible assets | | (269) | (5,194) |
| Net cash used in investing activities | | (929) | (15,922) |
| Financing activities | | | |
| Capital element of rental paid | | (27,076) | (5,634) |
| Interest element of rental paid | | (446) | (535) |
| Proceeds from subscription of restricted stock under share incentive plan | | 2,259 | — |
| Proceeds from issuance of convertible redeemable preferred shares | | — | 107,693 |
| Proceeds from exercise of warrants | | 842,274 | 680,022 |
| Repayment of other financial liabilities to investors | | (842,274) | (667,500) |
| Proceeds from advance payments from investors | | — | 125,000 |
| Payments of professional expenses relating to issuance of convertible redeemable preferred shares and other financial liabilities to investors | | (1,218) | (1,336) |
| Payments of listing expenses | | (1,069) | (1,250) |
| Proceeds from loans and borrowings | | 10,000 | 10,000 |
| Repayment of loans and borrowings | | (22,000) | (11,000) |
| Interest paid | | (467) | (756) |
| Net cash generated from financing activities | | (40,017) | 234,704 |
| Net decrease in cash and cash equivalents | | (240,956) | (154,468) |
| Cash and cash equivalents at the beginning of the period | | 612,858 | 553,666 |
| Effect of movements in exchange rates on cash held | | 1,138 | (2,470) |
| Cash and cash equivalents at the end of the period | | 373,040 | 396,728 |

The notes on pages 29 to 49 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION AND BASIS OF PREPARATION

Chenqi Technology Limited (the “Company”) was incorporated in the Cayman Islands on April 30, 2019, as an exempted company with limited liability under the Companies Act, Cap.22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since July 10, 2024.

The Company and its subsidiaries, including the subsidiaries controlled through contractual arrangements (together, the “Group”) are principally engaged in mobility services, technology services and fleet sale and maintenance businesses in the People’s Republic of China (the “PRC”).

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorized for issue on August 28, 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the historical financial information for the years ended December 31, 2021, 2022 and 2023 (the “Historical Financial Information”) as disclosed in Appendix I to the prospectus of the Company dated June 28, 2024 (the “Prospectus”) in connection with the initial listing of shares of the Company (the “Listing”) on the Main Board of The Stock Exchange of Hong Kong Limited, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Historical Financial Information as disclosed in Appendix I to the Prospectus. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG’s independent review report to the Board of Directors is included on page 50.

The Group incurred accumulated losses of RMB2,767,896,000 as at June 30, 2024, and recorded net current liabilities of RMB1,887,956,000 and net liabilities of RMB1,751,884,000 as at June 30, 2024. The net current liabilities and net liabilities positions were primarily caused by the convertible redeemable preferred shares of RMB2,128,672,000 as at June 30, 2024, which were classified as financial liabilities. The Directors of the Company are of the opinion that no material uncertainty exists related to events or conditions which, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern, taking into account the following factors:

- on July 10, 2024, the Company completed the initial public offering and became listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Company issued 30,004,800 ordinary shares, and received net proceeds of approximately HK\$984 million;



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION AND BASIS OF PREPARATION (CONTINUED)

- the preferred rights and redemption features of the convertible redeemable preferred shares were terminated upon the listing of the Company's shares on July 10, 2024 and the redeemable convertible preferred shares issued to investors were converted into equity accordingly. As a consequence, the Group recorded net current assets and net assets position since then;
- the Group has unutilized banking facilities of RMB60,000,000 as at June 30, 2024, which can be utilized by the Group to fulfil its liquidity requirements when necessary; and
- the Directors have reviewed the Group's cash flow projections, which cover a period of twelve months from June 30, 2024 and are of the opinion that the Group will have sufficient working capital to meet its liabilities and obligations as and when they fall due and to sustain its operations for at least the next twelve months from June 30, 2024.

The financial information relating to the financial year ended December 31, 2023 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from the Historical Financial Information as disclosed in Appendix I to the Prospectus.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to this interim financial report for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* ("2020 amendments")
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants* ("2022 amendments")
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows and IFRS 7, Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provision of mobility services, provision of technology services and conduction of fleet sale and maintenance business in the PRC.

Disaggregation of revenue is as follows:

| | Six months ended June 30, | |
|---|---------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Revenue from contracts with customers within the scope of IFRS15 | | |
| Disaggregated by business lines | | |
| Mobility services business | | |
| — Ride-hailing services | 878,514 | 789,875 |
| — Others (i) | 549 | 1,062 |
| | 879,063 | 790,937 |
| Technology services business | 8,740 | 3,169 |
| Fleet sale and maintenance business (ii) | 149,250 | 118,518 |
| | 1,037,053 | 912,624 |
| Disaggregation of revenue from contracts with customers by the timing of revenue recognition | | |
| Point in time | 1,028,313 | 909,455 |
| Over time | 8,740 | 3,169 |
| | 1,037,053 | 912,624 |

Notes:

- (i) Others mainly comprised Robotaxi services, hitch services and promotion and marketing services.
- (ii) Fleet sale and maintenance business comprises sales of vehicles, provision of repair and maintenance services and other related services. For the six months ended June 30, 2024, revenue from sales of vehicles amounted to RMB133,851,000 (for the six months ended June 30, 2023: RMB105,629,000).



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments:

| Reportable segments | Operations |
|-------------------------------------|--|
| Mobility services business | Provision of ride-hailing services, Robotaxi services, hitch services and other related services |
| Technology services business | Provision of technology services |
| Fleet sale and maintenance business | Sale of vehicles, provision of repair and maintenance services and other related services |

(i) Segment results, assets and liabilities

The Group's most senior executive management assesses the performance of the reportable segments mainly based on revenue, profit/(loss) and material non-cash items of each reportable segments. There were no separate segment assets and segment liabilities information provided to the Group's most senior executive management as they do not use these information to allocate resources to or evaluate the performance of the reportable segments. Information regarding the Group's reportable segments is set out below.

Six months ended June 30, 2024

| | Mobility services business RMB'000 | Technology services business RMB'000 | Fleet sale and maintenance business RMB'000 | Total RMB'000 |
|--|---------------------------------------|---|--|------------------|
| External revenues | 879,063 | 8,740 | 149,250 | 1,037,053 |
| Segment revenue | 879,063 | 8,740 | 149,250 | 1,037,053 |
| Segment (loss)/profit before taxation | (196,670) | 1,422 | 1,851 | (193,397) |
| Interest income from bank deposits | 4,464 | — | 79 | 4,543 |
| Finance costs | (905) | — | — | (905) |
| Depreciation and amortization | (19,971) | (927) | (2,137) | (23,035) |
| Other material non-cash items: | | | | |
| — Credit loss on trade and other receivables | (3,890) | — | — | (3,890) |
| — Service costs of mobility service platform waived by a shareholder | (2,814) | — | — | (2,814) |

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities (Continued)

Six months ended June 30, 2023

| | Mobility services business RMB'000 | Technology services business RMB'000 | Fleet sale and maintenance business RMB'000 | Total RMB'000 |
|--|---------------------------------------|---|--|------------------|
| External revenues | 790,937 | 3,169 | 118,518 | 912,624 |
| Segment revenue | 790,937 | 3,169 | 118,518 | 912,624 |
| Segment (loss)/profit before taxation | (240,804) | 1,238 | 1,353 | (238,213) |
| Interest income from bank deposits | 5,864 | — | 20 | 5,884 |
| Finance costs | (1,188) | — | (109) | (1,297) |
| Depreciation and amortization | (14,445) | — | (985) | (15,430) |
| Other material non-cash items: | | | | |
| — Credit loss on trade and other receivables | (1,727) | — | — | (1,727) |
| — Service costs of mobility service platform waived by a shareholder | (427) | — | — | (427) |

(ii) Reconciliations of reportable segment revenue and segment loss before taxation

| | Six months ended June 30, | |
|---|----------------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| i. Revenue | | |
| Total segment revenue | 1,037,053 | 912,624 |
| Consolidated revenue | 1,037,053 | 912,624 |
| ii. Loss before taxation | | |
| Segment loss before taxation | (193,397) | (238,213) |
| Unallocated amount: | | |
| — General and administrative expenses | (63,395) | (72,726) |
| — Changes in carrying amount of convertible redeemable preferred shares | (66,290) | (28,297) |
| — Changes in carrying amount of other financial liabilities issued to investors | (8,552) | (6,174) |
| Consolidated loss before taxation | (331,634) | (345,410) |



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

(iii) Geographic information

All of the non-current assets of the Group are physically located in the PRC, and the revenue of the Group is all derived from operations in the PRC.

4 OTHER INCOME

| | Six months ended June 30, | |
|------------------------------------|---------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Government grants | 761 | 229 |
| Interest income from bank deposits | 4,543 | 5,884 |
| | 5,304 | 6,113 |

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs

| | Six months ended June 30, | |
|--|---------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Interest on loans and other borrowings | 459 | 762 |
| Interest on lease liabilities | 446 | 535 |
| | 905 | 1,297 |

(Expressed in Renminbi unless otherwise indicated)

5 LOSS BEFORE TAXATION (CONTINUED)

(b) Other items

| | Six months ended June 30, | |
|------------------------------------|---------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Amortization of intangible assets | 4,236 | 2,178 |
| Depreciation | | |
| — property, plant and equipment | 11,398 | 8,266 |
| — right-of-use assets | 7,401 | 4,986 |
| | 18,799 | 13,252 |
| Exchange (gain)/losses | (860) | 3,411 |
| Research and development costs (i) | 73,524 | 57,666 |
| Cost of inventories | 137,427 | 112,043 |
| Listing expenses | 6,602 | 12,853 |

- (i) For the six months ended June 30, 2024, research and development expenses include staff costs, amortization and depreciation expenses of RMB59,646,000 (for the six months ended June 30, 2023: RMB43,831,000), which amounts are also included in the respective total amounts disclosed separately above.

6 INCOME TAX

Income tax expense is recognized at an amount determined by multiplying the loss before tax for the reporting period by management's best estimate of the annual income tax rate expected for the full financial year. The reconciliation between tax expense and accounting loss at applicable tax rates is as follows:

| | Six months ended June 30, | |
|--|---------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Loss before taxation | 331,634 | 345,410 |
| Notional tax on loss before taxation, calculated at the rates applicable to profits in the jurisdictions concerned | 62,900 | 75,796 |
| Tax effect of non-deductible expenses | (726) | (157) |
| Tax effect of additional deduction on research and development costs (iv) | 17,505 | 12,068 |
| Effect of tax losses and temporary differences not recognized | (79,840) | (87,772) |
| Others | 161 | 65 |
| Actual tax expenses | — | — |



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

6 INCOME TAX (CONTINUED)

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) Under the current Hong Kong Inland Revenue Ordinance, the Company's Hong Kong subsidiary is subject to Hong Kong Profits Tax at the rate of 16.5% on its taxable income generated from the operations in Hong Kong. A two-tiered profits tax rates regime was introduced in 2018 where the first HKD2 million of assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) whilst the remaining profits will continue to be taxed at 16.5%.
- (iii) Under the PRC Corporate Income Tax Law, the Group's subsidiaries in the PRC are subject to the PRC statutory income tax rate of 25%.
- (iv) An additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC Corporate Income Tax Law and relevant regulations.

7 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share for the six months ended June 30, 2024 has been based on the loss attributable to equity shareholders of the Company of RMB331,634,000 (for the six months ended June 30, 2023: RMB345,410,000) and weighted-average number of ordinary shares of 90,000,000 in issue (for the six months ended June 30, 2023: 90,000,000).

Loss used to determine basic loss per share were calculated as follows:

| | Six months ended June 30, | |
|---|---------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Loss attributable to equity shareholders of the Company | 331,634 | 345,410 |
| Less: | | |
| Allocation of loss attributable to holders of unvested restricted stock | (1,136) | — |
| Loss used to determine basic loss per share | 330,498 | 345,410 |

Restricted stock of the Company is entitled to dividends once it is subscribed and paid under the share incentive plan. As of June 30, 2024, 394,690 restricted stocks were subscribed and paid, but remained unvested (as of June 30, 2023: nil). For the purpose of calculating basic loss per share, the numerator is thus be adjusted for the loss attributable to these unvested restricted stocks.

For the six months ended June 30, 2024, the denominator did not include the 9,605,310 nil-paid shares issued and reserved for share incentive plan purpose, and 394,690 subscribed but unvested restricted stocks. For the six months ended June 30, 2023, the denominator did not include the 10,000,000 nil-paid shares issued and reserved for share incentive plan purpose.



(Expressed in Renminbi unless otherwise indicated)

7 LOSS PER SHARE (CONTINUED)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive ordinary shares.

The Group had potential dilutive shares during the six months ended June 30, 2024 including the options and restricted stocks issued under the share incentive plans (see note 17) and the convertible redeemable preferred shares. As the Group incurred losses during the reporting period, the effect of these potential dilutive shares would be anti-dilutive. Therefore, there was no difference between the basic and diluted loss per share during the six months ended June 30, 2024.

8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2024, the Group acquired items of property, plant and equipment ("PPE") with costs of RMB8,084,000 (six months ended June 30, 2023: RMB40,971,000).

9 RIGHT-OF-USE ASSETS

During the six months ended June 30, 2024, the Group entered into additional lease agreements for use properties as its offices space and auto service center, and therefore recognized the additions to right-of-use assets of RMB6,599,000 (six months ended June 30, 2023: RMB854,000).

10 INVENTORIES

| | At June 30, 2024 RMB'000 | At December 31, 2023 RMB'000 |
|-------------|--------------------------------|------------------------------------|
| Vehicles | 339 | 17,947 |
| Spare parts | 1,626 | 364 |
| | 1,965 | 18,311 |

The analysis of the amount of inventories recognized as an expense and included in consolidated statements of profit or loss is as follows:

| | Six months ended June 30, | |
|-------------------------------------|---------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Carrying amount of inventories sold | 137,427 | 112,043 |



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(Expressed in Renminbi unless otherwise indicated)

11 TRADE RECEIVABLES

| | At June 30, 2024 RMB'000 | At December 31, 2023 RMB'000 |
|-------------------|--------------------------------|------------------------------------|
| Trade receivables | 25,972 | 20,044 |

All of the trade receivables are expected to be recovered within one year.

Aging analysis

As of the end of the reporting period, the aging analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

| | At June 30, 2024 RMB'000 | At December 31, 2023 RMB'000 |
|----------------|--------------------------------|------------------------------------|
| 0 to 30 days | 15,803 | 12,798 |
| 31 to 60 days | 5,906 | 4,660 |
| 61 to 180 days | 1,870 | 2,000 |
| Over 180 days | 2,393 | 586 |
| | 25,972 | 20,044 |

The Group grants credit period to its customers for different revenue streams. For individual riders, the Group requests immediate settlement when the trip is completed. For enterprise customers, the Group usually grants a credit period within 30 days. For fleet sale and maintenance business, the Group normally requests advance payment for sale of vehicles before the delivery of goods and grants a credit period of 20 to 30 days for provision of repair and maintenance services.

12 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | At June 30, 2024 RMB'000 | At December 31, 2023 RMB'000 |
|---|--------------------------------|------------------------------------|
| Prepayments | 60,220 | 62,869 |
| Value-added tax recoverable | 14,507 | 12,048 |
| Deposits | 5,338 | 6,895 |
| Receivables due from on-line payment platforms | 4,684 | 6,415 |
| Receivables of ride service fees due from third-party mobility service platforms which were collected on the Group's behalf | 32,136 | 17,087 |
| Receivables of purchase rebates due from vehicle suppliers | 9,671 | 17,675 |
| Others | 1,948 | 1,560 |
| | 128,504 | 124,549 |

Prepayments as at June 30, 2024 mainly comprised advance payments for purchase of vehicles.



(Expressed in Renminbi unless otherwise indicated)

13 TRADE PAYABLES

As of the end of the reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

| | At June 30, 2024 RMB'000 | At December 31, 2023 RMB'000 |
|---------------|--------------------------------|------------------------------------|
| 0 to 30 days | 79,840 | 65,543 |
| 31 to 60 days | 192 | 213 |
| 61 to 90 days | 30 | 10,820 |
| Over 90 days | 14 | 1,592 |
| | 80,076 | 78,168 |

14 ACCRUALS AND OTHER PAYABLES

| | At June 30, 2024 RMB'000 | At December 31, 2023 RMB'000 |
|---|--------------------------------|------------------------------------|
| Deposits from platform users | 3,661 | 4,833 |
| Deposits from enterprise customers | 3,098 | 2,776 |
| Payables on behalf of end-users | 8,959 | 10,316 |
| Payables related to promotion and marketing expenses | 34,870 | 35,446 |
| Payables related to research and development expenses | 25,000 | 14,976 |
| Payables related to information technology service expenses | 17,171 | 9,702 |
| Accrued payroll and benefits | 23,254 | 27,426 |
| Other taxes payable | 9,130 | 7,267 |
| Payables related to listing expenses | 10,079 | 10,720 |
| Payables related to purchase of property, plant and equipment and intangible assets | 15,417 | 14,022 |
| Others | 19,602 | 15,559 |
| | 170,241 | 153,043 |



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(Expressed in Renminbi unless otherwise indicated)

15 CONVERTIBLE REDEEMABLE PREFERRED SHARES

During the years ended December 31, 2022 and 2023, the Company has entered into a series of financing agreements with Series A and Series B investors, pursuant to which Series A and Series B convertible redeemable preferred shares (collectively “Preferred Shares”) were issued. Movements of Preferred Shares during the six months ended June 30, 2024 was as follows:

| | Series A Preferred Shares | | Series B Preferred Shares | |
|---|---------------------------|------------------|---------------------------|------------------|
| | Issue price per share | Number of Shares | Issue price per share | Number of Shares |
| Outstanding as at January 1, 2024 | USD3.194 | 48,274,535 | — | — |
| Conversion from other financial liabilities issued to investors (i) | — | — | RMB30.44 | 27,669,969 |
| Outstanding as at June 30, 2024 | USD3.194 | 48,274,535 | RMB30.44 | 27,669,969 |

Note:

- (i) As detailed in note 16, during the six months ended June 30, 2024, the Series B warrant investors exercised their warrants to subscribe for Series B Preferred Shares of the Company pursuant to the terms of such warrants.

The key terms of Preferred Shares are summarized as follows:

Conversion rights

The Preferred Shares shall be convertible, at the option of the holder thereof and at any time after the issue date of Preferred Shares and subject to the vote or written consent of the holders who hold more than 50% of the voting power of the then outstanding Preferred Shares, or automatically converted upon the closing of a qualified initial public offering (“IPO”), into such number of fully-paid and non-assessable ordinary shares based on the then-effective conversion price, without the payment of any additional consideration.

Redemption rights

The holders of Series A Preferred Shares may require the Company to redeem any or all of the Series A Preferred Shares held by them at any time after the occurrence of any redemption triggering events and as approved by the holders who hold at least 30% of the voting power of the outstanding Series A Preferred Shares. The holders of Series B Preferred Shares may require the Company to redeem any or all of the Series B Preferred Shares held by them at any time after the occurrence of any redemption triggering events and as approved by the holders who hold at least 50% of the voting power of the outstanding Series B Preferred Shares.

Redemption triggering events include:

- (i) a qualified IPO has not been consummated on or prior to the fifth anniversary of the issue date with respect to the relevant Preferred Shares; or
- (ii) the Company has a material breach prior to the qualified IPO. A material breach means an incurable breach of the Company which results in material impediment to a qualified IPO.

The redemption price shall be equal to the sum of the issue price of the Preferred Shares plus a simple interest of 8% per annum calculated from the issue date (inclusive) of the relevant Preferred Shares to the date of the written redemption notice (inclusive).



(Expressed in Renminbi unless otherwise indicated)

15 CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

Liquidation preferences

In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, all assets and funds of the Company legally available for distribution to the shareholders of the Company shall be distributed in the following sequence:

- (i) first, the holders of Series B Preferred Shares shall be entitled to receive the amount equal to the issue price, plus a simple interest of 8% per annum calculated from the issue date (inclusive) of the relevant Series B Preferred Shares to the date of such distribution (inclusive), plus all declared but unpaid dividends on such Series B Preferred Shares, if any (collectively, the “Series B Preference Amount”);
- (ii) second, after the aggregate Series B Preference Amount has been distributed or paid in full pursuant to subparagraph (i) above, the holders of Series A Preferred Shares shall be entitled to receive the amount equal to the issue price, plus a simple interest of 8% per annum calculated from the issue date (inclusive) of the relevant Series A Preferred Shares to the date of such distribution (inclusive), plus all declared but unpaid dividends on such Series A Preferred Shares, if any; and
- (iii) the remaining assets and funds of the Company available for distribution shall be distributed ratably among ordinary shareholders on a pro-rata basis.

Upon occurrence of any deemed liquidation events, unless waived by the holders who hold more than 50% of the voting power of the then outstanding Preferred Shares, any proceeds resulting from the deemed liquidation events shall be distributed in the same way as described above. Deemed liquidation events include:

- (i) any consolidation, amalgamation, scheme of arrangement or merger of the Company with or into any other party in which the shareholders immediately prior to such transaction own less than 50% of the surviving entity’s voting power in the aggregate immediately after such transaction, or any transaction or series of related transactions to which the Company is a party in which in excess of 50% of the Company’s voting power is transferred; or
- (ii) a sale, transfer, lease or other disposition of all or substantially all of the assets of the Group, whether in a single transaction or a series of related transactions.

Dividend rights

The holders of Preferred Shares are entitled to discretionary dividends as and when declared by the board, on an as-if converted basis.



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(Expressed in Renminbi unless otherwise indicated)

15 CONVERTIBLE REDEEMABLE PREFERRED SHARES (CONTINUED)

Dividend rights (Continued)

The movements of the financial liabilities arising from the Preferred Shares during the six months ended June 30, 2024 are as follows:

| | Amount RMB'000 |
|---|-------------------|
| At January 1, 2024 | 1,161,283 |
| Conversion from other financial liabilities issued to Series B investors (note 16(b)) | 897,465 |
| Changes in carrying amount | 66,290 |
| Exchange differences | 3,634 |
| At June 30, 2024 | 2,128,672 |

These Series A and Series B Preferred Shares were subsequently converted into ordinary shares and transferred to equity upon the listing of the Company on July 10, 2024.

16 OTHER FINANCIAL LIABILITIES ISSUED TO INVESTORS

(a) Series B financing

During the years ended December 31, 2022 and 2023, the Company has entered into a series of financing agreements with several Series B investors, pursuant to which warrants were issued on August 14, 2023 to these investors, which give them the right to subscribe for the Series B Preferred Shares of the Company. These investors are subject to the ODI registration requirements imposed by the PRC government. In connection with the issuance of the Series B warrants, these investors simultaneously provided onshore loans to a subsidiary of the Group in the PRC. Upon the completion of certain specified events including the ODI registration, the subsidiary of the Group shall repay the loans to the investors and the investors shall exercise the warrants to subscribe for relevant Series B Preferred Shares of the Company.

Details of the Series B warrants and related loans issued as of January 1, 2024 are as follows:

| | Exercise period | Date of issuance | Number of instruments | Exercise price per convertible redeemable preferred shares | Principal of related loans RMB'000 |
|-------------------------------------|--|------------------|---|--|---------------------------------------|
| Series B warrants and related loans | Within 12 months from the date of issuance | August 14, 2023 | Warrants to subscribe for Series B preferred shares: 27,669,969 | RMB30.44 | 842,274 |

The Series B warrants have an exercise period of 12 months and the related loans have an original maturity of 12 months. The principal of related loans provided is the same as the exercise price of the Series B warrants.



(Expressed in Renminbi unless otherwise indicated)

16 OTHER FINANCIAL LIABILITIES ISSUED TO INVESTORS (CONTINUED)

(a) Series B financing (Continued)

If the ODI registration approval is obtained, the Group shall repay the principal of related loans without interest to the investors.

In addition, upon occurrence of any redemption triggering events or any deemed liquidation events (as set out in note 15), the holders of Series B warrants may require the Group to repay the principal of related loans plus an interest of 8% per annum accruing from the date of payment of related lock-in amounts or loans to the repayment date.

During the six months ended June 30, 2024, upon completion of the specified events including the ODI registration, the investors exercised all the Series B warrants to subscribe for an aggregate of 27,669,969 Series B Preferred Shares of the Company. Simultaneously, the Group fully repaid the related loans to these investors.

(b) Recognition of the warrants and related loans issued in Series B financing

The Group accounted for the warrants and related loans issued to investors as a single financial instrument. The warrants and related loans are measured at the present value of the redemption amount, which is the higher of: 1) the present value of the redemption amount if ODI registration approval is obtained before maturity; 2) the present value of the redemption amount if ODI registration approval is not obtained before maturity; and 3) the present value of redemption amount upon the occurrence of redemption triggering events or deemed liquidation events.

The movements of warrants and related loans are set out as below:

| | RMB'000 |
|--|-----------|
| At January 1, 2024 | 888,913 |
| Changes in carrying amount | 8,552 |
| Exercise of warrants and conversion into Series B Preferred Shares (note 15) | (897,465) |
| At June 30, 2024 | — |

17 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

On July 14, 2021, a Pre-IPO share incentive plan was approved by the shareholders and board of directors of the Company (the "Pre-IPO Share Incentive Plan"). Under the Pre-IPO Share Incentive Plan, an executive committee ("the Committee") designated by the board of directors was authorized to grant options, restricted stock or other stock-based awards to eligible employees of the Group. The maximum number of shares available for the awards under this plan is 10,000,000 shares.

(a) Options

Prior to January 1, 2024, the Committee has approved the grant of a number of options to purchase ordinary shares of the Company to certain employees of the Group.

On May 20, 2024, the Committee additionally approved the grant of options to purchase an aggregate of 699,224 ordinary shares of the Company to certain employees of the Group at an exercise price of RMB30.44 per share.



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17 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(a) Options (Continued)

The options granted are subject to different vesting schedules: 1) the options granted to the employees whose service with the Group begins on or after January 1, 2020 will vest in equal installments on the first, second, third and fourth anniversaries of the date of grant; 2) for the options granted to the employees whose service began before January 1, 2020, 50% of the options will vest on the first anniversary of the date of grant and the remaining 50% shall vest in equal installments on the second and third anniversaries of the date of grant respectively ("Specified Vesting Period"). The vesting of options is also on the condition that the employees remain in service and fulfill the performance requirements. In addition, the vested options will be forfeited if the continued service period of the employee from the date of grant is less than 2 years. That is, the actual length of vesting period of the options is not less than 2 years. The Group recognized the share compensation expenses over actual length of vesting period or the Specified Vesting Period, whichever is longer.

The options lapse on the twelfth anniversary of the respective grant date, unless terminated earlier by the board of directors.

The movements of the options during the reporting period are summarized as follows:

| | Number of options | Weighted-average exercise price RMB per share | Weighted-average grant date fair value RMB per share |
|---------------------------------------|-------------------|---|--|
| Outstanding at January 1, 2024 | 7,050,060 | 13.94 | 12.67 |
| Granted | 699,224 | 30.44 | 18.32 |
| Forfeited | (365,996) | 18.30 | 13.76 |
| Outstanding at June 30, 2024 | 7,383,288 | 15.29 | 13.15 |
| Exercisable at June 30, 2024 | 3,773,763 | 10.00 | 12.01 |
| Non-vested at June 30, 2024 | 3,609,525 | 20.81 | 14.34 |

The fair value of options granted on May 20, 2024 was determined using the binomial option-pricing model, with the assistance of independent third-party valuation firm, Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

Assumptions used in the binomial option-pricing model are presented below:

| | At May 20, 2024 |
|-------------------------|-----------------|
| Fair value per option | RMB18.32 |
| Risk-free interest rate | 2.37% |
| Expected dividend yield | 0% |
| Expected volatility | 60.68% |
| Expected multiples | 2.2 |
| Contractual life | 12 years |

Total compensation expense calculated based on the grant date fair value and the estimated forfeiture rate recognized in the consolidated statement of profit or loss for the above options was RMB6,992,000 for the six months ended June 30, 2024 (for the six months ended June 30, 2023: RMB15,332,000).

(Expressed in Renminbi unless otherwise indicated)

17 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) Restricted share units of Chenqi Mobility and restricted stock of the Company

On July 14, 2021, in connection with implementing the Pre-IPO Share Incentive Plan of the Company, the shareholders and board of directors of the Company also approved and adopted a share incentive plan of Guangzhou Chenqi Mobility Technology Co., Ltd. ("Chenqi Mobility"), a wholly-owned subsidiary of the Company in the PRC (the "Onshore Share Incentive Plan"). Under this plan, the board of directors of Chenqi Mobility was authorized to grant restricted share units ("RSUs") of Chenqi Mobility to certain employees of the Group. Simultaneously, an equivalent of 940,000 nil-paid shares of the Company under the Pre-IPO Share Incentive Plan were reserved for future grant of share awards of the Company to the same grantees as replacement of the onshore share awards if the onshore share awards are required to be cancelled prior to a qualified IPO of the Company.

On July 21, 2021 and July 21, 2022, the board of directors of Chenqi Mobility approved the grant of an aggregate of 1,584,572 RSUs of Chenqi Mobility to certain employees of the Group.

The RSUs granted to employees vest in four equal installments on the first, second, third and fourth anniversaries of the date of grant ("Specified Vesting Period") respectively, on the condition that the employees remain in service, have fulfilled the performance requirements and have made the subscription payments for respective installments. In addition, if the employees leave the Group before expiration of the lock-up period after consummation of a qualified IPO of the Group, the awarded RSUs will be forfeited. That is, the actual length of vesting period of the RSUs is subject to an IPO condition. The Group recognized the share compensation expenses over the estimated actual vesting period, which is based on an estimate of when the lock-up period of a qualified IPO will expire or the Specified Vesting Period, whichever is longer.

The RSUs lapse on the twelfth anniversary of the respective grant date, unless terminated earlier by the board of directors.

On July 6, 2023, the shareholders and board of directors of Company resolved to cancel the outstanding RSUs of Chenqi Mobility granted to six employees under the Onshore Share Incentive Plan and approved the grant of an equivalent of 848,760 restricted stock ("RS") of the Company under the Pre-IPO Share Incentive Plan to the same employees, as a replacement of the onshore share awards. The terms of the restricted stock of the Company granted to the employees, including the vesting schedule and subscription prices are substantially consistent with those under the Onshore Share Incentive Plan.

The movements of the RSs of the Company during the reporting period are summarized as follows:

| | Number of RSs of the Company | Weighted-average subscription price RMB per share | Weighted-average grant date fair value RMB per share |
|---|------------------------------|---|--|
| Outstanding at January 1, 2024 and June 30, 2024 | 781,260 | 11.17 | 10.33 |

Total compensation expense of RSUs and RSs calculated based on the grant date fair value and the estimated forfeiture rate recognized in the consolidated statement of profit or loss was RMB1,205,000 for the six months ended June 30, 2024 (for the six months ended June 30, 2023: RMB1,406,000).



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

18 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividend has been paid or declared by the Company during the six months ended June 30, 2024 (six months ended June 30, 2023: nil).

(b) Share capital

(i) Authorized share capital

As at the end of the reporting period, analysis of the Company's authorized shares including the shares held for share incentive plan was as follows:

| | At June 30, 2024 | | At December 31, 2023 | |
|---------------------------|------------------|-----------------------|----------------------|-----------------------|
| | Number of shares | Nominal value USD'000 | Number of shares | Nominal value USD'000 |
| Ordinary shares | 383,151,607 | 192 | 383,151,607 | 192 |
| Series A Preferred Shares | 68,357,137 | 34 | 68,357,137 | 34 |
| Series B Preferred Shares | 28,491,256 | 14 | 28,491,256 | 14 |
| Total | 480,000,000 | 240 | 480,000,000 | 240 |

(ii) Issued shares

As at the end of the reporting period, the number of issued ordinary shares of the Company was as follows:

| | At June 30, 2024 | At December 31, 2023 |
|---|------------------|----------------------|
| Ordinary shares issued and fully paid | 90,394,690 | 90,190,000 |
| Ordinary shares issued but not yet paid (*) | 9,605,310 | 9,810,000 |
| Total | 100,000,000 | 100,000,000 |

Note:

* Among the total shares issued, a maximum of 10,000,000 nil-paid shares were issued and reserved for share incentive plan purpose. As of December 31, 2023, 190,000 shares were paid for subscription of restricted stock under share incentive plan, and 9,810,000 shares remained as nil-paid as at December 31, 2023. During the six months ended June 30, 2024, additional 204,690 shares were paid for subscription of restricted stock under share incentive plan, and 9,605,310 shares remained as nil-paid as at June 30, 2024.

In addition, 48,274,535 Series A Preferred Shares and 27,669,969 Series B Preferred Shares were issued as at June 30, 2024 and were accounted for as financial liabilities (see note 15).

(Expressed in Renminbi unless otherwise indicated)

19 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments carried at amortized cost are not materially different from their fair values as at June 30, 2024.

20 COMMITMENTS

Capital commitments outstanding as at period end not provided for in the interim financial report were as follows.

| | At June 30, 2024 RMB'000 | At December 31, 2023 RMB'000 |
|--|--------------------------------|------------------------------------|
| Contracted purchase of software | 394 | 425 |
| Contracted purchase of property, plant and equipment | 1,800 | 7,411 |
| | 2,194 | 7,836 |

21 MATERIAL RELATED PARTY TRANSACTIONS

(a) Investor who exercises joint control over the Company

Prior to April 1, 2024, Guangzhou Automobile Group Co., Ltd. ("GAC") (廣州汽車集團股份有限公司)* exercised joint control over the Company.

On April 1, 2024, China Lounge Investments Limited, a wholly-owned subsidiary of GAC, transfer certain ordinary shares of the Company to Guangzhou Automobile Industry Group Co., Ltd. ("GAIG") (廣州汽車工業集團有限公司)*, the controlling shareholder of GAC. In connection with the share transfer, the shareholders of the Company approved to adopt an amended and restated memorandum and articles of association of the Company. According to the terms of the amended and restated memorandum and articles of association after the share transfer, GAIG became the investor who exercises joint control over the Company.

Note:

* The official names of these entities are in Chinese. The English translation of the names is for identification only.

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors, is as follows.

| | Six months ended June 30, | |
|---|---------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Salaries, allowances and other benefits | 3,249 | 3,352 |
| Discretionary bonuses | 2,936 | 2,373 |
| Retirement scheme contributions | 111 | 103 |
| Equity-settled share-based payments | 1,919 | 5,864 |
| | 8,215 | 11,692 |



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

21 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party transactions

During the reporting period, the Group entered into the following material related party transactions with the investor who exercises joint control over the Company and the subsidiaries, joint ventures and associates of the investor:

| | Six months ended June 30, | |
|---|---------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Transaction amounts with related parties: | | |
| Provision of services | | |
| Provision of technology services | 4,204 | 1,283 |
| Provision of ride-hailing services | 1,102 | 630 |
| Provision of vehicles maintenance services | 4,451 | 7,166 |
| Provision of other services | 3,045 | 750 |
| Sales of goods | 36,134 | 1,027 |
| Purchase of services and goods | | |
| Purchase of drivers' services | — | 2,844 |
| Purchase of drivers' management services | 2,236 | 5,276 |
| Payment processing costs | 2,758 | 3,404 |
| Purchase of information technology support services | 17,364 | 17,510 |
| Purchase of goods | 21,817 | 87,825 |
| Purchase of operating equipment | — | 40 |
| Purchase of mobility platform services | 7,493 | 6,320 |
| Purchase of other services | 3,833 | 1,389 |
| Expenses paid on the Group's behalf | — | 2 |
| Deposits | | |
| Deposits received from related parties | 243 | 430 |
| Deposits paid to related parties | 175 | 611 |

(Expressed in Renminbi unless otherwise indicated)

21 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)**(d) Balance with related parties**

As at the end of the reporting period, the Group recorded the following material related party balances with an investor who exercises joint control over the Company and the subsidiaries, joint ventures and associates of the investors:

| | At June 30, 2024 RMB'000 | At December 31, 2023 RMB'000 |
|---|--------------------------------|------------------------------------|
| Amounts due from related parties: | | |
| Trade related | | |
| Trade receivables | 9,472 | 5,237 |
| Prepayments, deposits and other receivables | 17,895 | 33,388 |
| Amounts due to related parties: | | |
| Trade related | | |
| Trade payables | 1,439 | 1,594 |
| Accruals and other payables | 23,002 | 10,667 |
| Contract liabilities | 4,973 | 71 |

22 CONTINGENCY

On January 16, 2024, a customer's family members initiated a litigation against the driver, Guangzhou Qichen Technology Co., Ltd. and two other relevant parties, relating to a safety accident occurred during the ride through the mobility platform of the Group. The total amount claimed by the plaintiff was approximately RMB1 million. The litigation was still ongoing as of June 30, 2024. The Directors are unable to assess the outcome of the litigation or reliably estimate the potential losses, if any. Therefore, no provision was made in respect of this litigation as of June 30, 2024.

23 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On July 10, 2024, the Company completed the initial public offering and became listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Company issued 30,004,800 ordinary shares, with a par value of US\$0.0005 each and at an offer price of HK\$35.00 each and received net proceeds of approximately HK\$984 million.

On July 10, 2024, 48,274,535 Series A Preferred Shares and 27,669,969 Series B Preferred Shares were converted into ordinary shares and transferred to equity upon the listing of the Company.



REVIEW REPORT TO THE BOARD OF DIRECTORS OF CHENQI TECHNOLOGY LIMITED

(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 22 to 49 which comprises the consolidated statement of financial position of Chenqi Technology Limited (the “Company”) as of June 30, 2024 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and statement of changes in equity and consolidated cash flow statement for the six months then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at June 30, 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

August 28, 2024