

嘀加 廣聯科技控股有限公司

GL-Carlink Technology Holding Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2531



INTERIM REPORT
2024

Contents

Definitions	2
Business Review	4
Corporate Information	7
Management Discussion and Analysis	9
Corporate Governance and Other Information	18
Report on Review of Condensed Consolidated Financial Statements	30
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	31
Condensed Consolidated Statement of Financial Position	32
Condensed Consolidated Statement of Changes in Equity	34
Condensed Consolidated Statement of Cash Flows	36
Notes to the Condensed Consolidated Financial Statements	37



Definitions

In this report, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definitions, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as our Company.

"Audit Committee"	the audit committee of the Company
"Auditor"	Deloitte Touche Tohmatsu, the auditor of the Company
"Board"	the board of Directors
"Corporate Governance Code", or "CG Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
"date of this report"	29 August 2024
"Director(s)"	the director(s) of our Company
"Global Offering"	the global offering of the Company
"Group", "our Group", "the Group", "we", "us", or "our"	the Company, its subsidiaries and the Consolidated Affiliated Entities (the financial results of which have been consolidated and accounted for as subsidiaries of our Company by virtue of the contractual arrangements) from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries and Consolidated Affiliated Entities, such subsidiaries and Consolidated Affiliated Entities as if they were deemed as subsidiaries and Consolidated Affiliated Entities of our Company at the relevant time
"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK\$", "HK dollars" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRSs"	International Financial Reporting Standards
"Listing"	the listing of the Shares on the Main Board



Definitions



"Listing Date"	15 July 2024, the date on which the Shares were first listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Prospectus"	the prospectus of the Company, dated 28 June 2024, in relation to the Global Offering
"Reporting Period"	the six months ended 30 June 2024
"RMB"	Renminbi, the lawful currency of the People's Republic of China
"SFO" or "Securities and Futures Ordinance"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	the share(s) in the share capital of our Company with a par value of US\$0.0001 each, as the context so requires
"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	percentage

Reference is made to the Prospectus. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

Business Review

OVERVIEW

During the Reporting Period, the Group adhered to the mission of "Co-creating New Value in Automotive Intelligent Networking Scenarios (共創汽車智能網聯場景新價值)". Against the backdrop of the booming China's Intelligent Connected Vehicles industry, we continuously provided customers with hardware products, software and value-added services, including in-vehicle hardware products, SaaS marketing and management services, to continuously meet customer needs and improve customer marketing and operational efficiency.

During the Reporting Period, we remained committed to expanding our customer base. In addition to consolidating relationships with existing customers, we are actively exploring new customer groups, especially making progress in cooperation with automotive manufacturers, including new energy vehicle ("NEV") manufacturers. During the Reporting Period, we signed cooperation agreements with two automotive manufacturers (one of which is a leading new energy vehicle manufacturer in China). Through our SaaS marketing and management services and integrated online and offline marketing capabilities, we provided digital marketing empowerment to the user centers under these automotive manufacturers or 4S stores, aiming to achieve more value-added service transactions, create additional revenue streams for the 4S stores, and enhance their profitability.

We continuously expand and enrich the product and service categories of SaaS value-added services to meet the service needs of car users in the vehicle life cycle. With the continuous improvement in automotive intelligence and networking, car owners will seek higher levels of customised and personalised products and services. During the Reporting Period, leveraging our deep understanding of the connected services market, in addition to the existing light car modification and decoration categories, we expanded and enriched the product and service categories of SaaS value-added services, such as extended vehicle warranty, chauffeur rights, collision repair rights, and other rights products, to meet the ever-changing needs of car users. While facilitating 4S stores to increase their single-store revenue, we also achieved revenue growth from SaaS value-added services.





We continuously strengthen our product research and development efforts, with a particular focus on enhancing product competitiveness through the application of artificial intelligence technology. Through the support of technologies such as artificial intelligence and big data, we continuously optimise “Human Efficiency, Store Efficiency, and Product Efficiency (人效、店效、品效)”, and continuously enhance our digital retail operation capabilities. During the Reporting Period, we launched the “AI Intelligence (AI智鑒)” product to monitor the entire marketing process, analyse the effectiveness of sales reception scripts and optimise scripts using large model capabilities. At the same time, we addressed the challenges of traditional sales training by introducing “AI Fun Practise (AI趣練)”, a sales scenario simulation product based on large model technology. This product can simulate customers with different characteristics in various business scenarios, allowing sales personnel to familiarise themselves with customer concerns and learn to respond more appropriately to customer questions by communicating with AI-simulated customers before facing real customers, thereby increasing the success rate of making sales. Both products have adopted Alibaba’s ASR speech transcription capability, combined with large models such as Microsoft’s GPT. Currently, they have been applied in the SaaS value-added service business of many stores.

During the Reporting Period, we added two invention patents based on automotive intelligent networking scenarios, namely “Method, Terminal and Storage Medium for Data Enquiry based on Data Caching (基於數據緩存的查詢方法、終端及存儲介質)” and “Methods of testing, Terminal Equipment and Storage Medium for Highly Risky Locations for Vehicles (車輛高危地點的檢測方法、終端設備及存儲介質)”. As of the end of the Reporting Period, we had obtained 28 granted patents. During the Reporting Period, our industry position was also widely recognised by market institutions. We were rated as one of the “2023 China High-Tech High-Growth 50 (2023中國高科技高成長50強)” released by Deloitte China. The group standard “Technical Requirements for Security of Interaction between Internet of Vehicles Service Platform and Vehicle Terminal (《車聯網服務平台與車載終端交互安全技術要求》)” (T/KJDL 022-2024), which we participated in drafting, was also officially released and was implemented starting from 1 March 2024.

Business Review

BUSINESS REVIEW

During the Reporting Period, the Group achieved total revenue of approximately RMB308.4 million, representing an increase of approximately 23.9% compared to RMB249.0 million for the six months ended 30 June 2023; achieved gross profit of approximately RMB172.3 million, representing an increase of approximately 64.6% compared to RMB104.7 million for the same period in 2023 and the gross profit margin increased from 42% to 56%. During the Reporting Period, the Group continuously increased efforts in customer development, especially focusing on developing customers of NEV manufacturers and their service delivery stores. At the same time, the Group continued to expand the categories of products and services, strengthened product research and development ("R&D") efforts, and focused on enhancing the data application and commercialisation capabilities of automotive intelligent networking, driving period-to-period growth in revenue and gross profit.

During the Reporting Period, the Group achieved an adjusted profit (Non-IFRS Measure) of approximately RMB26.7 million, representing an increase of approximately 7.7% compared to RMB24.8 million for the same period in 2023.

BUSINESS OUTLOOK

Looking forward to the second half of the year, in the context of continuous upgrades and iterations of Intelligent Connected Vehicles, first of all, we will continue to increase cooperation and securing contracts with NEV manufacturers. Secondly, we will increase the business development of 4S stores that we have cooperated with. At the same time, we will expand the scope of our products and services in our stores, driving continuous increases in single-store revenue and gross profit. In terms of R&D, as data becomes a key factor driving the profitability of stores, we will continue to strengthen our R&D capabilities, explore the implementation paths for data elements to achieve value realisation in the field of automotive intelligent networking, and prepare more technical and resource reserves for our business expansion.



Corporate Information



BOARD

Executive Directors:

Mr. Zhu Lei (朱雷) (*Chairman*)
Mr. Jiang Zhongyong (蔣忠永)
Mr. Zhao Zhan (趙展) (*Chief executive officer*)

Non-executive Directors:

Mr. Zou Fangzhao (鄒方昭)
Mr. Cui Changsheng (崔常晟)
Ms. Peng Chao (彭超)

Independent Non-executive Directors:

Mr. Feng Yuan (馮轅)
Ms. Wei Chunlan (魏春蘭)
Ms. Ci Ying (慈瑩)

BOARD COMMITTEE

Audit Committee:

Ms. Wei Chunlan (魏春蘭) (*Chairlady*)
Mr. Feng Yuan (馮轅)
Ms. Ci Ying (慈瑩)

Remuneration Committee:

Mr. Feng Yuan (馮轅) (*Chairman*)
Mr. Zhao Zhan (趙展)
Ms. Wei Chunlan (魏春蘭)

Nomination Committee:

Mr. Zhu Lei (朱雷) (*Chairman*)
Ms. Wei Chunlan (魏春蘭)
Ms. Ci Ying (慈瑩)

Strategy Committee:

Mr. Zhu Lei (朱雷) (*Chairman*)
Mr. Zhao Zhan (趙展)
Mr. Jiang Zhongyong (蔣忠永)

AUTHORISED REPRESENTATIVES:

Mr. Zhao Zhan (趙展)
Mr. Zhang Yong (張勇)

JOINT COMPANY SECRETARIES:

Mr. Zhang Yong (張勇)
Ms. Cheung Lai Ha (張麗霞)

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

14/F, Building 1
Chongwen Garden
Nanshan IPark
3370 Liuxian Avenue
Nanshan District
Shenzhen
Guangdong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

46/F, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

REGISTERED OFFICE

71 Fort Street PO Box 500,
George Town Grand Cayman,
KY1-1106 Cayman Islands

Corporate Information

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity
Auditors
35/F, One Pacific Place
88 Queensway
Hong Kong

COMPLIANCE ADVISER

Octal Capital Limited
801-805, 8/F
Nan Fung Tower
88 Connaught Road Central
Central, Hong Kong

LEGAL ADVISERS

As to Hong Kong laws:
Fangda Partners
26/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Appleby Global Services (Cayman)
Limited
71 Fort Street PO Box 500,
George Town Grand Cayman,
KY1-1106 Cayman Islands

HONG KONG SHARE REGISTRAR

Boardroom Share Registrars (HK)
Limited
2103B, 21/F
148 Electric Road
North Point
Hong Kong

PRINCIPAL BANKS

Shanghai Pudong Development Bank
Co., Ltd., Shenzhen Branch, Buji
Sub-Branch
Building 1, Area D Xinyi Lishan Yuyuan
No. 69 Luogang Road
Longgang District, Shenzhen City
Guangdong Province
PRC

China Merchant Bank Co., Ltd.,
Shenzhen Branch, Tairan Sub-Branch
1/F, Dushi Yangguang Mingyuan
No. 6017 Shennan Boulevard
Futian District, Shenzhen City
Guangdong Province
PRC

COMPANY'S WEBSITE

www.glshuke.com

STOCK CODE

2531

LISTING DATE

15 July 2024



Management Discussion and Analysis



FINANCIAL REVIEW

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	308,433	248,994
Cost of sales	(136,089)	(144,343)
Gross profit	172,344	104,651
Other income	4,020	4,242
Other gains and losses	1,437	2,354
Impairment losses recognised under expected credit loss model, net of reversal	(4,923)	(1,393)
Distribution and selling expenses	(124,337)	(63,244)
Administrative expenses	(11,850)	(9,645)
Research and development expenditure	(9,752)	(6,798)
Listing expenses	(7,857)	(4,732)
Finance costs	(1,156)	(1,095)
Share of results of associates	855	—
Profit before tax	18,781	24,340
Income tax credit/(expense)	44	(4,297)
Profit for the period	18,825	20,043
Other comprehensive expense: Item that will not be reclassified to profit or loss:		
Fair value loss on investment in equity instruments at fair value through other comprehensive income	(149)	(1,189)
Total comprehensive income for the period	18,676	18,854
Profit for the period attributable to:		
Owners of the Company	18,896	19,532
Non-controlling interests	(71)	511
	18,825	20,043
Total comprehensive income/(expense) for the period attributable to:		
Owners of the Company	18,747	18,343
Non-controlling interests	(71)	511
	18,676	18,854
Basic and diluted (in RMB per share)	0.31	0.33

Management Discussion and Analysis

NON-IFRS MEASURES

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also presented adjusted profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) as non-IFRS financial measures which are not required by, or presented in accordance with, IFRS. We believe that the presentation of non-IFRS financial measures when shown in conjunction with the corresponding IFRS financial measures provides useful information to potential investors and management in understanding and evaluating our operating performance from period to period. We believe that such measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they assist our management.

We define the adjusted profit for the period (non-IFRS measure) by adding back the listing expenses to the profit for the period as presented in accordance with IFRS. Listing expenses are mainly expenses related to the Global Offering and added back mainly because they were incurred for the purpose of the Listing. We present the adjusted net profit margin (non-IFRS measure) by dividing adjusted net profit for the period by revenue for the period and multiplying the result by 100%.

The following table sets forth the adjusted profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) for the period stated below:

	For the six months ended 30 June	
	2024 RMB' 000	2023 RMB' 000
Profit for the period	18,825	20,043
Adjusted for Listing expenses	7,857	4,732
Adjusted profit for the period (non-IFRS measure)	26,682	24,775
Adjusted net profit margin for the period (non-IFRS measure)	8.7%	10.0%



Management Discussion and Analysis



Revenue

During the Reporting Period, the Group's total revenue was approximately RMB308.4 million, representing an increase of approximately 23.9% compared to approximately RMB249.0 million in the same period of 2023, mainly due to the Company's increased cooperation with 4S stores of NEV brands and the expansion of SaaS marketing and management services. Among them, revenue from SaaS marketing and management services was approximately RMB219.3 million, representing an increase of approximately 58.3% compared to approximately RMB138.5 million in the same period of 2023, mainly due to the Company's new cooperation with 4S stores of NEV brands and user centers, benefiting the SaaS marketing and management services and leading to increased revenue.

Gross profit

During the Reporting Period, the gross profit was approximately RMB172.3 million, representing an increase of approximately 64.6% as compared with approximately RMB104.7 million in the same period of 2023. The overall gross profit margin was 56%, compared to 42% in the same period last year, mainly due to increased cooperation with 4S stores of NEV brands and user centers, and the increase in revenue and gross profit contribution from SaaS marketing and management services.

Other income

During the Reporting Period, other income amounted to approximately RMB4.0 million, representing a decrease of approximately 4.8% as compared with approximately RMB4.2 million for the same period in 2023, which was not significant.

Distribution and selling expenses

During the Reporting Period, distribution and selling expenses amounted to approximately RMB124.3 million, representing an increase of approximately 96.7% as compared with approximately RMB63.2 million for the same period in 2023, which was mainly due to the corresponding increase in selling expenses as a result of our expanded the sales scale of SaaS value-added services.

Administrative expenses

During the Reporting Period, administrative expenses amounted to approximately RMB11.9 million, representing an increase of approximately 24.0% as compared with approximately RMB9.6 million for the same period in 2023, mainly due to the increase in employee compensation.

Management Discussion and Analysis

Research and development expenses

During the Reporting Period, research and development expenses amounted to approximately RMB9.8 million, representing an increase of approximately 44.1% as compared with approximately RMB6.8 million for the same period in 2023, mainly due to the increase in employee compensation and software amortisation expenses.

Finance costs

During the Reporting Period, finance costs amounted to approximately RMB1.2 million, representing an increase of approximately 9.1% as compared with approximately RMB1.1 million for the same period in 2023, mainly due to the increase in loan interest.

Other gains and losses

During the Reporting Period, the amount of other gains and losses amounted to approximately RMB1.4 million, representing a decrease of approximately 41.7% as compared with approximately RMB2.4 million for the same period in 2023, mainly due to the decrease in income from changes in fair value of financial assets at fair value through profit or loss.

Income tax expense

During the Reporting Period, income tax credit amounted to approximately RMB0.04 million as compared with income tax expense of approximately RMB4.3 million for the same period in 2023, mainly due to the decrease in deferred income tax expense.

Profit for the Period

During the Reporting Period, the Group recorded a net profit of approximately RMB18.8 million, representing a decrease of approximately 6.0% as compared with approximately RMB20.0 million for the same period in 2023, mainly due to the impairment loss model recognised under expected credit and increase in the listing expenses.

Adjusted profit (non-IFRS measure)

During the Reporting Period, adjusted profit (non-IFRS measure) was approximately RMB26.7 million, representing an increase of approximately 7.7% as compared with approximately RMB24.8 million for the same period in 2023.



Management Discussion and Analysis



Financial resources and liquidity

The Group's current assets are mainly derived from operating proceeds. As at 30 June 2024, the Group's cash and cash equivalents was approximately RMB209.8 million, representing an increase of 33.5% as compared with approximately RMB157.2 million as at 31 December 2023. The Group adopts a prudent treasury management policy to maintain a solid and healthy financial position.

Bank and other borrowings

As at 30 June 2024, the carrying amount of the Group's borrowings was approximately RMB53.7 million (as at 31 December 2023, the carrying amount of the borrowings was approximately RMB43.4 million). And the gearing ratio (total borrowings divided by total equity) was approximately 0.14, which was approximately 0.12 as at 31 December 2023. All borrowings are denominated at fixed interest rates. During the Reporting Period, the Group's effective interest rates ranged from 3.45% to 4.9%. All borrowings are denominated in RMB and have maturity within one year.

Trade and other receivables and prepayments

As at 30 June 2024, the Group's trade and other receivables and prepayments was approximately RMB242.5 million, representing an increase of approximately 81.2% as compared with approximately RMB133.8 million as at 31 December 2023, mainly due to the expansion and growth of the Group's business scale.

Trade and other payables

As at 30 June 2024, the Group's trade and other payables amounted to approximately RMB65.8 million, representing a decrease of approximately 5.3% as compared with approximately RMB69.5 million as at 31 December 2023, mainly due to a decrease in employee salaries payable.

Significant investments, material acquisitions, and disposals held

During the Reporting Period, there were no significant investments, acquisitions, or disposals of subsidiaries, associates, or joint ventures.

Pledge of assets

As at 30 June 2024, the Group had no pledged assets.

Management Discussion and Analysis

Foreign currency risk

When the Group conducts its business, all transactions are settled in RMB. The Group has not used any derivative instruments to hedge its currency risk.

Capital commitments

As at 30 June 2024, we did not have any material capital commitments.

Contingent liabilities and commitments

As at 30 June 2024, we did not have any material contingent liabilities.

Significant events after the Reporting Period

Significant events occurred after the Reporting Period are as follows:

On 15 July 2024, the Company successfully completed the initial global offering of 63,600,000 Shares of USD0.0001 each at HK\$4.7 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), and the Shares were listed on the Main Board of the Stock Exchange.

Save as disclosed in this interim report, the Company is not aware of any significant events that may affect the Group since 30 June 2024 and up to the date of this report.

Employees and remuneration policies

As at 30 June 2024, we had 236 full-time employees. Our full-time employees are primarily located in Shenzhen City, Guangdong Province, the PRC.

We recruit our employees from the open market. We are committed to recruiting, training and retaining skilled and experienced personnel throughout our operations. When we make hiring decisions, we take into account factors such as our business strategies, our development plans, industry trends and the competitive environment. We recruit our employees based on a number of factors such as their work experience, educational background and our vacancy needs. We endeavour to attract and retain appropriate and suitable personnel to serve our Group.

The remuneration packages for our employees include salary, bonuses and allowances. As required by the PRC regulations, we participate in social insurance schemes operated by the relevant local government authorities and maintain pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance for some of our employees. We also contribute to housing provident funds.



Management Discussion and Analysis



We provide continuing education and training programmes to our employees to improve their skills and develop their potential. We also adopt evaluation programmes through which our employees can receive feedback. We foster strong employee relations by offering various staff benefits and personal development support. Our Company has also established a labour union to protect employees' rights and encourages employee participation in the management of our Company. Our Directors considered that our Group have maintained good relationship with our employees.

The Company has adopted a share option scheme ("**Share Option Scheme**") as a reward for Directors and eligible employees. The details of the Share Option Scheme are set out in the Prospectus. Since the adoption of the Share Option Scheme until the date of this report, there have been no Share options granted, exercised, cancelled or expired under the Share Option Scheme.

Share Option Scheme

As at 18 June 2024, the Company adopted the Share Option Scheme which falls within the aspects of and is subject to Chapter 17 of the Listing Rules and took effect on the Listing Date. The purpose of the Share Option Scheme is to recognise and for the contribution that eligible participants have made or may have made to the Group. The Directors consider that the Share Option Scheme has a extensive participation basis and will enable the Group to reward employees, directors and other selected participants for their contribution to the Group. It is expected that the Share Option Scheme will (i) attract and retain the best quality personnel for the development of our Group's businesses; (ii) provide additional incentives or rewards to selected eligible participants for their contribution to the creation of our Company's value; and (iii) promote the long term financial success of our Group by aligning the interest of any eligible participant who accepts an offer of the grant of an option in accordance with the terms of the Share Option Scheme to those of our Shareholders.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 36,660,000, being 10% of the Shares in issue (excluding treasury shares) as at the Listing Date (366,600,000 shares) and at the date of this report. As at the date of this report, the number of share options available for grant under the Share Option Scheme is 36,660,000.

The total number of Shares issued and to be issued upon exercise of options granted under the Share Option Scheme and any other schemes of the Company to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the total number of Shares for the time being in issue (excluding treasury shares).

Management Discussion and Analysis

The Share Option Scheme will remain in force for a period of ten years commencing from the date of the adoption of the Share Option Scheme and the maximum exercise period of the share options granted is ten years subject to compliance with any applicable laws, regulations or rules, the Board may at its absolute discretion determine the exercise period of share options, but no share option can be exercised after ten years after grant.

Pursuant to the Share Option Scheme, the subscription price in respect of any option shall be such price as our Board may in its absolute discretion determine at the time of grant, provided that it shall not be less than the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which is granted or deemed to be granted (the "**Commencement Date**"); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Commencement Date; and (iii) the nominal value of a Share.

Use of Proceeds from the Global Offering

The Shares were listed on the Stock Exchange on 15 July 2024 and the net proceeds (the "**Net Proceeds**") from the Global Offering amounted to approximately HK\$230.27 million (after deducting underwriting commissions and offering expenses), which have been and will continue to be used for the purposes set out in the Prospectus. As at the date of this report, there has been no change to the intended use of the Net Proceeds as disclosed in the section headed "Future Plans and Use of Proceeds" of the Prospectus. If the Net Proceeds are not immediately used for the intended use and to the extent permitted by the relevant laws and regulations, the Company will place the Net Proceeds as short-term deposits, cash and cash equivalents with licensed banks or financial institutions.



Management Discussion and Analysis



As at 30 June 2024, the Net Proceeds have not been utilised as the Global Offering has not yet been completed. The Net Proceeds are intended to be used according to the purposes stated in the Prospectus in the following ways:

Use of Proceeds	% of Net Proceeds	Planned allocation of Net Proceeds (HK\$ in million)	Planned allocation of Net Proceeds ⁽²⁾ (RMB in million)	Expected timeline for utilising the unutilised Net Proceeds from the Global Offering ⁽¹⁾
Enhance our R&D capabilities	37.3%	85.89	78.44	On or before 31 December 2028
Broaden our service offerings to other participants along the industry chain of the automotive industry	32.7%	75.30	68.77	On or before 31 December 2028
Seek potential strategic investment and collaboration opportunities	20.0%	46.05	42.06	On or before 31 December 2026
Working capital and general corporate purposes	10.0%	23.03	21.03	On or before 31 December 2024
Total	100.0%	230.27	210.30	

Notes:

- (1) The expected timeline for utilising the unutilised Net Proceeds is based on the optimal estimation of market conditions made by the Group, and is subject to changes of current market conditions and future developments.
- (2) Net Proceeds from the Global Offering were received in Hong Kong dollars and translated to Renminbi for use planning purposes. The exchange rate is HK\$1.00 to RMB0.9133.
- (3) The unutilised Net Proceeds will be used for their respective disclosed purposes and the expected implementation timetable as disclosed in the Prospectus.

Corporate Governance and Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Company has adopted the code provisions as set out in Part 2 of the CG Code as its own code to govern its corporate governance practices since 15 July 2024, being the Listing Date.

As the Shares were not listed on the Stock Exchange as at 30 June 2024, the CG Code did not apply to the Company during the Reporting Period. From the Listing date and up to the date of this report, the Company has complied with all applicable code provisions set out in the CG Code.

The Board will continue to review and monitor the Company's practices to maintain a high standard of corporate governance, and our compliance with the CG Code will be disclosed in future announcements and financial reports.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct for securities transactions by Directors in the Company since the Listing Date. As the Model Code is not applicable before the Listing Date, having made specific enquiry of all Directors, each of the Directors confirmed that he/she had complied with the Model Code from the Listing Date and up to the date of this report.

PURSUANT TO THE ONGOING DISCLOSURE OBLIGATIONS STIPULATED BY 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.

CHANGES IN DIRECTORS AND SENIOR MANAGEMENT INFORMATION

From the issuance of the Prospectus and up to the date of this report, there have been no changes in the information of Directors and senior management that would be required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.



Corporate Governance and Other Information



SUFFICIENCY OF PUBLIC FLOAT

Pursuant to Rule 8.08 of the Listing Rules, there must be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities to be maintained. This will normally mean that at least 25% of the issuer's total issued share capital must at all times be held by the public.

Based on the information available to the Company and to the best knowledge of the Directors, from the Listing Date and up to the date of this report, the Company has maintained the public float as required under the Listing Rules.

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

During the Reporting Period and up to the date of this report, the Company or any of its subsidiaries has not purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) on Stock Exchange. As at 30 June 2024, the Company did not hold any treasury shares.

INTERIM DIVIDENDS

The Board did not recommend the payment of interim dividend for the Reporting Period.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors were also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period.

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

As at 30 June 2024, the Company was not yet listed on the Stock Exchange and accordingly, the provisions of Divisions 7 and 8 of Part XV of the SFO were not applicable to the Company.

Corporate Governance and Other Information

As at the date of this report, the interests and short positions of the Directors and 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 (a) 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 any interest and short positions which were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Interests in the Shares and underlying Shares

Name of Director or Chief Executive	Capacity/Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of shareholding in the total issued share capital ⁽²⁾ (%)
Mr. Zhu Lei	Beneficial owner ⁽³⁾	32,996,665	9.00
	Interests held jointly with another person ⁽⁴⁾	112,168,195	30.60
	Interest through voting rights entrustment arrangement ⁽⁵⁾	43,352,105	11.82
Mr. Jiang Zhongyong	Beneficial owner ⁽⁶⁾	25,943,360	7.08
	Interest in controlled corporation ⁽⁶⁾	25,943,360	7.08
Mr. Zhao Zhan	Beneficial owner ⁽⁷⁾	9,000,200	2.45
	Interest in controlled corporation ⁽⁷⁾	9,000,200	2.45
	Interest in controlled corporation ⁽⁸⁾	8,408,545	2.29



Corporate Governance and Other Information



Notes:

- (1) All interests are held in long position.
- (2) The percentage of shareholding was calculated based on the total number of 366,600,000 issued Shares as at the date of this report.
- (3) ZL-expectations Inc. is owned as to 100% by Future expectations Inc., which is owned as to 100% by Mr. Zhu Lei. By virtue of the SFO, Mr. Zhu Lei is deemed to be interested in the Shares held by ZL-expectations Inc..
- (4) Pursuant to an acting in concert confirmation, Mr. Zhu Hui and Mr. Zhu Lei are parties acting in concert. By virtue of the SFO, they are deemed to be interested in the respective numbers of Shares held by each other.
- (5) Pursuant to the voting rights entrustment agreement, Mr. Zhu Lei and Mr. Zhu Hui were entrusted by, among others, J-Visionary Inc., ZZ-Intelligent Inc. and Rongying Future Inc. to exercise the voting rights attached to approximately 11.82% of the total issued share capital of the Company.
- (6) J-Visionary Inc. is owned as to 100% by Visionary Leader Inc., which is owned as to 100% by Mr. Jiang Zhongyong. By virtue of the SFO, Mr. Jiang Zhongyong is deemed to be interested in the Shares held by J-Visionary Inc..
- (7) ZZ-Intelligent Inc. is owned as to 100% by Intelligent Leader Inc., which is owned as to 100% by Mr. Zhao Zhan. By virtue of the SFO, Mr. Zhao Zhan is deemed to be interested in the Shares held by ZZ-Intelligent Inc..
- (8) Rongying Future Inc. is owned as to 67.99% by Mr. Zhao Zhan and therefore Mr. Zhao Zhan is deemed to be interested in the Shares in which Rongying Future Inc. is interested under the SFO.

Corporate Governance and Other Information

(ii) Interests in the shares of the associated corporation

Name of Directors	Nature of Interest	Associated corporation	Approximate amount of contribution to registered capital	Approximately percentage of shareholding in associated corporation (%)
Mr. Zhu Lei	Nominee shareholder whose shareholders' rights are subject to contractual arrangements	Guanglian Saixun	RMB6,599,333.84	21.22
Mr. Jiang Zhongyong	Nominee shareholder whose shareholders' rights are subject to contractual arrangements	Guanglian Saixun	RMB5,188,673.65	16.68
Mr. Zhao Zhan	Nominee shareholder whose shareholders' rights are subject to contractual arrangements	Guanglian Saixun	RMB2,943,511.53	9.46

Save as disclosed above, as at the date of this report, none of the Directors and chief executive of the Company and/or their respective associates has any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) 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 any interest and short positions which were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.



Corporate Governance and Other Information



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

As at 30 June 2024, the Company's shares were not yet listed on the Stock Exchange and accordingly, the provisions of Divisions 2 and 3 of Part XV of the SFO were not applicable to the Company.

Pursuant to the register kept by the Company under Section 336 of SFO and so far as was known to the Directors, as at the date of this report, the following persons (otherwise than in the capacity of Director or chief executive of the Company) had interests or short positions in the Shares or the underlying Shares of the Company which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO as follows:

Name	Nature of interest	Number of Shares held	Approximate percentage of interest (%)
ZH-tendency Inc.	Beneficial owner	79,171,530	21.60
ZL-expectations Inc.	Beneficial owner	32,996,665	9.00
Future tendency Inc. ⁽¹⁾	Interest in controlled corporation	79,171,530	21.60
Future expectations Inc. ⁽²⁾	Interest in controlled corporation	32,996,665	9.00
Mr. Zhu Hui (朱暉)	Interest in controlled corporation ⁽³⁾	79,171,530	21.60
	Interest held jointly with another person ⁽⁴⁾	112,168,195	30.60
	Interest through voting rights entrustment arrangement ⁽⁵⁾	43,352,105	11.82

Corporate Governance and Other Information

Name	Nature of interest	Number of Shares held	Approximate percentage of interest (%)
Ms. Chao Lu (巢璐) ⁽⁶⁾	Interest of spouse	79,171,530	21.60
Mr. Zhu Lei (朱雷)	Interest in controlled corporation ⁽⁷⁾	32,996,665	9.00
	Interest held jointly with another person ⁽⁴⁾	112,168,195	30.60
	Interest through voting rights entrustment arrangement ⁽⁵⁾	43,352,105	11.82
Ms. Wang Ji (王佶) ⁽⁸⁾	Interest of spouse	32,996,665	9.00
HUAIXIN CO-STONE INVESTMENT LIMITED ("HUAIXIN CO-STONE") ⁽⁹⁾	Beneficial owner	40,765,800	11.12
Ma'anshan Huaixin Jishi Equity Investment Partnership (Limited Partnership) (馬鞍山懷昕基石股權投資合夥企業(有限合夥)) ("Huaixin Investment")	Interest in controlled corporation	40,765,800	11.12
LINGYU CO-STONE INVESTMENT LIMITED ("LINGYU CO-STONE") ⁽⁹⁾	Beneficial owner	14,285,700	3.90
Mr. Zhang Wei ⁽⁹⁾ (張維)	Interest in controlled corporation	55,051,500	15.02
Yantai Longhe Investment Company Limited (煙台隆赫投資有限公司) ("Yantai Longhe")	Beneficial owner	36,685,500	10.01
	Beneficial owner	36,685,500 (S)	10.01



Corporate Governance and Other Information



Name	Nature of interest	Number of Shares held	Approximate percentage of interest (%)
Mr. Gao He Nan (高赫男) ⁽¹⁰⁾⁽¹¹⁾	Interest in controlled corporation	36,685,500	10.01
	Interest in controlled corporation	36,685,500 (S)	10.01
Ms. Wang Yan (王艷) ⁽¹²⁾	Interest of spouse	36,685,500	10.01
	Interest of spouse	36,685,500 (S)	10.01
Guangxi Free Trade Zone HuoZhenDuo Network Technology Co., Ltd (廣西自貿區活真多網絡科技有限公司) ⁽¹¹⁾	Person having a security interest in Shares	36,685,500	10.01
Shenzhen Lianxing Yongsheng Investment Enterprise (Limited Partnership) 深圳市聯興永盛投資企業(有限合夥) ("Lianxing Yongsheng") ⁽¹³⁾	Beneficial owner	27,514,200	7.51
Xingmin Intelligent Transportation Systems (Group) Co., Ltd. (興民智通(集團)股份有限公司) ("Xingmin ITS") ⁽¹³⁾	Interest in controlled corporation	27,514,200	7.51
Huizhou Guohuilian Equity Investment Fund Partnership Enterprise (Limited Partnership) (惠州市國惠聯股權投資基金合夥企業(有限合夥)) ("Guohuilian") ⁽¹⁴⁾	Beneficial owner	18,723,000	5.11

Corporate Governance and Other Information

Name	Nature of interest	Number of Shares held	Approximate percentage of interest (%)
Yuecai Private Equity Investment (Guangdong) Co., Ltd. (粵財私募股權投資(廣東)有限公司) ("Yuecai") ⁽¹⁵⁾	Interest in controlled corporation	18,723,000	5.11
Huizhou Industrial Investment Development Master Fund Co., Ltd. (惠州產業投資發展母基金有限公司) ("Huizhou Industrial Investment Development") ⁽¹⁴⁾	Interest in controlled corporation	18,723,000	5.11
Huizhou Huicheng District State-owned Capital Investment and Operation Co., Ltd. (惠州市惠城區國有資本投資運營有限公司) ("Huizhou Huicheng District State-owned Capital investment and Operation") ⁽¹⁴⁾	Interest in controlled corporation	18,723,000	5.11



Corporate Governance and Other Information



Notes:

- (1) ZH-tendency Inc. is owned as to 100% by Future tendency Inc., By virtue of the SFO, Future tendency Inc. is deemed to be interested in the Shares held by ZH-tendency Inc..
- (2) ZL-expectations Inc. is owned as to 100% by Future expectations Inc., By virtue of the SFO, Future expectations Inc. is deemed to be interested in the Shares held by ZL-expectations Inc..
- (3) ZH-tendency Inc. is owned as to 100% by Future tendency Inc., which is owned as to 100% by Mr. Zhu Hui. By virtue of the SFO, Mr. Zhu Hui is deemed to be interested in the Shares held by ZH-tendency Inc..
- (4) Pursuant to an acting in concert confirmation, Mr. Zhu Hui and Mr. Zhu Lei are parties acting in concert By virtue of the SFO, they are deemed to be interested in the respective numbers of Shares held by each other.
- (5) Pursuant to the voting rights entrustment agreement, Mr. Zhu Lei and Mr. Zhu Hui were entrusted by, among others, J-Visionary Inc., ZZ-Intelligent Inc. and Rongying Future Inc. to exercise the voting rights attached to approximately 11.82% of the total issued Share capital of the Company.
- (6) Ms. Chao Lu is the spouse of Mr. Zhu Hui and is deemed to be interested in the Shares held by Mr. Zhu Hui under the SFO.
- (7) ZL-expectations Inc. is owned as to 100% by Future expectations Inc., which is owned as to 100% by Mr. Zhu Lei. By virtue of the SFO, Mr. Zhu Lei is deemed to be interested in the Shares held by ZL-expectations Inc..
- (8) Ms. Wang Ji is the spouse of Mr. Zhu Lei and is deemed to be interested in the Shares held by Mr. Zhu Lei under the SFO.

Corporate Governance and Other Information

- (9) Huaixin Co-stone is wholly-owned by Huaixin Investment. The general partner of Huaixin Investment is Urumqi Phoenix Equity Investment Management Limited Partnership (烏魯木齊鳳凰基石股權投資管理有限合夥企業) ("**Urumqi Phoenix**"), whose general partner is Shanghai Keshen Management Consulting Co., Ltd. (上海客申管理諮詢有限公司) ("**Shanghai Keshen**"), a limited liability company incorporated under the laws of the PRC and ultimately controlled by Mr. Zhang Wei. Lingyu Co-stone is wholly-owned by Shenzhen Lingyu Co-stone Equity Investment Partnership (Limited Partnership) (深圳市領譽基石股權投資合夥企業(有限合夥)) ("**Lingyu Investment**"), and the general partner of Lingyu Investment is Shenzhen City Lingxin Jishi Equity Investment Fund Management Partnership (Limited Partnership) (深圳市領信基石股權投資基金管理合夥企業(有限合夥)) ("**Lingxin Jishi**"), which in turn is held as to 99.0% by Urumqi Phoenix and 1.0% by Urumqi Kunlun Co-stone Equity Investment Management Company Limited (烏魯木齊昆侖基石創業投資有限公司) ("**Urumqi Kunlun**"). The general partner of Urumqi Phoenix is Shanghai Keshen. Shanghai Keshen is wholly-owned by CoStone Asset Management Co., Ltd. (基石資產管理股份有限公司) ("**CoStone Asset**"). CoStone Asset is held as to 41.7% by Ma'anshan Shenzhou Jishi Equity Investment Partnership (Limited Partnership) (馬鞍山神州基石股權投資合夥企業(有限合夥)). Mr. Zhang Wei through a number of controlled corporations directly and indirectly controls CoStone Asset. As such, Shanghai Keshen is ultimately controlled by Mr. Zhang Wei, and Mr. Zhang Wei is the ultimate beneficial owner of both Huaixin Co-stone and Lingyu Co-stone and is deemed to be interested in the respective Shares held by Huaixin Co-stone and Lingyu Co-stone.
- (10) Yantai Longhe is held as to 25% by each of Mr. Gao He Nan (高赫男), Mr. Cui Changsheng (崔常晟), Mr. Wang Zhicheng (王志成), and Mr. Zou Fangkai (鄒方凱). According to the concerted party agreement, Mr. Gao He Nan is deemed to have control over Yantai Longhe and deemed to be interested in the Shares held by Yantai Longhe.
- (11) Pursuant to a deed of equitable share mortgage, ordinary Shares in the Share capital of the Company registered in the name of Yantai Longhe have been mortgaged in favour of Guangxi Free Trade Zone HuoZhenDuo Network Technology Co., Ltd (廣西自貿區活真多網絡科技有限公司).
- (12) Ms. Wang Yan is the spouse of Mr. Gao He Nan and is deemed to have interests and short positions in the Shares held by Mr. Gao He Nan under the SFO.
- (13) Lianxing Yongsheng is wholly-owned by Xingmin ITS, which is an A-share listed company. Therefore, Xingmin ITS is deemed to be interested in the Shares held by Lianxing Yongsheng under the SFO.
- (14) More than one-third of the partnership interest in Huizhou Guohuilian (惠州市國惠聯) is contributed by Huizhou Industrial Investment Development and Huizhou Huicheng District State-owned Capital Investment and Operation, and therefore, each of Huizhou Industrial Investment Development and Huizhou Huicheng District State-owned Capital Investment and Operation is deemed to be interested in the Shares in which Guohuilian is interested under the SFO.
- (15) Yuecai is the fund manager of Guohuilian. Therefore, Yuecai is deemed to be interested in the Shares in which Guohuilian is interested under the SFO.

Corporate Governance and Other Information



- (16) As at 30 June 2024, no person had any other relevant interests or short positions in the Shares or underlying Shares of equity derivatives of the Company.
- (17) All interests are held in long position, other than those marked (S), which represent short position.
- (18) The percentage of shareholding is calculated based on the total number of issued Shares of the Company as at the date of this report (i.e. 366,600,000 Shares).

Save as disclosed above, as at the date of this report, according to the register kept by the Company under Section 336 of the SFO and so far as were known to the Directors, there was no other person (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or the underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Feng Yuan, Ms. Ci Ying, and Ms. Wei Chunlan. Ms. Wei Chunlan is the chairlady of the Audit Committee.

The Audit Committee has reviewed the unaudited interim financial information of the Group during the Reporting Period. The Audit Committee has also reviewed the accounting principles and internal control matters adopted by the Group.

The interim results for the Reporting Period have not been audited, but has been reviewed by Deloitte Touche Tohmatsu, the Company's auditor, 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 Accounts.

Report on Review of Condensed Consolidated Financial Statements

To The Board of Directors of GL-Carlink Technology Holding Limited
(*incorporated in the Cayman Islands with limited liability*)

Introduction

We have reviewed the condensed consolidated financial statements of GL-Carlink Technology Holding Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 31 to 52, which comprise the condensed consolidated statement of financial position as of 30 June 2024, the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows for the six months period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standard Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, 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" ("**HKSRE 2410**") issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

29 August 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024



	NOTES	For the six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	4	308,433	248,994
Cost of sales		(136,089)	(144,343)
Gross profit		172,344	104,651
Other income	5	4,020	4,242
Other gains and losses	6	1,437	2,354
Impairment losses recognised under expected credit loss ("ECL") model, net of reversal	7	(4,923)	(1,393)
Distribution and selling expenses		(124,337)	(63,244)
Administrative expenses		(11,850)	(9,645)
Research and development expenditure		(9,752)	(6,798)
Listing expenses		(7,857)	(4,732)
Finance costs		(1,156)	(1,095)
Share of results of associates		855	—
Profit before tax		18,781	24,340
Income tax credit/(expense)	8	44	(4,297)
Profit for the period	9	18,825	20,043
Other comprehensive expense: <i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		(149)	(1,189)
Total comprehensive income for the period		18,676	18,854
Profit for the period attributable to:			
Owners of the Company		18,896	19,532
Non-controlling interests		(71)	511
		18,825	20,043
Total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		18,747	18,343
Non-controlling interests		(71)	511
		18,676	18,854
Earnings per share			
Basic and diluted (in RMB per share)	11	0.31	0.33

Condensed Consolidated Statement of Financial Position

At 30 June 2024

		As at 30 June 2024	As at 31 December 2023
	NOTES	RMB'000 (Unaudited)	RMB'000 (Audited)
Non-current Assets			
Property, plant and equipment	12	5,300	7,319
Right-of-use assets	12	1,288	2,602
Intangible assets	12	31,096	25,359
Interests in associates	13	24,768	9,324
Deposits and prepayments	14	36,000	—
Equity instruments at FVTOCI		7,603	7,752
Financial assets at fair value through profit or loss ("FVTPL")	16	—	91
Deferred tax assets		1,925	2,923
Contract costs		4,423	8,715
		112,403	64,085
Current Assets			
Contract costs		16,809	13,062
Inventories		7,673	9,995
Trade and other receivables	15	149,501	97,833
Deposits and prepayments	14	57,004	35,926
Financial assets at FVTPL	16	8,020	158,326
Tax recoverable		529	1,555
Restricted bank deposits		27,113	27,846
Cash and cash equivalents		209,790	157,223
		476,439	501,766
Total Assets		588,842	565,851

Condensed Consolidated Statement of Financial Position

At 30 June 2024



		As at 30 June 2024	As at 31 December 2023
	NOTES	RMB'000 (Unaudited)	RMB'000 (Audited)
Current Liabilities			
Trade and other payables	17	65,841	69,502
Lease liabilities		1,413	2,314
Borrowings	18	53,721	43,417
Contract liabilities		59,939	58,975
Tax payable		1,242	1,323
		<u>182,156</u>	<u>175,531</u>
Net Current Assets		<u>294,283</u>	<u>326,235</u>
Total Assets less current liabilities		<u>406,686</u>	<u>390,320</u>
Non-current Liabilities			
Lease liabilities		—	436
Contract liabilities		22,424	21,884
Deferred income		88	108
Deferred tax liabilities		184	2,578
		<u>22,696</u>	<u>25,006</u>
Net Assets		<u>383,990</u>	<u>365,314</u>
Capital and Reserves			
Share capital	19	42	42
Reserves		384,117	365,370
Equity attributable to owners of the Company		384,159	365,412
Non-controlling interests		(169)	(98)
Total Equity		<u>383,990</u>	<u>365,314</u>

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the Company									
	Paid-in capital/ Share capital RMB'000	Share premium RMB'000	Capital reserve (Note a) RMB'000	Other reserve (Note b) RMB'000	FVTOCI reserve RMB'000	Statutory reserve (Note c) RMB'000	Retained earnings RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024 (audited)	42	245,409	—	24,971	(22,248)	15,773	101,465	365,412	(98)	365,314
Profit/(loss) for the period	—	—	—	—	—	—	18,896	18,896	(71)	18,825
Other comprehensive expense — fair value loss for the period	—	—	—	—	(149)	—	—	(149)	—	(149)
Total comprehensive (expense)/ income for the period	—	—	—	—	(149)	—	18,896	18,747	(71)	18,676
At 30 June 2024 (unaudited)	42	245,409	—	24,971	(22,397)	15,773	120,361	384,159	(169)	383,990
At 1 January 2023 (audited)	60,000	—	186,408	(5,642)	(19,545)	8,669	76,842	306,732	4,680	311,412
Profit for the period	—	—	—	—	—	—	19,532	19,532	511	20,043
Other comprehensive expense — fair value loss for the period	—	—	—	—	(1,189)	—	—	(1,189)	—	(1,189)
Total comprehensive (expense)/ income for the period	—	—	—	—	(1,189)	—	19,532	18,343	511	18,854
Capital reduction (Note d)	(28,896)	—	(186,408)	—	(902)	—	(19,402)	(235,608)	(5,191)	(240,799)
Reduction of interest from a shareholder (Note e)	—	—	—	(491)	—	—	—	(491)	—	(491)
Issuance of shares of the Company pursuant to the group reorganisation	42	245,409	—	—	—	—	—	245,451	—	245,451
Effect of group reorganisation (Note f)	(31,104)	—	—	31,104	—	—	—	—	—	—
At 30 June 2023 (unaudited)	42	245,409	—	24,971	(21,636)	8,669	76,972	334,427	—	334,427



Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024



Notes:

- (a) It represents the amount received by Shenzhen Guanglian Saixun Company Limited ("**Guanglian Saixun**") from investors exceeding its share in the registered capital of Guanglian Saixun.
- (b) It mainly represents (i) the difference between consideration and ownership interests in equity transactions, and (ii) the difference between the nominal value of share capital issued by the Company and the capital of Guanglian Saixun acquired in connection with the group reorganisation.
- (c) It represents the statutory reserve of certain entities comprising the Group in the People's Republic of China (the "**PRC**"). Pursuant to applicable PRC regulations, the PRC entities comprising the Group is required to appropriate 10% of its profit after tax (after offsetting prior year losses) to the statutory reserve until such reserve reaches 50% of its registered capital. Transfers to this reserve must be made before distribution of dividends to shareholders. Upon approval by relevant authorities, the statutory reserve can be utilised to offset the accumulated losses or to increase the paid-up capital of the entities comprising the Group.
- (d) During the six months ended 30 June 2023, the shareholders of Guanglian Saixun reduced the paid-in capital of Guanglian Saixun from RMB60,000,000 to RMB31,104,000 to facilitate the group reorganisation. In addition, upon the completion of the capital reduction, Xinjiang Hongsheng Kaiyuan Equity Investment Partnership (Limited Partnership) ("**Hongsheng Investment**"), a shareholder of Guanglian Saixun, ceased to hold any interest in the Group, and the difference between its equity interest in Guanglian Saixun and the consideration paid by Guanglian Saixun was recognised directly in equity and attributed to owners of the Company.
- (e) On 24 March 2023, 0.3866% equity interest in Shenzhen Guanglian Shuke Company Limited ("**Guanglian Shuke**") was acquired from a shareholder as part of the group reorganisation
- (f) Upon the completion of the group reorganisation, the Company became the holding company of the Group since then. The difference between the capital of Guanglian Saixun acquired in connection with the group reorganisation and the nominal value of share capital issued by the Company is accounted for as other reserve under merger basis of accounting.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(45,906)	(25,898)
INVESTING ACTIVITIES		
Purchases of intangible assets	(9,578)	(11,339)
Purchases of property, plant and equipment	(10,599)	(903)
Purchases of financial assets at FVTPL	(40,000)	(35,000)
Proceeds from disposal of financial assets at FVTPL	191,786	—
Withdrawal of time deposits with maturity over three months	—	20,000
Interests received	1,283	2,007
Proceeds on disposal of property, plant and equipment	3	56
Investments in associates	(14,589)	—
Prepayments for long-term assets	(26,000)	—
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	92,306	(25,179)
FINANCING ACTIVITIES		
New borrowings raised	27,900	14,900
Payments on capital reduction	—	(240,799)
Acquisition of partial interest in a subsidiary from a shareholder	—	(491)
Issue of shares of the Company	—	245,451
Repayment of borrowings	(17,604)	(20,900)
Repayment of lease liabilities	(1,442)	(1,319)
Interest paid	(1,148)	(1,170)
Payment of issue cost for initial public offering	(1,551)	(1,300)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	6,155	(5,628)
Net increase/(decrease) in cash and cash equivalents	52,555	(56,705)
Cash and cash equivalents at the beginning of the period	157,223	138,241
Effects of foreign exchange rate changes	12	444
Cash and cash equivalents at the end of the period	209,790	81,980

Notes to the Condensed Consolidated Financial Statements



1. GENERAL INFORMATION

GL-Carlink Technology Holding Limited (the "**Company**") was incorporated and registered in the Cayman Islands on 12 January 2022 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the "**Group**") are providing automotive related products and services.

The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 15 July 2024.

The condensed consolidated financial statements are presented in Renminbi ("**RMB**") which is also the functional currency of the Company and its subsidiaries.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("**IASB**"), as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to International Financial Reporting standards ("**IFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2023 underlying the preparation of historical financial information included in the accountants' report presented in the prospectus of the Group dated 28 June 2024.

Notes to the Condensed Consolidated Financial Statements

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

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

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	For the six months ended 30 June	
	2024	2023
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
<i>Types of goods or services:</i>		
Sales of in-vehicle hardware products	89,150	110,482
Software as a service ("SaaS")		
marketing and management services		
SaaS subscription services	65,948	64,296
SaaS value-added services	153,335	74,216
Total revenue from contracts with customers	308,433	248,994
<i>Timing of revenue recognition</i>		
A point in time	188,222	135,198
Over time	120,211	113,796
Total	308,433	248,994

Notes to the Condensed Consolidated Financial Statements



4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information

The Group's chief operating decision makers, who are the executive directors, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports.

Geographical information

As the Group's non-current assets are all located in the PRC and all the Group's revenue are derived from the PRC, no geographical information is presented.

5. OTHER INCOME

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest income from bank deposits and time deposits with maturity over three months	1,283	1,525
Government grants (Note)	358	460
Refund of PRC value added tax and surcharges	2,379	2,257
	4,020	4,242

Note: Government grants mainly represented the government subsidies received by the Group to compensate the interest expense certain borrowings, support the research and development of the Group and purchase property, plant and equipment which are recognised as deferred income and being recognised to profit or loss on a systematic basis over the estimated useful life of the related assets.

6. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Loss on disposal of property, plant and equipment	(13)	(132)
Gain from changes in fair value of financial assets at FVTPL	1,389	2,042
Others	61	444
	1,437	2,354

Notes to the Condensed Consolidated Financial Statements

7. IMPAIRMENT LOSSES RECOGNISED UNDER ECL MODEL, NET OF REVERSAL

	For the six months ended 30 June	
	2024	2023
	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
Impairment loss recognised in respect of:		
Trade receivables	(4,923)	(1,363)
Other receivables	—	(30)
	(4,923)	(1,393)

8. INCOME TAX (CREDIT)/EXPENSE

	For the six months ended 30 June	
	2024	2023
	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
Current tax:		
PRC Enterprise Income Tax	1,352	2,657
Deferred tax	(1,396)	1,640
	(44)	4,297

Cayman Islands

Under the current laws of the Cayman Islands, the Company was not subject to tax on income nor capital gains during both periods. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

British Virgin Island ("BVI")

The Company's subsidiaries established in the BVI are exempted from income tax during both periods.

Hong Kong

No provision of Hong Kong Profits Tax was made in the condensed consolidated financial statements as the Group has no assessable profit during the six months ended 30 June 2024 and 2023.

PRC

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory tax rate for PRC entities is 25% during periods.

Notes to the Condensed Consolidated Financial Statements



8. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

PRC (continued)

Guanglian Saixun was qualified as a High-New Technology Enterprises ("HNTe") and subject to a preferential income tax rate of 15% during the six months ended 30 June 2023. The qualification was expired in 2023 and it is subject to tax rate of 25% during current period.

Guanglian Shuke was qualified as a HNTe in 2023 and was subject to a preferential income tax rate of 15% during the six months ended 30 June 2024 and 2023.

Certain subsidiaries have been approved as small low-profit enterprises. The entitled subsidiaries are subject to a preferential income tax rate of 5% during the six months ended 30 June 2024 and 2023.

9. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging/(crediting) the following items:

	For the six months ended 30 June	
	2024 RMB' 000 (Unaudited)	2023 RMB' 000 (Unaudited)
Staff costs (including directors' remuneration):		
Salaries	23,709	23,961
Retirement benefits scheme contributions	872	902
(Reversal)/provision of discretionary bonus	(560)	22
Total employee benefit expenses	24,021	24,885
Capitalised in intangible assets	(1,088)	(5,743)
	22,933	19,142
Depreciation of property, plant and equipment	2,602	2,785
Depreciation of right-of-use assets	1,473	1,392
Amortisation of intangible assets	3,841	2,401
Total depreciation and amortisation	7,916	6,578
(Reversal of write-down)/write-down of inventories	(431)	44
Cost of inventories recognised as an expense	105,565	104,788
Listing expenses	7,857	4,732

Notes to the Condensed Consolidated Financial Statements

10. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

11. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 June	
	2024	2023
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Profit for the period attributable to owners of the Company	18,896	19,532
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	60,600,000	59,111,640

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the group reorganisation had been effective since 1 January 2023.

No diluted earnings per share is presented as there was no potential dilutive ordinary share in issue during the six months ended 30 June 2024 and 2023.

12. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the six months ended 30 June 2024, the Group incurred RMB449,000 (six months ended 30 June 2023: RMB903,000) for acquisition of furniture, fixtures and equipment, and RMB150,000 (six months ended 30 June 2023: nil) for additions of leasehold improvement.

During the six months ended 30 June 2024, the Group recognised right-of-use assets of RMB105,000 (six months ended 30 June 2023: RMB3,629,000) and lease liabilities of RMB105,000 (six months ended 30 June 2023: RMB3,788,000).

During the six months ended 30 June 2024, the Group incurred RMB1,088,000 and RMB8,490,000 (six months ended 30 June 2023: RMB5,743,000 and RMB5,596,000) for development costs, and acquisition of software, respectively.

Notes to the Condensed Consolidated Financial Statements



13. INTERESTS IN ASSOCIATES

	As at 30 June 2024	As at 31 December 2023
	RMB' 000 (Unaudited)	RMB' 000 (Audited)
Unlisted equity investment, at cost	23,739	9,150
Share of post-acquisition profit and other comprehensive income	1,029	174
	24,768	9,324

During the current interim period, the Group invested in its existing associates and new entities with a total amount of RMB14,589,000 (six months ended 30 June 2023: nil). The associates of the Group were established and operated in the PRC and mainly engaged in consulting services related to evaluation of supplier in automotive industry and provision of marketing services.

14. DEPOSITS AND PREPAYMENTS

	As at 30 June 2024	As at 31 December 2023
	RMB' 000 (Unaudited)	RMB' 000 (Audited)
Deposits paid to customers	5,809	5,166
Prepayments for hardware	32,670	12,980
Prepayments to SaaS subscription suppliers	12,362	12,712
Prepayments for property, plant and equipment	10,000	—
Prepayments for other long-term assets	26,000	—
Deferred issue cost	6,148	4,637
Prepaid listing expenses	—	158
Others	15	273
	93,004	35,926
Analysis as:		
Non-current	36,000	—
Current	57,004	35,926
	93,004	35,926

Notes to the Condensed Consolidated Financial Statements

15. TRADE AND OTHER RECEIVABLES

	As at 30 June 2024	As at 31 December 2023
	RMB'000 (Unaudited)	RMB'000 (Audited)
Trade receivables		
Contracts with customers	171,971	139,086
Less: Allowance for credit losses	(25,965)	(43,261)
	<u>146,006</u>	<u>95,825</u>
Other receivables		
VAT receivables	2,322	993
Others	1,425	1,267
Less: Allowance for credit losses	(252)	(252)
	<u>3,495</u>	<u>2,008</u>
Total trade and other receivables	<u>149,501</u>	<u>97,833</u>

The Group allows an average credit period of 90–180 days to its customers which is interest free with no collateral. Aging of trade receivables net of allowance for credit losses, is prepared based on date of transfer of goods or date of rendering of services, which approximated the respective revenue recognition dates, are as follows:

	As at 30 June 2024	As at 31 December 2023
	RMB'000 (Unaudited)	RMB'000 (Audited)
0–90 days	79,708	71,908
91–180 days	41,041	18,556
Over 180 days	25,257	5,361
	<u>146,006</u>	<u>95,825</u>



Notes to the Condensed Consolidated Financial Statements



16. FINANCIAL ASSETS AT FVTPL

	As at 30 June 2024	As at 31 December 2023
	RMB'000 (Unaudited)	RMB'000 (Audited)
Unlisted funds	8,020	147,191
Unlisted trust	—	11,135
Unlisted equity investment	—	91
	8,020	158,417

Financial assets at FVTPL as at 30 June 2024 and 31 December 2023 mainly represented the Group's investments in (i) unlisted funds which represented a portfolio of investments managed by fund managers with most of the portfolio assets are invested in bond investments in the PRC, (ii) unlisted trust in the PRC and (iii) unlisted equity investment. Details of the fair value measurement are disclosed in Note 20.

17. TRADE AND OTHER PAYABLES

	As at 30 June 2024	As at 31 December 2023
	RMB'000 (Unaudited)	RMB'000 (Audited)
Trade payables	25,998	21,121
Bills payable	25,896	27,037
Deposits	981	2,715
Accrued salaries	3,236	7,216
Other tax payables	6,079	6,585
Accrued share issue cost and listing expenses	3,267	3,167
Others	384	1,661
	65,841	69,502

Notes to the Condensed Consolidated Financial Statements

17. TRADE AND OTHER PAYABLES (CONTINUED)

The following is an analysis of trade payables and bills payable by age, presented based on the invoice date.

	As at 30 June 2024	As at 31 December 2023
	RMB' 000 (Unaudited)	RMB' 000 (Audited)
0-180 days	50,595	47,852
181-365 days	1,299	306
	51,894	48,158

The average credit period for purchases of goods or services is 180 days.

18. BORROWINGS

During the current interim period, the Group obtained new borrowings amounting to RMB27,900,000 (six months ended 30 June 2023: RMB14,900,000). The borrowings carry interest at variable market rates of 3.45% to 4.90% (six months ended 30 June 2023: 3.70% to 4.40%) per annum and are repayable in instalments within one year.

As at 30 June 2024, the borrowings amounting to RMB53,721,000 (31 December 2023: RMB43,417,000) were jointly guaranteed by two executive directors (Mr. Zhu Lei and Mr. Zhao Zhan), an independent third party namely Shenzhen Hi-tech investment and Financing Guarantee Co., Ltd. and certain subsidiaries of the Company. An amount of RMB17,000,000 (31 December 2023: RMB17,000,000) of the borrowings were secured by two patents of Guanglian Shuke.



Notes to the Condensed Consolidated Financial Statements



19. SHARE CAPITAL

	Number of shares	Nominal Value	
		USD	RMB' 000
Authorised:			
<i>Ordinary shares of USD0.0001 each</i>			
At 1 January 2023, 30 June 2023, 31 December 2023 and 30 June 2024	500,000,000	50,000	318
Issued and fully paid:			
<i>Ordinary shares of USD0.0001 each</i>			
At 1 January 2023	5	— [^]	— [*]
Issue of shares (Note)	60,599,995	6,060	42
At 30 June 2023, 31 December 2023 and 30 June 2024	60,600,000	6,060	42

Note: In March 2023, the Company issued 60,599,995 shares with par value of USD0.0001 per share for a consideration of USD35,695,000 (equivalent to approximately RMB245,451,000).

* Amount less than RMB1,000

[^] Amount less than USD1

Notes to the Condensed Consolidated Financial Statements

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group measures its following financial instruments at fair value at the end of each of the reporting periods on a recurring basis:

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30 June 2024 (Unaudited)	31 December 2023 (Audited)			
Financial assets at FVTPL – Unlisted funds	8,020	147,191	Level 2	Price provided by the financial institutions with reference to underlying investment portfolios which have observable quoted price in active markets.	N/A
Equity instruments at FVTOCI – Unlisted equity investments	7,603	7,752	Level 3	Market approach-In this approach, the fair value of the equity instruments was derived with reference to the Enterprise Value to Sales Ratio ("EV/Sales") LTM Multiple of comparable companies and Discount for Lack of Marketability ("DLOM").	EV/Sales LTM Multiple of 0.5 and DLOM of 30% (Note)
Financial assets at FVTPL – Unlisted trust	–	11,135	Level 2	Price provided by the financial institutions with reference to underlying investment portfolios which have observable quoted price in active markets.	N/A

Notes to the Condensed Consolidated Financial Statements



20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurements and valuation processes (continued)

Note: A slight increase in the EV/Sales LTM Multiple used in isolation would result in an increase in the fair value measurement of the equity instruments, and vice versa. A 5% increase/decrease in EV/Sales LTM Multiple, holding all other variables constant, would increase/decrease the carrying amount of the equity instruments at FVTOCI by RMB7,601 as at 30 June 2024 (31 December 2023: RMB7,000), respectively.

A slight increase in the DLOM used in isolation would result in a decrease in the fair value measurement of the equity instruments, and vice versa. A 5% increase/decrease in DLOM, holding all other variables constant, would decrease/increase the carrying amount of the equity instruments at FVTOCI by RMB7,767 as at 30 June 2024 (31 December 2023: RMB166,000), respectively.

Reconciliation of Level 3 fair value measurements of financial assets

	Financial assets at FVTPL — Unlisted equity investments	Equity Instruments at FVTOCI — Unlisted equity investments	Total
	RMB' 000	RMB' 000	RMB' 000
At 1 January 2023 (audited)	234	9,553	9,787
Loss in other comprehensive income	—	(1,189)	(1,189)
Loss in fair value	(34)	—	(34)
At 30 June 2023 (unaudited)	200	8,364	8,564
At 1 January 2024 (audited)	—	7,752	7,752
Loss in other comprehensive income	—	(149)	(149)
At 30 June 2024 (unaudited)	—	7,603	7,603

Notes to the Condensed Consolidated Financial Statements

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of financial instruments that are not measured at fair value

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values as at 30 June 2024 and 31 December 2023.

21. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2024 and 2023, the Group entered into transactions with the following related parties:

Name of the enterprises	Relationships with the Company
Mr. Zhu Lei	A Controlling shareholder, an executive director, the chairman of the Board
Mr. Zhao Zhan	An executive director and the chief executive officer of the Company
Yantai City Dijia Caiyi car Service Co., Ltd ("Yantai City Dijia")	Associate
Dijia Niumowang (Jinan) Automotive supplies Service Co., Ltd ("Dijia Niumowang")	Associate
Jiujiang Dike Xinlian Automobile Service Co., Ltd ("Jiujiang Dike")	Associate
Luoyang Dijiahui Automobile service Co., Ltd ("Luoyang Dijiahui")	Associate
Yunnan Dijia Pilipala Car Service Co., Ltd ("Yunnan Dijia")	Associate
Inner Mongolia Dijia Meitu Automobile Service Co., Ltd ("Inner Mongolia Dijia")	Associate
Guiyang City Dijiaxin Huida Automobile Service Co., Ltd ("Guiyang City Dijiaxin")	Associate
Gansu Dijia Yimen Car Decoration Service Co., Ltd ("Gansu Dijia")	Associate
Lanzhou Dijia Kaixin Automobile Service Co., LTD ("Lanzhou Dijia")	Associate
Ningxia Xinzhi Car Service Co. LTD ("Ningxia Xinzhi")	Associate
Wuhan Xinzhi Car Service Co. LTD ("Wuhan Xinzhi")	Associate

Notes to the Condensed Consolidated Financial Statements



21. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Guarantees to bank borrowings by related parties

Details of guarantees to bank borrowings by related parties are set out in Note 18.

(b) Related party transactions

	For the six months ended 30 June	
	2024	2023
	RMB' 000 (Unaudited)	RMB' 000 (Unaudited)
Marketing services expense to Yantai City Dijia	1,721	—
Marketing services expense to Dijia Niumowang	1,973	—
Marketing services expense to Jiujiang Dike	715	—
Marketing services expense to Luoyang Dijiahui	1,422	—
Marketing services expense to Yunnan Dijia	662	—
Marketing services expense to Inner Mongolia Dijia	643	—
Marketing services expense to Guiyang City Dijiaxin	298	—
Marketing services expense to Gansu Dijia	34	—
Marketing services expense to Lanzhou Dijia	792	—
Marketing services expense to Ningxia Xinzhi	41	—
Marketing services expense to Wuhan Xinzhi	431	—

Notes to the Condensed Consolidated Financial Statements

21. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Compensation of key management personnel

Key management personnel of the Group represented Mr. Zhu Lei and Mr. Zhao Zhan, and their remuneration during the six months ended 30 June 2024 and 2023 are as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Salaries	632	622
Retirement benefits scheme contributions	40	25
Discretionary bonus	—	—
	672	647

22. SUBSEQUENT EVENTS

On 15 July 2024, the Company's ordinary shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited, upon when the Company issued a total of 63,600,000 ordinary shares of each at HK \$4.70 for cash by way of public offer.