

Duiba Group
兑吧集团

兑吧集团有限公司

Duiba Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1753



2024

Interim Report

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Xiaoliang (*Chairman of the Board and Chief Executive Officer*)

Mr. Zhu Jiangbo

Mr. Cheng Peng

Non-executive Director

Ms. Yang Jiaqing (*appointed on 20 March 2024*)

Independent Non-executive Directors

Mr. Kam Wai Man

Dr. Gao Fuping

Dr. Shi Jianxun

AUDIT COMMITTEE

Mr. Kam Wai Man (*Chairman*)

Dr. Gao Fuping

Dr. Shi Jianxun

REMUNERATION COMMITTEE

Dr. Shi Jianxun (*Chairman*)

Mr. Kam Wai Man

Dr. Gao Fuping

Mr. Zhu Jiangbo

NOMINATION COMMITTEE

Mr. Chen Xiaoliang (*Chairman*)

Mr. Kam Wai Man

Dr. Gao Fuping

Dr. Shi Jianxun

AUTHORIZED REPRESENTATIVES

Mr. Chen Xiaoliang

Ms. Ng Ka Man

COMPANY SECRETARY

Ms. Ng Ka Man

LEGAL ADVISORS

As to Hong Kong law:

Jingtian & Gongcheng LLP

Suites 3203-3207, 32/F

Edinburgh Tower

The Landmark

15 Queen's Road Central

Hong Kong

As to Cayman Islands law:

Conyers Dill & Pearman

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Corporate Information

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN CHINA

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Xihu District
Hangzhou
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Times Square
1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANK

Hua Xia Bank (Hi-tech Sub-branch)
123 Wenyi Road
Xihu District
Hangzhou
China

COMPANY'S WEBSITE

<http://www.duiba.cn/>

STOCK CODE

1753

DATE OF LISTING

7 May 2019

Financial and Operational Information Highlights

FINANCIAL INFORMATION HIGHLIGHTS

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Revenue		
User management SaaS platform business	116,965	84,583
Internet advertising business	318,169	617,343
Others	23,125	6,467
Total	458,259	708,393

For the six months ended 30 June 2024, our revenue decreased by 35.3% as compared with the same period of 2023.

Non-HKFRS Measure

To supplement our condensed consolidated financial statements which are presented in accordance with HKFRSs, we also use a non-HKFRS measure, adjusted (loss)/profit for the period, as an additional financial measure, which is not required by, or presented in accordance with, HKFRSs. We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that we do not consider to be indicative of our operating performance. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

The following table reconciles our adjusted (loss)/profit for the periods presented to the most directly comparable financial measure calculated and presented in accordance with HKFRSs:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
(Loss)/profit for the period	(19,078)	22,084
<i>Add:</i>		
Share-based payment	1,465	1,950
Adjusted (loss)/profit for the period⁽¹⁾	(17,613)	24,034

(1) We define "adjusted (loss)/profit for the period" as (loss)/profit for the period, adding back share-based payment. Adjusted (loss)/profit for the period is not a measure required by or presented in accordance with HKFRSs. The use of adjusted (loss)/profit for the period has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRSs.

Financial and Operational Information Highlights

OPERATIONAL INFORMATION HIGHLIGHTS

We are a user management SaaS provider for online businesses and a leading internet advertising platform operator in China. Our key operational information highlights are as follows:

User management SaaS platform business

As at 30 June 2024, 531 paying customers (1H2023: 519), including 170 customers from financial industry (1H2023: 185) and 361 customers from other industries (1H2023: 334), had used the Group's charged services. The total value of newly signed contracts (including renewed contracts) for the six months ended 30 June 2024 was RMB75.5 million (1H2023: RMB41.0 million). The Group recorded revenue of RMB117.0 million for the six months ended 30 June 2024 from such business (1H2023: RMB84.6 million).

Internet advertising business

	For the six months ended 30 June	
	2024	2023
DAUs (millions) ⁽¹⁾	15.4	27.6
MAUs (millions) ⁽¹⁾	277.2	447.1
Advertising page views (millions) ⁽²⁾	3,034.1	5,271.8
Number of chargeable clicks (millions) ⁽³⁾	912.2	1,651.5
Under the CPC model (millions)	880.7	1,584.4
Others (millions)	31.5	67.1
Click-through rate ⁽⁴⁾	30.1%	31.3%
Average revenue per chargeable click under the CPC model (RMB)	0.36	0.39

Notes:

- (1) Daily active users ("DAUs") and monthly active users ("MAUs") refer to the average number of active users contributed by our HTML5 internet advertising pages for the periods indicated rather than the average active users of the content distribution channels.
- (2) Advertising page views are the total number of page views of our HTML5 internet advertising pages for the periods indicated.
- (3) Chargeable clicks are the total number of times users are directed to the mobile internet pages designated by advertising customers for the periods indicated.
- (4) Click-through rate is calculated as the number of chargeable clicks divided by the number of advertising page views for the periods indicated.

	For the six months ended 30 June	
	2024	2023
Content distribution channels	957	2,245
Ultimate advertising customers	517	690

For the six months ended 30 June 2024, we had placed internet advertising on 957 content distribution channels, mainly comprising mobile Apps, and our internet advertising business served 517 advertising customers (either through advertising agent customers or as our direct customers).

Management Discussion and Analysis

BUSINESS REVIEW

The Company is a leading user management SaaS service provider and internet advertising platform operator in China. It provides full-cycle operation services in user acquisition, activity retention and monetization for tens of thousands of customers in financial, internet and other industries.

1. User Management SaaS Platform Business

Our user management SaaS platform is designed to help businesses attract and retain online users in a cost-effective manner, by offering various fun and engaging user management tools (including reward point/membership management, gamification user management, e-commerce live streaming for bank credit cards, enterprise marketing tool via WeChat, and financial industry live streaming) to boost mobile App user activity and participation on Apps.

As at 30 June 2024, the number of paying customers who used our charged user management SaaS services was 531 (1H2023: 519), including 170 customers from the financial industry (1H2023: 185) and 361 customers from other industries (1H2023: 334). For the six months ended 30 June 2024, the number of newly signed contracts (including renewed contracts) for the Group's user management SaaS platform business reached 224 (1H2023: 209). The total value of our newly signed contracts (including renewed contracts) in 1H2024 was RMB75.5 million (1H2023: RMB41.0 million), and the average charge per signed contract was approximately RMB337,000.

Management Discussion and Analysis

The following table sets forth the financial performance of our user management SaaS platform business for the periods indicated:

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Revenue	116,965	84,583
Cost of sales	(98,244)	(43,152)
Selling and distribution expenses	(22,365)	(39,693)
Administrative expenses (excluding research and development expenses)	(15,596)	(25,634)
Research and development expenses	(14,203)	(19,610)
	(33,443)	(43,506)

The following table sets forth a breakdown of our revenue from user management SaaS for the periods indicated:

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
User management SaaS solutions	27,525	41,961
Other value-added services	89,440	42,622
	116,965	84,583

2. Internet Advertising Business

In 2015, the Group pioneered and launched its internet advertising business, which aggregated the traffic of different App scenarios, systematically managed content activities operation, and achieved large-scale monetization through advertisements, thereby achieving a win-win situation for each of the advertising customers, media providers and users. Advanced big data analytics and AI technology also provide robust support for the innovation and operations of our internet advertising platform. We generally charge our internet advertising customers based on the performance of advertisements. The majority of our revenue from our internet advertising business for the six months ended 30 June 2024 was generated from the CPC (cost per click) model (the “**CPC Model**”). Under the CPC Model, we charged customers only if viewers interacted with our advertising tools and were directed to the mobile internet page designated by the advertising customers.

The internet advertising model of the Group attracts users with rich and interesting high-engagement activities and provides users with entertainment and leisure. At the same time, the advertisements are presented in the form of discounts and benefits on the landing pages, which meets and stimulates the demand of users.

For the six months ended 30 June 2024, the revenue from the internet advertising business decreased by 48.5% to RMB318.2 million (1H2023: RMB617.3 million). Among the top 20 advertising customers in terms of revenue contribution in the first half of 2024, three were operator enterprises, and 12 customers were from the internet enterprises.

The Group has made persistent efforts to upgrade its advertising technology capability and provide online automated and customized services to both content distribution channels and advertising customers through our internet advertising platform consisting of the media management platform and the smart advertising system.

3. Research and Development

As at 30 June 2024, the number of employees from our research and development department was 145 (30 June 2023: 168), accounting for 33.4% (30 June 2023: 30.1%) of the Group’s total number of employees, and the Group’s research and development expenses decreased by 27.6% from RMB32.9 million in 1H2023 to RMB23.8 million in 1H2024.

Management Discussion and Analysis

FINANCIAL REVIEW

In the first half of 2024, due to the impact of the uncertainty of industry growth, advertising customers tend to tighten their budgets in the future, and the scale of the internet advertising business experienced a relatively significant reduction. At the same time, in order to provide better advertising services to advertisers, the Company continued to increase the proportion of purchasing traffic from high-quality platforms, so the cost of the internet advertising business further increased, resulting in a decline in earnings.

Revenue

For the six months ended 30 June 2024, the Group recorded a total revenue of RMB458.3 million, representing a decrease of approximately 35.3% as compared with RMB708.4 million in the first half of 2023. The decrease was mainly attributable to a decrease of 48.5% in revenue generated from our internet advertising business from RMB617.3 million for the six months ended 30 June 2023 to RMB318.2 million for the six months ended 30 June 2024, as the budgets of our advertising customers were further tightened due to the impact of the weak industry growth.

The revenue generated from our user management SaaS platform business increased by 38.3% to RMB117.0 million for the six months ended 30 June 2024 as compared to RMB84.6 million for 1H2023. The increased growth rate was mainly due to the increase in the total amount of other value-added services in the first half of 2024.

Gross Profit

For the six months ended 30 June 2024, the Group recorded a gross profit of RMB61.5 million, representing a decrease of approximately 63.2% as compared with RMB167.0 million in the first half of 2023. The gross profit margin was approximately 13.4% (1H2023: approximately 23.6%), and the gross profit margin of user management SaaS platform business and internet advertising business were 16.0% and 6.5%, respectively (1H2023: 49.0% and 19.4%, respectively). The decrease in gross profit was mainly due to the increase in advertising costs and the decrease in total revenue during the Period.

Selling and Distribution Expenses

For the six months ended 30 June 2024, the Group recorded selling and distribution expenses of RMB41.3 million, representing a decrease of 39.3% as compared with RMB68.1 million in the first half of 2023. Meanwhile, selling and distribution expenses as a percentage of the total revenue of the Group decreased to approximately 9.0% (1H2023: approximately 9.6%), mainly due to the decrease in the number of sales and operation employees of the Group to 235 for the six months ended 30 June 2024 (1H2023: 330).

Administrative Expenses

For the six months ended 30 June 2024, the Group recorded administrative expenses of RMB52.5 million, representing a decrease of 23.5% as compared with RMB68.6 million in the first half of 2023, mainly due to the optimization of the Company's related employees in the first half of 2024 and the internal control of related expenses has become more stringent. The Group recorded research and development expenses of RMB23.8 million (1H2023: RMB32.9 million) and share-based payment of RMB1.5 million (1H2023: RMB2.0 million), respectively. Administrative expenses as a percentage of the total revenue of the Group increased to approximately 11.5% (1H2023: approximately 9.7%), mainly due to the decrease in total revenue during the Period.

(Loss)/Profit for the Period

For the six months ended 30 June 2024, loss attributable to the Shareholders was RMB19.1 million (1H2023: profit attributable to the Shareholders of RMB22.1 million). Basic loss per Share was RMB1.8 cents (1H2023: basic earnings per Share of RMB2.1 cents).

Adjusted (Loss)/Profit for the Period

Due to the combined effect of the foregoing, the Group's adjusted loss for the Period was RMB17.6 million (1H2023: adjusted profit for the period of RMB24.0 million).

Cash Flows

For the six months ended 30 June 2024, our net cash outflow used in operating activities was RMB374.9 million (1H2023: net cash outflow used in operating activities of RMB150.8 million), and such change was mainly due to the increase in the amount of trade receivables as at 30 June 2024 as compared to the balance as at 31 December 2023.

Gearing Ratio

The Group monitors capital using a gearing ratio, which is net debt divided by total capital and net debt. Net debt includes interest-bearing bank borrowings, trade payables and other payables and accruals, less cash and cash equivalents.

As at 30 June 2024, the Group's gearing ratio was approximately 34.5%, while it was approximately 8.1% as at 30 June 2023, which was mainly due to the increase in the interest-bearing bank borrowings of Group for the Period.

Liquidity and Capital Structure

During the Period, the daily working capital of the Group was primarily derived from internally generated cash flow from operating activities and bank borrowings. As at 30 June 2024, the Group had cash and cash equivalents of approximately RMB232.0 million (as at 30 June 2023: approximately RMB191.4 million). As at 30 June 2024, the Group had interest-bearing bank borrowings of RMB681.2 million which were made in Renminbi.

Capital Commitments

As of 30 June 2024, the Group did not have any significant capital commitments.

Management Discussion and Analysis

Foreign Exchange Risk Management

The Group has transactional currency exposures. Such exposures arise from the issue of share in currencies different from the operating units' functional currencies. At present, the Group does not intend to hedge its exposure to foreign exchange fluctuations. However, the Company's senior management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

Material Acquisitions, Disposals and Significant Investment

As of 30 June 2024, the Group held a total of 19.0% equity interest in Zhejiang Gushang Intelligent Technology Co., Ltd.* (浙江谷尚智能科技有限公司) ("**Gushang Intelligent Technology**") through a wholly-owned subsidiary of the Company, namely Hangzhou Keze Network Technology Co., Ltd.* (杭州可澤網絡科技有限公司), with an aggregate carrying value of RMB234.4 million. The principal activities of Gushang Intelligent Technology include the construction of buildings and parking lots on a land parcel located in the Hangzhou Zijingang Science and Technology Town which has been topped out in December 2023 (the "**Project**"). As of 30 June 2024, the carrying amount of the investment in Gushang Intelligent Technology represented approximately 10.2% of the total assets of the Group. For details, please refer to the announcements of the Company dated 19 June 2020 and 24 June 2020, respectively. As at the date of this interim report, Gushang Intelligent Technology is an associate of the Group. Given the Project has not achieved its intended available-for-use status, there was no unrealised or realised gain or loss, and the Group did not receive any dividend for the six months ended 30 June 2024. Save as disclosed in this interim report, the Group had no other significant investment and material acquisitions and disposals of subsidiaries, associated companies and joint ventures for the six months ended 30 June 2024.

Future Plans for Material Investment or Capital Assets

Save as disclosed in this interim report, as of 30 June 2024, the Group had no concrete plans to make any material investment or acquire capital assets other than in the Group's ordinary course of business.

Contingent Liabilities

Hengfei Holding Limited (the "**Plaintiff**") has commenced proceedings against the Company and Mr. Chen Xiaoliang, a Shareholder and an executive Director, in respect of allegations that the Company and Mr. Chen Xiaoliang have wrongfully retained, delayed in returning and failed/refused to return the Plaintiff's share certificate of Shares in the Company, resulting in losses. According to the Plaintiff's latest pleadings, the maximum amount of the claim is approximately HK\$61,000,000. The Directors believe, based on the evidence and information currently available, and the Group's legal counsel is of the view, that the Company has a number of valid defence arguments against the claim, and even if the Plaintiff's case succeeds on liability, the potential quantum would be determinable by reference to a few factors, such as the date of the alleged conversion and the range of the expert's respective assessment, therefore it would be extremely difficult to make any assessment for the amount of the claim reliably at this stage. Accordingly, no provision arising from the claim, other than the related legal and other costs, has been provided for.

Charge on Assets

As at 30 June 2024, the Group had no charges on its assets (31 December 2023: nil).

SUBSEQUENT EVENT

The Group did not have any significant events from 30 June 2024 and up to the date of this interim report.

ORGANIZATION AND TALENT RETENTION

As at 30 June 2024, the number of the Group's employees was 434 (31 December 2023: 437), including 62 sales employees, 54 administration employees, 173 operation employees and 145 research and development employees. Salary costs and employees' benefit expenses were approximately RMB66.8 million for the six months ended 30 June 2024 (1H2023: approximately RMB103.9 million). Identification and development of high potential talents have been listed as a top priority for the management of the Company this year. Moreover, the Group may provide incentives to talents by granting them share options and share awards of the Company. The remuneration of employees was determined based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments commensurate with the pay level in the industry. The Group provided trainings to staff based on their job duties and functions.

SOCIAL RESPONSIBILITY

During the Period, the Group adhered to the philosophy of "serving the people and giving back to the society" and actively sought opportunities to contribute to the society in order to create a better living environment for the local community. During the Period, the Group made donations of teaching materials to Hangzhou Normal University.

FUTURE OUTLOOK

In the first half of 2024, the overall domestic consumption level maintained a steady recovery as compared to 2023, but according to the data from the National Bureau of Statistics, the year-on-year growth rate of monthly retail sales of consumer goods slowed down. Advertising customers' advertising budgets and preferences were more significantly affected by the macroeconomic climate. As a result, the Group's internet advertising business for the six months ended 30 June 2024 showed a decline in revenue and gross profit. Looking ahead to the second half of 2024, it is expected that the overall growth of the advertising industry will be limited, and advertising customers will be more cautious and prudent in their marketing budgets. The Group will continue to expand the cooperation of high-quality platform traffic in order to satisfy advertising customers' demand for advertisement placement in breadth and depth. Meanwhile, the Group will be committed to continuously reducing costs and improving efficiency internally with a view to improving the overall operating efficiency.

INTERIM DIVIDEND

The Board did not recommend the declaration of any interim dividend for the Period (1H2023: nil).

Corporate Governance/Other Information

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should be performed by different individuals.

At present, the roles of the chairman of the Board and the chief executive officer of the Company are performed by Mr. Chen Xiaoliang. The Board believes that Mr. Chen Xiaoliang should continue to assume the responsibilities of the chairman of the Board and the chief executive officer of the Company as this arrangement will improve the efficiency of our decision-making and execution process given his familiarity with the Group.

During the daily operations of the Company, all material decisions are approved by the Board and the relevant Board committees, as well as the senior management team of the Company. In addition, the Directors proactively participate in all Board meetings and all relevant Board committee meetings, and the chairman of the Board and relevant chairman of the Board committees ensures all the Directors are duly informed of all the matters to be approved at the meetings. In addition, the senior management team of the Company provides the Board with sufficient, clear, complete and reliable company information on a regular basis and from time to time. The Board also regularly meets and reviews the operations of the Company under the leadership of Mr. Chen Xiaoliang on a quarterly basis.

The Board is therefore of the view that there is an adequate balance of power and that appropriate safeguards are in place. The dual roles of Mr. Chen Xiaoliang have no negative effect on the balance of power and authority between the Board and the Company's senior management team. The Board will continue to regularly monitor and review the Company's current corporate governance structure and to make necessary changes when appropriate.

Save as disclosed above, the Company has complied with all applicable code provisions of the CG Code for the six months ended 30 June 2024. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code for the six months ended 30 June 2024.

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

During the Period, neither the Company nor any of its subsidiaries or consolidated affiliated entities has purchased, sold or redeemed any of the Company's listed securities or sold any treasury shares (as defined under the Listing Rules). As at 30 June 2024, the Company did not hold any treasury shares (as defined under the Listing Rules).

AUDIT COMMITTEE

The audit committee of the Board, together with the management of the Company, has reviewed the unaudited interim results of the Group for the six months ended 30 June 2024.

CHANGES IN DIRECTORS AND OTHER PERSONNEL

Save as disclosed in this interim report, as of the date of this interim report, there was no change in any Director and other personnel.

CHANGES TO DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

There was no change to any of the information required to be disclosed in relation to any Director and chief executive of the Company pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules during the Period.

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

As at 30 June 2024, 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 to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be entered in the register to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in Shares and underlying Shares

Name of Directors	Capacity/Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of interest in the Company ⁽²⁾
Mr. Chen Xiaoliang ⁽³⁾	Founder of a discretionary trust and interest in controlled corporations	464,033,329 (L)	43.09%
Mr. Zhu Jiangbo (“ Mr. Zhu ”) ^{(4), (6)}	Beneficial owner	8,400,000 (L)	0.78%
Mr. Cheng Peng (“ Mr. Cheng ”) ^{(5), (6)}	Beneficial owner	1,340,000 (L)	0.12%

Notes:

- (1) The letter “L” denotes “long position” (as defined under Part XV of the SFO) of the relevant person/entity in such Shares.
- (2) The percentage is calculated based on the total number of Shares in issue as at 30 June 2024 (i.e. 1,076,823,200 Shares).
- (3) The disclosed interest represents (i) his deemed interest in the 454,552,000 Shares held by XL Holding, which is wholly owned by CMB Wing Lung (Trustee) Limited (as trustee of the Chen’s Family Trust) through Antopex Limited (as nominee for CMB Wing Lung (Trustee) Limited) and Blissful Plus; (ii) his deemed interest in the 4,423,329 Shares held by Kewei Holding Limited as its sole director and sole shareholder; and (iii) his deemed interest in the 5,058,000 Shares held by Duiba Kewei (BVI) Limited as its sole director and sole shareholder.
- (4) Mr. Zhu is an executive Director. He directly holds 8,400,000 Shares.
- (5) Mr. Cheng is an executive Director. He directly holds 1,340,000 Shares.
- (6) Each of Mr. Zhu and Mr. Cheng was granted certain incentive shares under the Restricted Stock Unit Scheme/Restricted Stock Unit Option Incentive Scheme, the details of which are set out in the sections headed “Restricted Stock Unit Scheme” and “Restricted Stock Unit Option Incentive Scheme” in this interim report.

Save as disclosed above, as at 30 June 2024, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position 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) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO), or was required to be entered in the register to be kept by the Company under Section 352 of the SFO, or was required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, at no time during the Period was the Company or any of its subsidiaries or fellow subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

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

As at 30 June 2024, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Capacity/Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of interest in the Company ⁽²⁾
CMB Wing Lung (Trustee) Limited ⁽³⁾	Trustee of a trust	454,552,000 (L)	42.21%
Antopex Limited ⁽³⁾	Nominee for another person	454,552,000 (L)	42.21%
Blissful Plus ⁽³⁾	Interest in controlled corporation	454,552,000 (L)	42.21%
XL Holding ⁽³⁾	Beneficial owner	454,552,000 (L)	42.21%
Xinran Group Holding Limited ⁽⁴⁾	Beneficial owner	73,055,700 (L)	6.78%
Mr. Liu Yang ("Mr. Liu") ⁽⁴⁾	Interest in controlled corporation	73,055,700 (L)	6.78%

Notes:

- (1) The letter "L" denotes "long position" (as defined under Part XV of the SFO) of the relevant person/entity in such Shares.
- (2) The percentage is calculated based on the total number of Shares in issue as at 30 June 2024 (i.e. 1,076,823,200 Shares).
- (3) CMB Wing Lung (Trustee) Limited (as trustee of the Chen's Family Trust) holds the entire issued share capital of XL Holding through Antopex Limited (as nominee for CMB Wing Lung (Trustee) Limited) and Blissful Plus. Blissful Plus in turn holds the entire issued share capital of XL Holding. The Chen's Family Trust is a discretionary trust established by Mr. Chen Xiaoliang (as the settlor) and its discretionary objects are Mr. Chen Xiaoliang and his family members. Accordingly, each of Mr. Chen Xiaoliang, CMB Wing Lung (Trustee) Limited, Antopex Limited and Blissful Plus is deemed to be interested in the 454,552,000 Shares held by XL Holding.
- (4) Xinran Group Holding Limited, a company incorporated in the BVI, is wholly owned by Mr. Liu. Therefore, Mr. Liu is deemed to be interested in the 73,055,700 Shares held by Xinran Group Holding Limited.

Corporate Governance/Other Information

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register to be kept by the Company.

SHARE OPTION SCHEME

The Share Option Scheme was approved and adopted by the Shareholders on 17 April 2019 and became effective upon the listing of the Shares on the Main Board of the Stock Exchange.

The Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Share Option Scheme) may, at its absolute discretion, offer to grant an option to subscribe for such number of Shares as the Board may determine to an employee (whether full time or part-time) or a director of a member of the Group or associated companies of the Company, provided that any grant of options under the Share Option Scheme is subject to unanimous approval of all members of the Board entitled to approve such grant pursuant to the requirements under the Listing Rules, the Articles of Association and the applicable laws and regulations. The purpose of the Share Option Scheme is to incentivize and reward the eligible persons for their contribution to the Group and to align their interests with those of the Company so as to encourage them to work towards enhancing the value of the Company.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme or any other share option schemes must not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date, that is, 111,111,120 Shares, which represents approximately 10.32% of the Shares in issue as at the date of this interim report. The total number of Shares issued and to be issued upon exercise of the options granted (including both exercised and outstanding options) to a participant in any 12-month period must not exceed 1% of the total number of Shares in issue as at such date unless approved by the Shareholders in a general meeting.

Any option shall be vested on an option-holder immediately upon his/her acceptance of the offer of options provided that if any vesting schedule and/or conditions are specified in the offer of the option, such option shall only be vested on an option-holder according to such vesting schedule and/or upon the fulfilment of the vesting conditions (as the case may be). Any vested option which has not lapsed and which conditions have been satisfied or waived by the Board in its sole discretion may, unless the Board determines otherwise in its absolute discretion, be exercised at any time from the next business day after the offer of options has been accepted. Any option which remains unexercised shall lapse upon the expiry of the option period, which period shall be determined by the Board and shall not exceed ten years from the offer date of the option.

The options granted under the Share Option Scheme may be accepted by a participant within such period (not exceeding 30 days inclusive of, and from, the date of offer of the option) as the Board may determine and notify to the participant concerned provided that no such offer shall be open for acceptance after the expiry of the duration of the Share Option Scheme. An amount of RMB1.00 is payable upon acceptance of the grant of an option.

The exercise price of the options granted under the Share Option Scheme shall be such price as determined by the Board and notified the participant and which shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant of the option; (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant of the option; and (iii) the nominal value of the Shares.

The Share Option Scheme is valid and effective for a period of ten years commencing on the Listing Date, and it has a remaining life of approximately five years as at the date of this interim report. No options have been granted under the Share Option Scheme since the adoption of the Share Option Scheme. During the Reporting Period, no option had been granted or agreed to be granted by the Company pursuant to the Share Option Scheme. There was no outstanding option under the Share Option Scheme as at 30 June 2024. As at the date of this interim report, the total number of Shares available for issue under the Share Option Scheme was 111,111,120 Shares, representing approximately 10.32% of the issued share capital of the Company as at the date of this interim report. The total number of options available for grant under the current scheme mandate limit was 111,111,120 as at 1 January 2024 and 30 June 2024, respectively.

SHARE AWARD SCHEME

The Company has adopted a share award scheme on 17 April 2019 (the “**Duiba Share Award Scheme**”), which is administered by the Board and Duiba Kewei (BVI) Limited as trustee (the “**Trustee**”) in accordance with the Duiba Share Award Scheme and the trust deed entered into between the Company and the Trustee. The Board may from time to time cause to be paid an amount to the trust by way of settlement or otherwise contributed by the Company or other member of the Group as directed by the Board for the purchase or subscription (as the case may be) of Shares for the satisfaction of the award of shares under the Duiba Share Award Scheme. The purpose of the Duiba Share Award Scheme is to recognize contributions by certain employees and to provide them with incentives in order to retain them for the continuing operation and development of the Group and to attract suitable personnel for the further development of the Group.

The Board may from time to time select any employee of the Group (excluding any excluded employee) for participation in the Duiba Share Award Scheme as a selected employee and grant to such selected employee awarded shares at no consideration and in such number on and subject to such terms and conditions as it may in its discretion determine. The Board is entitled to impose any conditions as it deems appropriate in its discretion with respect to the vesting of the awarded shares on the selected employee.

The maximum number of Shares which may be awarded to a selected employee under the Duiba Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time. The maximum number of Shares and awarded shares which may be held and managed by the Trustee of the Duiba Share Award Scheme shall not exceed 2% of the issued share capital of the Company from time to time. There is no scheme mandate limit under the Duiba Share Award Scheme.

Subject to any early termination as may be determined by the Board in accordance with the rules of the Duiba Share Award Scheme, the Duiba Share Award Scheme is valid and effective for a period of ten years commencing on its adoption date, and it has a remaining life of approximately five years as at the date of this interim report. Details of the Duiba Share Award Scheme are set out in the Prospectus.

No awarded shares have been granted under the Duiba Share Award Scheme since the adoption of the Duiba Share Award Scheme. During the Reporting Period, no awarded share had been granted or agreed to be granted by the Company pursuant to the Duiba Share Award Scheme. There was no outstanding awarded share under the Duiba Share Award Scheme as at 30 June 2024.

RESTRICTED STOCK UNIT SCHEME

On 11 June 2015, the Company and HZ Duiba have adopted a Restricted Stock Unit Scheme to recognise and reward the contribution of certain eligible employees to the growth and development of the Group; to give them incentives in order to retain them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group through an award of HZ Duiba's shares. The Group granted shares of HZ Duiba under the Restricted Stock Unit Scheme through Hangzhou Kewei Equity Investment Management LLP ("**HZ Duiba ESOP Co. I**") and Hangzhou Kede Equity Investment Management LLP ("**HZ Duiba ESOP Co. II**"). The Restricted Stock Unit Scheme is valid and effective for a period of ten years commencing on the adoption date, and it has a remaining life of approximately one year as at the date of this interim report.

On 11 June 2015 and 26 October 2015, equity interests in HZ Duiba were granted to 4 and 4 selected employees for considerations of RMB26,690 and RMB8,450, respectively. There are no performance target and service period requirements.

On 24 May 2016, HZ Duiba ESOP CO. I subscribed for approximately 7.56% equity interest in HZ Duiba. Mr. Chen Xiaoliang, being a supervisor of HZ Duiba, subscribed for an equity interest in Kede by way of entering into a partnership agreement. The purpose to establish the HZ Duiba ESOP CO. I was to reserve an equity interest for future employee incentive plans.

On 24 May 2016, 14 June 2017 and 25 December 2017, equity interests in HZ Duiba ESOP CO. I of approximately 6.91%, 31.97% and 28.14%, representing effective equity interests of 0.52%, 2.42% and 2.13% in HZ Duiba, were granted to 2, 25 and 27 selected employees, respectively, with no consideration. There is no performance target required except that the eligible participant remains as an employee of the Group during the vesting period.

On 5 January 2018, HZ Duiba ESOP CO. II subscribed for approximately 1.89% equity interest in HZ Duiba. Mr. Chen Xiaoliang, being a supervisor of HZ Duiba, subscribed for an equity interest in Kede by way of entering into a partnership agreement. The purpose to establish HZ Duiba ESOP CO. II was to reserve an equity interest for future employee incentive plans.

On 5 January 2018, 23 March 2018 and 28 May 2018, equity interests in HZ Duiba ESOP CO. II of approximately 4.89%, 4.72% and 1.69%, representing effective equity interests of 0.37%, 0.40% and 0.13% in HZ Duiba, were granted to 20, 22 and 1 selected employees, respectively, with no consideration. There is no performance target required except that the eligible participant remains as an employee of the Group during the vesting period.

As part of the reorganization of the Group for the purpose of listing of its Shares on the Main Board of the Stock Exchange, equity interests in HZ Duiba held by HZ Duiba ESOP CO. I and HZ Duiba ESOP CO. II were transferred to Duiba Group (Hong Kong) Limited. Upon completion of the aforesaid reorganization, Kewei Holding Limited became the employee share award platform for the Restricted Stock Unit Scheme. Awards under the Restricted Stock Unit Scheme are funded by existing Shares held by Kewei Holding Limited. For further details of the reorganization, please refer to the section headed "History, Reorganization and Corporate Structure" of the Prospectus.

There is no scheme mandate limit or maximum entitlement of each participant under the Restricted Stock Unit Scheme. No further awards were granted since the listing of the Shares on the Main Board of the Stock Exchange.

During the Reporting Period, no awards had been granted or agreed to be granted by the Company pursuant to the Restricted Stock Unit Scheme. As at 30 June 2024, all awards granted under the Restricted Stock Unit Scheme have been vested, cancelled or lapsed. There were no outstanding awards under the Restricted Stock Unit Scheme as at 30 June 2024.

RESTRICTED STOCK UNIT OPTION INCENTIVE SCHEME

On 1 November 2018, the Group has adopted a Restricted Stock Unit Option Incentive Scheme to provide incentives and rewards to eligible participants who contribute to the Group's services at least 36 months to 48 months. Duiba Kewei (BVI) Limited will transfer the Shares to vested participants. Eligible participants of the Restricted Stock Unit Option Incentive Scheme include senior management members who serve as financial managers and company secretaries of the Group as well as other core technical personnel, key personnel or other natural persons or entities that were or will be important to the development of the Group. There is no performance target required except that the eligible participant remains as an employee of the Group during the vesting period. The Restricted Stock Unit Option Incentive Scheme is valid and effective for a period of ten years commencing on the adoption date, and it has a remaining life of approximately four years as at the date of this interim report.

There were no stock unit options granted during the six months ended 30 June 2024.

There is no scheme mandate limit or maximum entitlement of each participant under the Restricted Stock Unit Option Incentive Scheme.

Corporate Governance/Other Information

Details of the movements on stock unit options granted during the six months ended 30 June 2024 are set out in the table below:

Selected Grantees	Date of Grant	Vesting Period	No. of Stock Unit Options Outstanding or Unvested as at 31 December 2023	No. of Stock Unit Options Granted during the Period	No. of Stock Unit Options Vested during the Period	No. of Stock Unit Options Cancelled or Lapsed during the Period	No. of Stock Unit Options Outstanding or Unvested as at 30 June 2024
Director							
Mr. Zhu Jiangbo	2021/4/9	2022/04/09-2025/04/09	600,000	-	-	-	600,000
Employees (in aggregate)							
	2020/3/1	2021/03/01-2024/03/01	489,000	-	489,000	-	-
	2020/6/1	2021/06/01-2024/06/01	120,000	-	120,000	-	-
	2020/7/1	2021/07/01-2024/07/01	75,000	-	-	75,000	-
	2020/8/1	2021/08/01-2024/08/01	150,000	-	-	45,000	105,000
	2020/10/1	2021/10/01-2024/10/01	60,000	-	-	-	60,000
	2021/2/1	2022/02/01-2025/02/01	60,000	-	30,000	-	30,000
	2021/4/1	2022/04/01-2025/04/01	480,000	-	240,000	-	240,000
	2021/5/1	2022/05/01-2025/05/01	1,560,000	-	750,000	60,000	750,000
	2021/6/29	2022/06/29-2025/06/29	300,000	-	150,000	-	150,000
	2021/8/1	2022/08/01-2025/08/01	1,140,000	-	250,000	210,000	680,000
	2021/11/1	2022/11/01-2025/11/01	480,000	-	-	-	480,000
	2022/1/1	2023/01/01-2026/01/01	540,000	-	180,000	-	360,000
	2022/2/1	2023/02/01-2026/02/01	3,105,000	-	1,035,000	150,000	1,920,000
	2022/3/1	2023/03/01-2026/03/01	90,000	-	30,000	-	60,000
	2022/8/1	2023/08/01-2026/08/01	1,845,000	-	50,000	360,000	1,435,000
	2022/10/1	2023/10/01-2026/10/01	180,000	-	-	-	180,000
	2023/2/1	2024/02/01-2027/02/01	2,245,000	-	225,000	-	2,020,000
	2023/3/1	2024/03/01-2027/03/01	250,000	-	15,000	100,000	135,000
Total			13,769,000	-	3,564,000	1,000,000	9,205,000

- (1) For details of the fair value of the stock unit options granted during the six months ended 30 June 2024, please refer to Note 19 to the unaudited interim condensed consolidated financial information.
- (2) The weighted average closing price of the Shares immediately before the dates on which the stock unit options under the Restricted Stock Unit Option Incentive Scheme were vested was HK\$0.27.

APPRECIATION

On behalf of the Board, I would like to express our sincere thanks to all managements and staffs for their dedication during the Period. Also, I would like to thank our Shareholders for their continuous support.

By order of the Board
DUIBA GROUP LIMITED
Chen Xiaoliang
Chairman

Hangzhou, China, 30 August 2024

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
	<i>Notes</i>		
REVENUE	5	458,259	708,393
Cost of sales		(396,757)	(541,439)
Gross profit		61,502	166,954
Other income and gains	5	29,270	34,175
Selling and distribution expenses		(41,305)	(68,065)
Administrative expenses		(52,521)	(68,632)
Impairment losses on financial assets, net		(9,211)	(31,997)
Other expenses		(167)	(1,512)
Finance costs		(6,919)	(2,097)
Share of profit of an associate		266	–
Share of loss of an associate		(442)	(542)
(LOSS)/PROFIT BEFORE TAX	6	(19,527)	28,284
Income tax credit/(expense)	7	449	(6,200)
(LOSS)/PROFIT FOR THE PERIOD		(19,078)	22,084
Attributable to:			
Owners of the parent		(19,078)	22,084

Unaudited Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2024

	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<i>Note</i>		
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	3,193	22,752
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	3,193	22,752
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(15,885)	44,836
Attributable to:		
Owners of the parent	(15,885)	44,836
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
Basic and diluted (RMB)	(1.8) cents	2.1 cents
	9	

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

		30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,618	2,796
Intangible assets		2,034	2,301
Investment in associates	11	237,715	234,891
Deferred tax assets		10,695	9,712
Pledged deposits		142,829	121,692
Prepayments, other receivables and other assets		11,524	9,883
Right-of-use assets		4,000	4,075
Total non-current assets		411,415	385,350
CURRENT ASSETS			
Trade receivables	12	682,714	344,051
Prepayments, other receivables and other assets		374,074	363,134
Financial assets at fair value through profit or loss		197,092	215,899
Restricted cash		2,484	1,223
Pledged deposits		143,173	245,459
Time deposits		253,521	297,886
Cash and cash equivalents		232,033	288,460
Total current assets		1,885,091	1,756,112
CURRENT LIABILITIES			
Trade payables	13	47,925	63,419
Other payables and accruals		210,341	187,926
Tax payable		4,577	4,001
Contract liabilities		7,419	21,406
Interest-bearing bank borrowings	14	681,186	505,525
Lease liabilities		1,958	1,831
Total current liabilities		953,406	784,108

Unaudited Interim Condensed Consolidated Statement of Financial Position
30 June 2024

		30 June 2024	31 December 2023
	<i>Note</i>	(Unaudited)	(Audited)
		RMB'000	RMB'000
NET CURRENT ASSETS		931,685	972,004
TOTAL ASSETS LESS CURRENT LIABILITIES		1,343,100	1,357,354
NON-CURRENT LIABILITIES			
Lease liabilities		1,987	1,741
Deferred tax liabilities		537	617
Total non-current liabilities		2,524	2,358
Net assets		1,340,576	1,354,996
EQUITY			
Equity attributable to owners of the parent			
Share capital	15	70	70
Reserves		1,340,506	1,354,926
Total equity		1,340,576	1,354,996

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the parent							Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory		Exchange fluctuation reserve RMB'000		
				surplus reserve RMB'000	Accumulated losses RMB'000			
At 31 December 2023 (audited)	70	1,942,530	(8,501)	56,737	(659,375)	23,535	1,354,996	
Loss for the period (unaudited)	-	-	-	-	(19,078)	-	(19,078)	
Other comprehensive income for the period:								
Exchange differences	-	-	-	-	-	3,193	3,193	
Total comprehensive (loss)/income for the period (unaudited)	-	-	-	-	(19,078)	3,193	(15,885)	
Equity-settled share award and option arrangements (note 19)	-	-	1,465	-	-	-	1,465	
At 30 June 2024 (unaudited)	70	1,942,530	(7,036)	56,737	(678,453)	26,728	1,340,576	

	Attributable to owners of the parent							Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory		Exchange fluctuation reserve RMB'000		
				surplus reserve RMB'000	Accumulated losses RMB'000			
At 31 December 2022 (audited)	70	1,942,530	(13,581)	56,737	(689,825)	11,660	1,307,591	
Profit for the period (unaudited)	-	-	-	-	22,084	-	22,084	
Other comprehensive income for the period:								
Exchange differences	-	-	-	-	-	22,752	22,752	
Total comprehensive income for the period (unaudited)	-	-	-	-	22,084	22,752	44,836	
Equity-settled share award and option arrangements (note 19)	-	-	1,950	-	-	-	1,950	
At 30 June 2023 (unaudited)	70	1,942,530	(11,631)	56,737	(667,741)	34,412	1,354,377	

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	<i>Notes</i>	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
CASH FLOWS USED IN OPERATING ACTIVITIES			
(Loss)/profit before tax		(19,527)	28,284
Adjustments for:			
Share of profit of an associate		(266)	–
Share of loss of an associate		442	542
Interest income	5	(13,224)	(12,801)
Investment income from financial assets at fair value through profit or loss	5	(87)	(558)
Foreign exchange differences, net	6	(26)	203
(Gain)/loss on disposals of items of property, plant and equipment		(64)	254
Loss on lease termination		–	407
Depreciation of property, plant and equipment	10	1,069	2,693
Fair value gains, net:			
Financial assets at fair value through profit or loss	5	(265)	(5,920)
Amortisation of intangible assets		267	359
Equity-settled share award and option expense	19	1,465	1,950
Finance costs		6,919	2,097
Depreciation of right-of-use assets		2,037	3,422
Impairment of financial assets, net		9,211	31,997
		(12,049)	52,929
(Increase)/decrease in restricted cash		(1,261)	2,200
Increase in trade receivables		(347,874)	(174,411)
(Increase)/decrease in prepayments, other receivables and other assets		(8,263)	71,795
Decrease in trade payables		(15,494)	(18,248)
Increase/(decrease) in other payables and accruals		21,926	(34,736)
Decrease in contract liabilities		(13,987)	(51,628)
Cash used in operations		(377,002)	(152,099)
Interest received		2,114	1,333
Income tax paid		(37)	–
Net cash flows used in operating activities		(374,925)	(150,766)

Unaudited Interim Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2024

	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Net cash flows used in operating activities	(374,925)	(150,766)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Proceeds from disposals of items of property, plant and equipment	115	400
Purchases of items of property, plant and equipment	(942)	(169)
Purchases of intangible assets	–	(44)
Purchases of financial assets at fair value through profit or loss	(21,219)	(100,000)
Proceeds from disposals of financial assets at fair value through profit or loss	28,253	110,816
Repayment from loans receivable	14,500	3,640
Advances of loans receivable	(18,540)	(3,000)
Purchases of time deposits	(402,664)	(108,365)
Repayment of time deposits	451,127	58,331
Purchases of pledged deposits	(100,500)	(286,006)
Repayment of pledged deposits	210,000	355,601
Interest received	7,890	1,828
Acquisition of subsidiaries	–	(1,628)
Purchase of a shareholding in an associate	(3,000)	(38,000)
Net cash flows from/(used in) investing activities	165,020	(6,596)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank borrowings	724,188	386,521
Repayment of bank borrowings	(540,478)	–
Purchases of pledged deposits	(90,979)	(287,277)
Repayment of pledged deposits	63,487	–
Interest paid for bank borrowings	(619)	(153)
Principal portion of lease payments	(2,335)	(3,487)
Net cash flows from financing activities	153,264	95,604
NET DECREASE IN CASH AND CASH EQUIVALENTS	(56,641)	(61,758)
Effect of foreign exchange rate changes, net	214	1,727
Cash and cash equivalents at beginning of period	288,460	251,478
CASH AND CASH EQUIVALENTS AT END OF PERIOD	232,033	191,447
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	232,033	191,447
Non-pledged time deposits with original maturity between three months and one year, when acquired	–	437,100
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	232,033	628,547
Non-pledged time deposits with original maturity between three months and one year, when acquired	–	(437,100)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	232,033	191,447

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

1. CORPORATE INFORMATION

Duiba Group Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands on 26 February 2018. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. On 7 May 2019, the shares of the Company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The Company’s subsidiaries were principally involved in the user management Software-as-a-Service (“**SaaS**”) platform business and internet advertising business.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

The unaudited interim condensed consolidated financial information has been prepared under the historical cost convention, except for investments in financial products and unlisted equity investment, which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period’s financial information.

Amendments to HKFRS 16

Lease Liability in a Sale and Leaseback

Amendments to HKAS 1

Classification of Liabilities as Current or Non-current

*(the “**2020 Amendments**”)*

Amendments to HKAS 1

Non-current Liabilities with Covenants

*(the “**2022 Amendments**”)*

Amendments to HKAS 7 and HKFRS 7

Supplier Finance Arrangements

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resources allocation and performance assessment.

Geographical information

During the reporting period, the Group operated within one geographical area as all of the Group's revenue was generated from customers located in China. All of the non-current assets of the Group were located in China.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the reporting period is set out below:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Customer 1	68,140	Nil
Customer 2	62,437	278,548
Customer 3	46,327	Nil
Customer 4	N/A*	184,997

* The corresponding revenue of the customer is not disclosed as the revenue did not individually account for 10% or more of the Group's revenue for the reporting period.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
<i>Revenue from contracts with customers</i>		
User management SaaS platform business	116,965	84,583
Internet advertising business	318,169	617,343
Others	23,125	6,467
	458,259	708,393

Notes to the Unaudited Interim Condensed Consolidated Financial Information

5. REVENUE, OTHER INCOME AND GAINS (continued)**Disaggregated revenue information for revenue from contracts with customers**

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Timing of revenue recognition		
Over time		
– SaaS services included in user management SaaS platform business	4,774	6,297
At a point in time		
– Other services included in user management SaaS platform business	112,191	78,286
– Internet advertising business	318,169	617,343
– Others	23,125	6,467
	453,485	702,096
Total	458,259	708,393

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Other income and gains		
Interest income	13,224	12,801
Government grants	11,594	14,827
Investment income from financial assets at fair value through profit or loss	87	558
Fair value gains, net:		
– Financial assets at fair value through profit or loss	265	5,920
Gain on disposals of items of property, plant and equipment	64	–
Others	4,036	69
	29,270	34,175

6. (LOSS)/PROFIT BEFORE TAX

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

	Notes	For the six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Cost of inventories sold		89,899	46,316
Cost of services provided		306,858	495,123
Depreciation of property, plant and equipment	10	1,069	2,693
Depreciation of right-of-use assets		2,037	3,422
Amortisation of intangible assets*		267	359
Interest income	5	(13,224)	(12,801)
Foreign exchange differences, net		(26)	203
(Gain)/loss on disposals of items of property, plant and equipment		(64)	254
Impairment of financial assets, net		9,211	31,997
Fair value gains, net:			
Financial assets at fair value through profit or loss	5	(265)	(5,920)
Investment income from financial assets at fair value through profit or loss	5	(87)	(558)
Research and development costs		23,802	32,881
Auditor's remuneration		300	1,100
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		49,007	74,143
Equity-settled share award and option expense		1,376	1,246
Pension scheme contributions**		2,444	1,595
Staff welfare expense		12,051	24,299
		64,878	101,283

* The amortisation of intangible assets for the six months ended 30 June 2024 is included in "Administrative expenses" in unaudited interim condensed consolidated statement of profit or loss and other comprehensive income.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

7. INCOME TAX

The Group is subject to income tax on an entity basis on (loss)/profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Group calculates the period income tax (credit)/expense using the tax rate that would be applicable to the expected total annual (loss)/earnings. The major components of income tax (credit)/expense in the unaudited interim condensed consolidated statement of profit or loss and other comprehensive income are:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Current – Charged for the period	613	3,152
Deferred tax	(1,062)	3,048
Total tax (credit)/expense for the period	(449)	6,200

8. DIVIDEND

The Board did not declare any interim dividend for the reporting period (six months ended 30 June 2023: nil).

9. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amount is based on the loss for the period attributable to ordinary equity holders of the parent of RMB19,078,000 (profit for the six months ended 30 June 2023: RMB22,084,000), and the weighted average number of ordinary shares of 1,063,154,500 (six months ended 30 June 2023: 1,055,812,500) shares in issue during the period. The number of shares for the current period has been arrived at after eliminating the shares of the Company held under the share repurchased.

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
(Loss)/earnings (Loss)/profit attributable to ordinary equity holders of the parent used in the basic and diluted (loss)/earnings per share calculation (RMB)	(19,078,000)	22,084,000
Shares Weighted average number of ordinary shares in issue during the period used in the basic (loss)/earnings per share calculation	1,063,154,500	1,055,812,500

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Carrying amount at beginning of period/year	2,796	7,775
Additions	942	229
Acquisition of a subsidiary	-	56
Depreciation provided during the period/year	(1,069)	(4,510)
Disposals	(51)	(754)
Carrying amount at end of period/year	2,618	2,796

11. INVESTMENT IN ASSOCIATES

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Investment in associates	237,715	234,891

Particulars of the associates are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
Zhejiang Gushang Intelligent Technology Co., Ltd.	Ordinary shares	PRC/Mainland China	19%	Project operation
Hangzhou Juhaomai Network Technology Co., Ltd.	Ordinary shares	PRC/Mainland China	30%	Live commerce

The Group's shareholdings in these two associates comprise equity shares held through wholly-owned subsidiaries of the Company.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

12. TRADE RECEIVABLES

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Trade receivables	738,504	390,629
Less: Impairment of trade receivables	(55,790)	(46,578)
	682,714	344,051

Trade receivables are non-interest-bearing with credit terms mainly ranging from 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

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

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
0 to 30 days	284,684	118,614
31 to 90 days	240,343	141,794
91 to 180 days	87,379	53,544
181 to 365 days	56,609	23,569
1 to 2 years	13,699	6,530
	682,714	344,051

13. TRADE PAYABLES

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Trade payables	47,925	63,419

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

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
0 to 180 days	18,208	35,676
181 to 365 days	5,196	7,421
1 to 2 years	10,001	8,016
2 to 3 years	4,627	4,386
Over 3 years	9,893	7,920
	47,925	63,419

Trade payables are non-interest-bearing and are normally settled on 60-day terms.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

14. INTEREST-BEARING BANK BORROWINGS**As at 30 June 2024**

	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – unsecured	3.00~4.15	2024~2025	10,509
Bank loans – secured (<i>note (i)</i>)	2.65	2024	32,022
Discounted letters of credit – unsecured	2.10~2.85	2024~2025	235,052
Discounted letters of credit – secured (<i>notes (ii) and (iii)</i>)	1.70~2.30	2024	90,618
Discounted notes receivables – unsecured	1.80~2.95	2024	69,333
Discounted notes receivables – secured (<i>note (iv)</i>)	1.47~2.30	2024	243,652
Total			681,186
			30 June 2024
			RMB'000
Analysed into:			
Bank borrowing repayable:			
Within one year			681,186

14. INTEREST-BEARING BANK BORROWINGS (continued)

As at 31 December 2023

	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – unsecured	4.15	2024	2,000
Bank loans – secured	3.80	2024	10,006
Discounted letters of credit – unsecured	2.50~2.93	2024	59,502
Discounted letters of credit – secured (notes (ii) and (iii))	2.05~2.56	2024	150,852
Discounted notes receivables – secured (note (iv))	1.20~1.55	2024	283,165
Total			505,525

	31 December 2023 RMB'000
Analysed into:	
Bank borrowing repayable:	
Within one year	505,525

Notes:

- (i) The Group's subsidiary, Duiba Group (Hong Kong) Limited, has guaranteed certain of the Group's bank loans up to approximately RMB32,022,000 as at the end of the reporting period.
- (ii) The Group's pledged deposits, which have an aggregate net carrying value of approximately RMB124,144,000 (31 December 2023: RMB162,695,000), were pledged to secure the Group's discounted letters of credit.
- (iii) The Group's other unlisted investments, which have an aggregate net carrying value of approximately RMB15,032,000 (31 December 2023: nil), were pledged to secure the Group's discounted letters of credit.
- (iv) The Group's pledged deposits, which have an aggregate net carrying value of approximately RMB125,723,000 (31 December 2023: RMB204,456,000), were pledged to secure the Group's discounted notes receivables.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

15. SHARE CAPITAL

A summary of movements in the Company's share capital and share premium is as follows:

	Number of shares in issue	Share capital RMB'000	Share premium RMB'000	Total RMB'000
At 31 December 2023, 1 January 2024 and 30 June 2024	1,076,823,200	70	1,942,530	1,942,600

16. CONTINGENT LIABILITIES

Hengfei Holding Limited (the "Plaintiff") has commenced proceedings against the Company and Mr. Chen Xiaoliang, a shareholder and an executive director of the Company, in respect of allegations that the Company and Mr. Chen Xiaoliang have wrongfully retained, delayed in returning and failed/refused to return the Plaintiff's share certificate of shares in the Company, resulting in losses. According to the Plaintiff's latest pleadings, the maximum amount of the claim is approximately HK\$61,000,000. The directors believe, based on the evidence and information currently available, and the Group's legal counsel is of the view, that the Company has a number of valid defence arguments against the claim, and even if the Plaintiff's case succeeds on liability, the potential quantum would be determinable by reference to a few factors such as the date of the alleged conversion and the range of the expert's respective assessment, and therefore it would be extremely difficult to make any assessment for the amount of the claim reliably at this stage. Accordingly, no provision arising from the claim, other than the related legal and other costs, has been provided for.

17. COMMITMENTS

At the end of the reporting period, the Group did not have any significant commitments.

18. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Short-term employee benefits	1,358	1,616
Performance related bonuses	930	770
Equity-settled share award expense	162	1,263
Pension scheme contributions	91	114
Total compensation paid to key management personnel	2,541	3,763

19. SHARE AWARD AND OPTION

Restricted Stock Unit Scheme

The Company and Hangzhou Duiba Internet Technology Co., Ltd. (“**HZ Duiba**”) have adopted a Restricted Stock Unit Scheme to recognise and reward the contribution of certain eligible employees to the growth and development of the Group and to give them incentives in order to retain them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group through an award of HZ Duiba’s shares. The Group granted shares of HZ Duiba under the Restricted Stock Unit Scheme through Hangzhou Kewei Equity Investment Management LLP (“**HZ Duiba ESOP Co. I**”) and Hangzhou Kede Equity Investment Management LLP (“**HZ Duiba ESOP Co. II**”).

On 11 June 2015 and 26 October 2015, equity interest in HZ Duiba were granted to 4 and 4 selected employees for a consideration of RMB26,690 and RMB8,450, respectively. There are no performance target and service period requirements.

On 24 May 2016, HZ Duiba ESOP Co. I (the “**PRC Share Incentive Entity I**”) subscribed for approximately 7.56% equity interest in HZ Duiba. Mr. Chen Xiaoliang, being a supervisor of HZ Duiba, subscribed for an equity interest in Kede by way of entering into a partnership agreement. The purpose to establish the PRC Share Incentive Entity I was to reserve an equity interest for future employee incentive plans.

On 24 May 2016, 14 June 2017 and 25 December 2017, equity interest in HZ Duiba ESOP Co. I of approximately 6.91%, 31.97% and 28.14%, representing effective equity interests of 0.52%, 2.42% and 2.13% in HZ Duiba, were granted to 2, 25 and 27 selected employees, respectively, with no consideration. There is no performance target required except that the eligible participant remains as an employee of the Group during the vesting period.

On 5 January 2018, HZ Duiba ESOP Co. II (the “**PRC Share Incentive Entity II**”) subscribed for approximately 1.89% equity interest in HZ Duiba. Mr. Chen Xiaoliang, being a supervisor of HZ Duiba, subscribed for an equity interest in Kede by way of entering into a partnership agreement. The purpose to establish the PRC Share Incentive Entity II was to reserve an equity interest for future employee incentive plans.

On 5 January 2018, 23 March 2018 and 28 May 2018, equity interest in HZ Duiba ESOP Co. II of approximately 4.89%, 4.72% and 1.69%, representing effective equity interests of 0.37%, 0.40% and 0.13% in HZ Duiba, were granted to 20, 22 and 1 selected employees, respectively, with no consideration. There is no performance target required except that the eligible participant remains as an employee of the Group during the vesting period.

During the six months ended 30 June 2024, no share award expense (six months ended 30 June 2023: nil) was charged to profit or loss.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

19. SHARE AWARD AND OPTION (continued)**Restricted Stock Unit Option Incentive Scheme**

The Group has adopted a Restricted Stock Unit Option Incentive Scheme to provide incentives and rewards to eligible participants who contribute to the Group's services. Duiba Kewei (BVI) Limited ("Duiba ESOP Co. III") will transfer the Company's shares to vested participants. Eligible participants of the Restricted Stock Unit Option Incentive Scheme include senior management members who serve as financial managers and company secretaries of the Group as well as other core technical personnel, key personnel or other natural persons or entities that were or will be important to the development of the Group. There is no performance target required except that the eligible participant remains as an employee of the Group during the vesting period.

The share options granted during the six months ended 30 June 2024 and the year ended 31 December 2023 are as follows:

- (a) The exercise price of the share options is nil. 10% of the share options are exercisable after 12 months from the date of the option incentive agreement; 30% of the share options are exercisable after 24 months from the date of the share option incentive agreement; 30% of the share options are exercisable after 36 months from the date of the option incentive agreement; and 30% of the share options are exercisable after 48 months from the date of the option incentive agreement.

During the six months ended 30 June 2024, a total of nil (six months ended 30 June 2023: 4,445,000) share options was granted to certain of the employees of the Group in respect of their services to the Group.

- (b) The exercise price of the share options is nil. The share options are exercisable immediately from the date of the option incentive agreement.

The following share options were outstanding under the Restricted Stock Unit Option Incentive Scheme during the period/year:

	Six months ended 30 June 2024 (Unaudited)		Year ended 31 December 2023 (Audited)	
	Weighted average exercise price US\$	Number of options '000	Weighted average exercise price US\$	Number of options '000
At 1 January	–	13,769	–	38,739
Granted during the period/year	–	–	–	4,445
Exercised during the period/year	–	(3,564)	–	(8,263)
Forfeited during the period/year	–	(1,000)	–	(21,152)
At the end of the period/year	–	9,205	–	13,769

19. SHARE AWARD AND OPTION (continued)

Restricted Stock Unit Option Incentive Scheme (continued)

The following table discloses the details of the share options outstanding at the end of the reporting period:

As at 30 June 2024

Number of options '000	Exercise price per share US\$	Vesting period/ exercise period	Fair value per share US\$
105	–	2021/08/01 to 2024/08/01	0.50
60	–	2021/10/01 to 2024/10/01	0.37
30	–	2022/02/01 to 2025/02/01	0.29
240	–	2022/04/01 to 2025/04/01	0.29
600	–	2022/04/09 to 2025/04/09	0.28
750	–	2022/05/01 to 2025/05/01	0.28
150	–	2022/06/29 to 2025/06/29	0.29
680	–	2022/08/01 to 2025/08/01	0.23
480	–	2022/11/01 to 2025/11/01	0.24
360	–	2023/01/01 to 2026/01/01	0.17
1,920	–	2023/02/01 to 2026/02/01	0.16
60	–	2023/03/01 to 2026/03/01	0.16
1,435	–	2023/08/01 to 2026/08/01	0.12
180	–	2023/10/01 to 2026/10/01	0.08
2,020	–	2024/02/01 to 2027/02/01	0.09
135	–	2024/03/01 to 2027/03/01	0.07
9,205			

Notes to the Unaudited Interim Condensed Consolidated Financial Information

19. SHARE AWARD AND OPTION (continued)

Restricted Stock Unit Option Incentive Scheme (continued)

As at 31 December 2023

Number of options '000	Exercise price per share US\$	Vesting period/ exercise period	Fair value per share US\$
489	–	2021/03/01 to 2024/03/01	0.46
120	–	2021/06/01 to 2024/06/01	0.40
75	–	2021/07/01 to 2024/07/01	0.41
150	–	2021/08/01 to 2024/08/01	0.50
60	–	2021/10/01 to 2024/10/01	0.37
60	–	2022/02/01 to 2025/02/01	0.29
480	–	2022/04/01 to 2025/04/01	0.29
600	–	2022/04/09 to 2025/04/09	0.28
1,560	–	2022/05/01 to 2025/05/01	0.28
300	–	2022/06/29 to 2025/06/29	0.29
1,140	–	2022/08/01 to 2025/08/01	0.23
480	–	2022/11/01 to 2025/11/01	0.24
540	–	2023/01/01 to 2026/01/01	0.17
3,105	–	2023/02/01 to 2026/02/01	0.16
90	–	2023/03/01 to 2026/03/01	0.16
1,845	–	2023/08/01 to 2026/08/01	0.12
180	–	2023/10/01 to 2026/10/01	0.08
2,245	–	2024/02/01 to 2027/02/01	0.09
250	–	2024/03/01 to 2027/03/01	0.07
13,769			

The fair value of the share options granted during the six months ended 30 June 2024 was nil, of which the Group recognised a share option expense of RMB1,465,000 (six months ended 30 June 2023: RMB1,950,000) during the six months ended 30 June 2024.

20. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of reporting period are as follows:

30 June 2024 (unaudited)

Financial assets

	Financial assets at amortised cost RMB'000	Financial assets at fair value through profit or loss Mandatorily designated as such RMB'000	Total RMB'000
Trade receivables	682,714	–	682,714
Financial assets included in prepayments, other receivables and other assets	74,429	–	74,429
Financial assets at fair value through profit or loss	–	197,092	197,092
Pledged time deposits	286,002	–	286,002
Restricted cash	2,484	–	2,484
Time deposits	253,521	–	253,521
Cash and cash equivalents	232,033	–	232,033
	1,531,183	197,092	1,728,275

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables	47,925	47,925
Lease liabilities	3,945	3,945
Financial liabilities included in other payables and accruals	11,021	11,021
Interest-bearing bank borrowings	681,186	681,186
	744,077	744,077

Notes to the Unaudited Interim Condensed Consolidated Financial Information

20. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

31 December 2023 (audited)**Financial assets**

	Financial assets at amortised cost RMB'000	Financial assets at fair value through profit or loss Mandatorily designated as such RMB'000	Total RMB'000
Trade receivables	344,051	–	344,051
Financial assets included in prepayments, other receivables and other assets	81,280	–	81,280
Financial assets at fair value through profit or loss	–	215,899	215,899
Pledged time deposits	367,151	–	367,151
Restricted cash	1,223	–	1,223
Time deposits	297,886	–	297,886
Cash and cash equivalents	288,460	–	288,460
	<u>1,380,051</u>	<u>215,899</u>	<u>1,595,950</u>

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables	63,419	63,419
Lease liabilities	3,572	3,572
Financial liabilities included in other payables and accruals	8,157	8,157
Interest-bearing bank borrowings	505,525	505,525
	<u>580,673</u>	<u>580,673</u>

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 30 June 2024, the fair values of the Group's financial assets or financial liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of cash and cash equivalents, restricted cash, pledged time deposits, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, interest-bearing bank borrowings and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current financial assets included in prepayments, other receivables and other assets and time deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair values of unlisted financial assets at fair value through profit or loss have been calculated by discounting the expected future cash flows using discount rates currently available for instruments with similar terms, credit risk and remaining maturities. The valuation requires the directors to make estimates about the expected future cash flows including the expected future interest return on maturity of the products based on market interest rates. The directors believe that the estimated fair values resulting from the valuation technique approximate to the carrying amounts at the end of the reporting period. The fair values of tradeable financial assets at fair value through profit or loss are obtained from quoted prices in active markets.

The fair value of an unlisted equity investment designated at fair value through profit or loss has been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The Group has used the market approach when applicable to determine the underlying equity value of the company and adopted the equity allocation model to determine the fair value of an unlisted equity investment as at 30 June 2024 and 31 December 2023. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Notes to the Unaudited Interim Condensed Consolidated Financial Information

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

For the fair value of the unlisted equity investments at fair value through profit or loss, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Set out below is a summary of significant unobservable inputs to the valuation of the financial instruments together with a quantitative sensitivity analysis as at 30 June 2024 and 31 December 2023:

Significant unobservable inputs

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Time to exit event	2.52 years	2.52 years
Risk-free rate	2.39%	2.39%
Equity volatility	49.07%	49.07%
Discount for lack of marketability (DLOM)	N/A*	N/A*

Quantitative sensitivity analysis

Quantitative sensitivity analysis is not presented as its inclusion, for the purpose of the financial statements, is not considered meaningful due to the fair value of the unlisted equity investment is close to zero.

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2024 (unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss:				
Unlisted equity investments, at fair value	–	1,996	6,219	8,215
Other unlisted investments	29,698	159,179	–	188,877
Total	29,698	161,175	6,219	197,092

As at 31 December 2023 (audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss:				
Unlisted equity investments, at fair value	–	2,035	–	2,035
Other unlisted investments	28,519	185,345	–	213,864
Total	28,519	187,380	–	215,899

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (six months ended 30 June 2023: nil).

22. EVENTS AFTER THE REPORTING PERIOD

There was no event causing significant impact on the Group since 30 June 2024.

Definitions

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

“1H2023”	for the six months ended 30 June 2023
“Articles of Association”	the third amended and restated articles of association of the Company
“Blissful Plus”	Blissful Plus Enterprises Limited, a company incorporated with limited liability in the BVI on 10 July 2018, which is wholly owned by Antopex Limited as nominee for CMB Wing Lung (Trustee) Limited acting as trustee for the Chen’s Family Trust and is a connected person of our Company
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chen’s Family Trust”	The Jiayou Trust, a discretionary trust set up by Mr. Chen Xiaoliang and whose beneficiaries are Mr. Chen Xiaoliang and his family members
“Company” or “our Company”	Duiba Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange under stock code 01753
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group” or “we”	our Company and our subsidiaries or any of them, or where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HKFRS(s)”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HZ Duiba”	杭州兑吧網絡科技有限公司* (Hangzhou Duiba Internet Technology Company Limited), a company with limited liability established in the PRC on 13 May 2011 and a wholly-owned subsidiary of the Company
“Listing Date”	7 May 2019, being the date on which the Shares became listed and commenced trading on the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on 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
“Period” or “Reporting Period” or “1H2024”	for the six months ended 30 June 2024
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this interim report only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated 24 April 2019
“RMB”	Renminbi yuan, the lawful currency of the PRC
“SaaS”	Software-as-a-Service
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company with nominal value of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Share Option Scheme”	the post-IPO share option scheme approved and adopted by the Shareholders on 17 April 2019, a summary of the principal terms of which is set out in “Statutory and General Information – Other Information – Share Option Scheme and the Duiba Share Award Scheme” in Appendix IV to the Prospectus
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States
“XL Holding”	Xiaoliang Holding Limited, a company with limited liability incorporated in the BVI on 26 February 2018, and is wholly owned by Blissful Plus

For illustration purposes, amounts in US\$ in this interim report have been translated into RMB at an exchange rate of US\$1 = RMB7.1268. Such translations should not be construed as a representation that any amount in question in US\$ or RMB has been or could have been or may be converted at such a rate or at any other rates.

Note: The English transliteration of the Chinese name(s) in this interim report, where indicated by an asterisk (*), is included for identification purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).