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Application Proof of

安得ANNTO

Annto Supply Chain Technology Co., Ltd.

安得智聯供應鏈科技股份有限公司

(the “Company”)

(A joint stock company incorporated in the People’s Republic of China with limited liability)

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Annto Supply Chain Technology Co., Ltd.

安得智聯供應鏈科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED] : [REDACTED] H Shares (subject to the [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (including [REDACTED] under the [REDACTED]) (subject to [REDACTED] and the [REDACTED])

Maximum [REDACTED] : HK\$[REDACTED] per H Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)

Nominal value : RMB1.00 per H Share

[REDACTED] : [REDACTED]

Joint Sponsors, [REDACTED], [REDACTED], [REDACTED] and [REDACTED]



CICC 中金公司

Morgan Stanley

[REDACTED], [REDACTED], [REDACTED] and [REDACTED]

[REDACTED]

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Applicants for [REDACTED] may be required to pay, on application (subject to application channels), the maximum [REDACTED] of HK\$[REDACTED] for each [REDACTED] together with a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, a Stock Exchange trading fee of 0.00565% and an AFRC transaction levy of 0.00015%, subject to refund if the [REDACTED] as finally determined is less than HK\$[REDACTED].

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Prospective investors of the [REDACTED] should note that the obligations of the [REDACTED] under the [REDACTED] are subject to termination by [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. See “[REDACTED]” section for further details.

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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the [REDACTED].

There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors” of this document. You should read that section carefully before you decide to invest in the [REDACTED].

OVERVIEW

Who we are

We are a leading integrated supply chain logistics solutions provider in China. According to CIC, we achieved the fastest revenue CAGR from 2022 to 2024 among the top five comprehensive integrated supply chain logistics solutions providers in China. Furthermore, we ranked first in revenue from production logistics solutions in 2024 among comprehensive integrated supply chain logistics solutions providers in China; and we are the largest integrated supply chain logistics solutions provider for China’s home appliance industry by revenue in 2024, according to CIC.

With deep industry expertise and transformative supply chain logistics solutions as our core competences, we are committed to driving efficiencies across supply chain. Unlike traditional logistics providers, we are deeply embedded in the industry value chains, built through years of supporting Midea Group’s operational transformation. We have pioneered a unique “1+3” supply chain logistics model — combining end-to-end logistics capability with three core solution pillars: production logistics, omni-channel shared inventory and distribution, and integrated last-mile delivery & installation.

We are setting a new benchmark for the industry and redefining what integrated supply chain logistics can achieve. Incubated by Midea Group, we possess a deep understanding of the evolving landscape and challenges faced by China’s manufacturing sector. Leveraging these insights, we provide lean production logistics solutions that closely align inventory planning with manufacturers’ production schedules, enabling just-in-time delivery of components to manufacturing facilities with minute-level precision to support lean manufacturing.

Our omni-channel shared inventory and distribution solutions simplify the complex, multi-step in-and-out warehouse handling process, often involving layered manufacturer and distributor warehouses, into a single, streamlined step. This simplified model shortens the

SUMMARY

distribution chain from product origin to end customers, which we refer to as “short-chain” distribution. Furthermore, it enables customers to efficiently fulfill fragmented orders across multiple sales channels using an optimized level of shared inventory.

Supported by our nationwide logistics network, we empower our customers to deliver not only products but also exceptional service experiences to consumers, which combines delivery, installation and other after-sales services into a single visit.

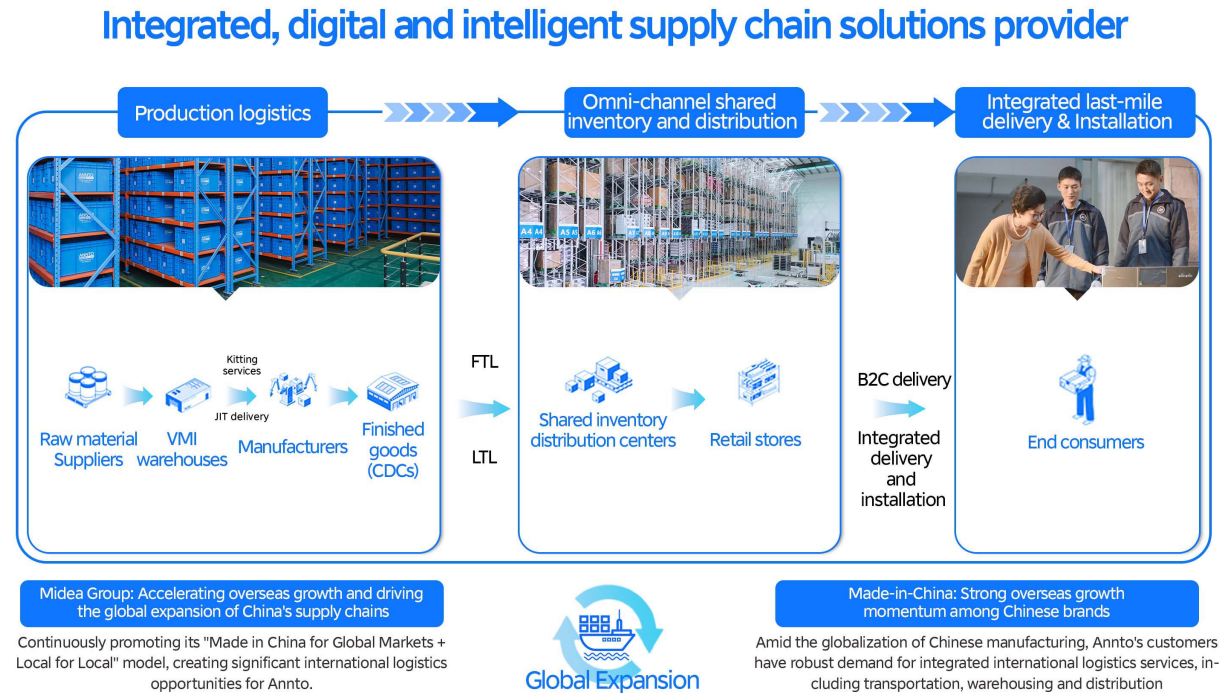
Our value propositions

Through our solutions, we deliver three core value propositions to our customers, fulfilling our mission:

- ***Operational efficiency and cost reduction:*** We improve efficiency and reduce operational costs across our customers’ supply chains through lean production logistics, “short-chain” distribution, and integrated last-mile delivery & installation. These solutions streamline logistics processes, eliminate redundancies, and enhance productivity across the value chain.
- ***Business model innovation:*** Our lean production logistics and “short-chain” distribution solutions minimize excess inventory and reduce handling times from suppliers to manufacturers and distributors. This supports lean manufacturing, and improves inventory turnover, which in turn enhances capital efficiency, and frees up working capital for higher-return investments. Additionally, our integrated last-mile delivery & installation solutions provide valuable consumer insights, helping customers deepen consumer engagement and refine their go-to-market strategies.
- ***Ecosystem enablement:*** Our solutions empower supply chain stakeholders by connecting them across the value chain to foster collaborative ecosystems within and across industries. This integrated approach allows our customers and partners to co-create and share value, unlocking new growth opportunities and driving industry-wide transformation.

SUMMARY

OUR BUSINESS MODEL AND SERVICE OFFERINGS



We create value by delivering integrated, intelligent solutions through our distinctive “1+3” model. The “1” represents our end-to-end logistics capability, allowing us to support our customers across their entire supply chain, from production, distribution to last-mile delivery. The “3” signifies our three solution pillars, tailored to optimize efficiency at each stage and empower businesses to transform their supply chain.

Production logistics solutions

We provide efficient services covering the supply flow from inbound logistics to finished goods storage in central distribution centers (“CDCs”). We improve our customers’ production efficiency and support them to achieve lean manufacturing through standardised lean production logistics solutions tailored to the unique characteristics of production logistics.

Our solutions cover nine core application scenarios, including: (i) vendor-managed inventory (“VMI”) warehouses, (ii) in-production logistics, (iii) intelligent equipment, (iv) milk-run logistics, (v) HUB warehouses, (vi) CDCs for intermediate products, (vii) lean manufacturing, (viii) digitalisation, and (ix) industrial parks.

SUMMARY

Omni-channel shared inventory and distribution solutions

We manage the “short-chain” distribution of finished goods from factories/CDCs to distribution warehouses, and right up to last-mile delivery with omni-channel shared inventory and distribution solutions, enhancing our customers’ distribution efficiency. This model better aligns stocking with consumer demand, driving lower inventory levels, faster inventory turnover and improved market responsiveness.

Our solutions are delivered in three parts: supply chain design, including warehouse network optimization and channel inventory integration, digitalization and operational services, such as warehouse management and line-haul services, all customized to our customers’ specific needs to ensure a more agile, responsive and cost-effective distribution supply chain.

Integrated last-mile delivery & installation solutions

We provide seamless, nationwide integrated last-mile delivery and professional installation services to end consumers, enhancing efficiency by combining delivery, installation, and other services into a single visit. By digitally modeling real-world delivery and installation scenarios, we proactively anticipate complexity, minimizing failed deliveries and repeat visits.

To address growing demand for integrated supply chain management, driven by the manufacturing sector’s push for greater efficiency and agility across their supply chains to stay competitive, we break away from the traditional segmented and siloed approach to improve individual logistics segments by pioneering a new model of end-to-end supply chain planning across production, distribution and last-mile delivery. From inbound logistics optimization, distribution network planning, intelligent warehouse operations, and to integrated last-mile delivery & installation, our supply chain design aims to deliver holistic, end-to-end optimization. Our digitalized services span line-haul transportation, warehousing and inventory management, integrated last-mile delivery & installation, ensuring seamless supply chain fulfillment.

MARKET OPPORTUNITIES

Driven by demand for greater efficiency across production, distribution, and last-mile delivery, the penetration of integrated supply chain logistics solutions in China continues to deepen, creating significant growth opportunities for the sector. According to CIC, the market size for integrated supply chain logistics solutions in China is expected to grow from RMB3,100.7 billion in 2024 to RMB4,670.8 billion by 2029, representing a CAGR of 8.5%.

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The fast-moving consumer goods (“**FMCG**”) sector has experienced growing demand for integrated supply chain solutions that streamline supply chain structures and reduce redundant distribution layers. The market size for integrated supply chain logistics solutions in this sector is expected to reach approximately RMB818.6 billion by 2029 from RMB520.2 billion in 2024, representing a CAGR of 9.5%. Demand for integrated supply chain solutions, capable of providing efficient support across production logistics, distribution and integrated last-mile delivery & installation services, in the home appliance sector remains robust, with the market expected to expand from RMB41.5 billion in 2024 to RMB57.0 billion by 2029. Additionally, the market for integrated supply chain solutions in the home furnishings sector grew from RMB39.6 billion in 2019 to RMB65.1 billion in 2024, with a CAGR of 10.5%, and is further projected to grow from RMB65.1 billion in 2024 to RMB92.6 billion in 2029, with a CAGR of 7.3%.

The automotive and auto parts sector is currently the largest market segment for integrated supply chain logistics solutions, driven by the increasing demand for delivery and installation services for new energy vehicle charging stations. According to CIC, the market size for integrated supply chain logistics solutions in this sector reached approximately RMB584.7 billion in 2024 and is projected to grow further at a CAGR of 10.1%, reaching RMB946.9 billion by 2029.

Amid the growing trend of Chinese enterprises expanding overseas, a large number of manufacturing companies are exploring opportunities to export both products and production capacity. Leveraging Midea Group’s global production footprint and our strong capabilities in production logistics, the overseas supply chain logistics solutions market for Chinese enterprises is positioned to become a new growth area.

OUR INFRASTRUCTURE AND NETWORK

We have established an extensive infrastructure network in China, comprising warehouses, service outlets and a flexible transportation capacity enabled primarily by third-party transportation providers.

As of June 30, 2025, our warehouse network included 47 self-owned facilities, 436 leased facilities, and 17 managed facilities, and our total warehousing footprint exceeded 11 million sq.m. These facilities are used for VMI warehouses, regional hubs, and facilities capable of functioning as CDCs, regional distribution centers (“**RDCs**”) and/or front distribution centers (“**FDCs**”).

For integrated last-mile delivery & installation services, we leverage a network of over 3,500 active service outlets and a team of over 77,000 experienced drivers and installation technicians to achieve 100% coverage of townships across China, ensuring seamless delivery and installation services even in rural areas. As of June 30, 2025, our nationwide transportation network leverages a fleet of over 586,000 deployable vehicle capacity from our owned assets, individually contracted

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vehicles, and third-party transportation providers. This extensive network consists of more than 630,000 established transportation routes, including over 365,000 inter-provincial trunk lines and over 265,000 intra-provincial city distribution routes that cover approximately 2,800 districts and counties and over 38,000 towns nationwide, capable of achieving a geographical coverage rate of 100%.

OUR TECHNOLOGY

We continuously collect real-time supply chain data, building a robust data foundation that enables deep operational insights into supply chain dynamics. This in turn empowers our customers to make more accurate decisions. Our digital platform, powered by proprietary algorithm-driven analytics, generates intelligent, data-based recommendations to enable agile, responsive, and efficient decision-making in real-world operations. This holistic approach addresses the inherent complexity of multi-node, multi-tier supply chains and enables intelligent management across inventory and warehouse management, transportation, integrated last-mile delivery & installation, empowering businesses to reduce costs, and improve operational efficiency.

With modular systems that connect every node of the supply chain, we unlock end-to-end supply chain visibility and deep, actionable insights across industries and scenarios with end-to-end services spanning the entire value chain. Managing logistics and fulfillment for non-standardized products in complex real-world environments has long been a persistent industry challenge. Drawing on years of operational experience with leading manufacturing partners and supported by a robust, full-stack service infrastructure, we have built a strong foundation of cross-industry, multi-scenario fulfillment data and domain-specific know-how, creating a competitive moat. As of June 30, 2025, we have accumulated vast supply chain data entries, spanning 21 industry sub-sectors.

Our self-developed Annto Link Traffic (“**ALT**”) (安得安鏈通), a modular and scalable intelligent supply chain platform, drives the digital and intelligent transformation of the entire logistics value chain, enabling customers to design, model and implement practical, end-to-end supply chain optimization strategies. Powered by advanced algorithmic techniques, including experience-driven modelling, heuristics, and mathematical optimization, ALT delivers highly tailored solutions for our customers’ diverse and evolving needs in functional modules, including intelligent planning, intelligent scheduling, and intelligent fulfillment.

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SALES AND MARKETING AND OUR CUSTOMERS

Our sales and marketing activities are focused on maintaining and expanding the scope of our strategic relationships with our customers. In addition, our sales team also proactively explore new partnerships with potential customers, especially as we expand our offering of products and services.

We serve leading companies in the industry chains of home appliances, home furnishings, FMCG, as well as automotive and parts, making us well-positioned to support not only individual customers, but also entire value chains within these sectors. As of December 31, 2022, 2023, 2024 and June 30, 2025, we had 3,531, 3,962, 5,399 and 7,371 customers for our integrated supply chain logistics solutions.

For each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, revenue from our five largest customers amounted to RMB7,059.3 million, RMB7,879.9 million, RMB9,731.7 million and RMB5,407.8 million, accounting for 49.8%, 48.6%, 52.1% and 49.7% of our total revenue in the respective periods. See “Business — Sales and Marketing — Our customers.”

PROCUREMENT AND OUR SUPPLIERS

We primarily adopt a centralized procurement strategy that encompasses supplier screening, tendering, and bidding processes to efficiently source infrastructure assets and services essential to our operations, such as warehouse space, transportation, and service outlet facilities.

Our suppliers primarily consist of (i) owners and operators of warehouse facilities, (ii) transportation service providers for line-haul and short-haul delivery, and (iii) contracted service partners who operate service outlets to provide integrated last-mile delivery & installation services.

For each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, purchases from our five largest suppliers amounted to RMB2,624.6 million, RMB1,754.0 million, RMB2,286.4 million and RMB1,698.6 million, accounting for 19.9%, 11.7%, 13.2% and 16.9% of our total purchases in the respective periods. See “Business — Procurement — Our suppliers.”

COMPETITION

We are a leading integrated supply chain logistics solutions provider in China. The market in which we operate is highly competitive and continuously evolving. We primarily face competition from companies offering supply chain solutions, logistics technologies, and logistics infrastructure

SUMMARY

services in China. We compete based on a number of factors, including industry insights, technology capabilities, network coverage, innovation in business models, collaborative relationships with industry leaders and operating efficiency. We believe our ability to provide tailored, technology-driven solutions through a unique “1+3” model enables us to differentiate ourselves from competitors and deliver greater value to our customers.

We also compete in different industries we serve. We are the largest integrated supply chain logistics provider for the home appliance industry in China in 2024. This market is characterized by a high level of industry concentration, with the top five integrated supply chain logistics provider collectively accounting for approximately 80.7% of the total market. Our scale, domain expertise, and relationships with key customers contribute significantly to our leadership in this sector.

We are the fourth largest integrated supply chain logistics solutions provider for the FMCG industry in China by revenue in 2024. Unlike the home appliance sector, the FMCG supply chain market remains fragmented, with the top five integrated supply chain logistics solutions provider accounting for only 9.1% of total market share. This fragmentation presents growth opportunities for leading providers like us to capture additional market share through service expansion, technological innovation, and customer acquisition.

See “Industry Overview” for more details.

OUR STRENGTHS

We believe the following competitive strengths have fuelled our success and will continue to drive our future growth:

- Deep expertise in serving industry leaders and strong integrated supply chain logistics capabilities.
- Leading integrated supply chain logistics solutions provider in China, delivering sustainable growth and profitability.
- Unique “1+3” supply chain logistics model, creating value across customers’ end-to-end supply chains.
- Full-stack technology infrastructure, empowering end-to-end supply chain digital intelligence transformation.
- Nationwide infrastructure, supporting an interconnected, green logistics network.

SUMMARY

- Visionary veteran leadership team with proven execution capabilities, supported by a deep talent pool.

See “Business — Our Strengths.”

OUR STRATEGIES

We will continue to pursue the following strategies to drive further growth:

- Expand vertically by addressing supply chain demands around industry leaders while penetrating horizontally into more industry verticals.
- Capture opportunities for overseas supply chain expansion, supporting Midea Group’s growing global footprint and strengthening overseas supply chains.
- Advance end-to-end digitalization through digital and intelligent technologies.

See “Business — Our Strategies.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information during the Track Record Period. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements as set out in the Accountants’ Report in Appendix I to this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRSs.

Results of operations

The following table sets forth a summary of our consolidated statements of profit or loss for the years and periods indicated.

SUMMARY

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)						(unaudited)			
Revenue	14,172,818	100.0	16,224,032	100.0	18,663,340	100.0	9,053,184	100.0	10,884,715	100.0
Cost of services	(13,204,161)	(93.2)	(15,038,846)	(92.7)	(17,307,880)	(92.7)	(8,355,309)	(92.3)	(10,079,483)	(92.6)
Gross profit	968,657	6.8	1,185,186	7.3	1,355,460	7.3	697,875	7.7	805,232	7.4
Other income	41,230	0.3	80,086	0.5	120,902	0.5	69,112	0.8	65,319	0.6
Other gains and losses, net	(5,687)	—	(50,483)	(0.3)	703	—	2,468	—	(2,191)	—
Net impairment losses on financial assets	(34,411)	(0.2)	(10,813)	(0.1)	(27,773)	(0.1)	(29,566)	(0.3)	(8,714)	(0.1)
Distribution and selling expenses	(111,031)	(0.8)	(160,702)	(1.0)	(194,898)	(1.0)	(85,316)	(0.9)	(119,064)	(1.1)
Research and development expenses	(103,902)	(0.7)	(170,675)	(1.1)	(199,042)	(1.1)	(105,708)	(1.2)	(124,339)	(1.1)
Administrative expenses	(423,845)	(3.1)	(447,535)	(2.7)	(499,408)	(2.7)	(238,524)	(2.7)	(248,428)	(2.3)
Finance costs	(55,865)	(0.4)	(67,856)	(0.4)	(83,433)	(0.4)	(48,507)	(0.5)	(35,268)	(0.3)
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Profit before taxation	275,146	1.9	357,208	2.2	472,511	2.5	261,834	2.9	321,362	3.0
Income tax expense	(60,011)	(0.4)	(69,253)	(0.4)	(92,183)	(0.5)	(57,875)	(0.6)	(73,042)	(0.7)
Profit and total comprehensive income for the year	215,135	1.5	287,955	1.8	380,328	2.0	203,959	2.3	248,320	2.3

Revenue

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)						(unaudited)			
Integrated supply chain logistics solutions										
Production logistics	971,574	6.9	1,563,151	9.6	1,997,496	10.7	989,959	10.9	1,138,580	10.5
Omni-channel shared inventory and distribution	9,588,804	67.6	10,653,931	65.7	12,052,774	64.6	6,054,344	66.9	6,937,598	63.7
Integrated last-mile delivery & installation	1,604,084	11.3	1,880,999	11.6	2,292,403	12.3	983,836	10.9	1,209,566	11.1
Subtotal	12,164,462	85.8	14,098,081	86.9	16,342,673	87.6	8,028,139	88.7	9,285,744	85.3
Basic logistics services	2,008,356	14.2	2,125,951	13.1	2,320,667	12.4	1,025,045	11.3	1,598,971	14.7
Total	14,172,818	100.0	16,224,032	100.0	18,663,340	100.0	9,053,184	100.0	10,884,715	100.0

SUMMARY

Our revenue increased by 20.2% from RMB9,053.2 million in the first half of 2024 to RMB10,884.7 million in the first half of 2025. We continued to strengthen our relationships with existing customers and broadened the scope of collaboration, and we actively expanded our customer base. Our revenue from supply chain logistics solutions increased by 15.7% from RMB8,028.1 million in the first half of 2024 to RMB9,285.7 million in the first half of 2025. Our revenue from basic logistics services increased by 56.0% from RMB1,025.0 million in the first half of 2024 to RMB1,599.0 million in the first half of 2025, primarily driven by growth of our freight services. We discontinued digital freight services in June 2025, which will impact revenue from basic logistics services.

Our revenue increased by 15.0% from RMB16,224.0 million in 2023 to RMB18,663.3 million in 2024 primarily due to increased revenue across our service offerings. Our revenue from supply chain logistics solutions increased by 15.9% from RMB14,098.1 million to RMB16,342.7 million, as we offered more services offerings to existing customers, converted certain customers for basic logistics services to our integrated supply chain logistics solutions and attracted new customers. Our revenue from basic logistics services increased by 9.2% from RMB2,126.0 million in 2023 to RMB2,320.7 million primarily because we acquired new customers.

Our revenue increased by 14.5% from 14,172.8 million in 2022 to RMB16,224.0 million in 2023, primarily due to increased revenue across our integrated supply chain logistics solutions. Our revenue from supply chain logistics solutions increased by 15.9% from RMB12,164.5 million in 2022 to RMB14,098.1 million in 2023, as we offered more services offerings to existing customers, converted certain customers for basic logistics services to our supply chain logistics solutions and attracted new customers. Our basic logistics services increased by 5.9% from RMB2,008.4 million in 2022 to RMB2,126.0 million in 2023 primarily because we optimized our business portfolio by discontinuing certain underperforming operations.

SUMMARY

Gross profit and gross profit margin

		For the Year Ended December 31,						For the Six Months Ended June 30,			
		2022		2023		2024		2024		2025	
		<i>Gross profit</i>		<i>Gross profit</i>		<i>Gross profit</i>		<i>Gross profit</i>		<i>Gross profit</i>	
		<i>Gross profit</i>	<i>margin %</i>	<i>Gross profit</i>	<i>margin %</i>	<i>Gross profit</i>	<i>margin %</i>	<i>Gross profit</i>	<i>margin %</i>	<i>Gross profit</i>	<i>margin %</i>
<i>(in RMB thousands, except for percentages)</i>											
<i>(unaudited)</i>											
Integrated supply chain logistics solutions											
Production logistics	69,101	7.1	116,283	7.4	138,185	6.9	66,625	6.7	77,984	6.8	
Omni-channel shared inventory and distribution	624,972	6.5	749,083	7.0	811,329	6.7	440,444	7.3	494,852	7.1	
Integrated last-mile delivery & installation	245,942	15.3	273,581	14.5	340,257	14.8	144,790	14.7	174,127	14.4	
Subtotal	940,015	7.7	1,138,947	8.1	1,289,771	7.9	651,859	8.1	746,963	8.0	
Basic logistics services	28,642	1.4	46,239	2.2	65,689	2.8	46,016	4.5	58,269	3.6	
Total/Overall	968,657	6.8	1,185,186	7.3	1,355,460	7.3	697,875	7.7	805,232	7.4	

Our overall gross profit margin decreased from 7.7% to 7.4% period-over-period in the first half of 2025, primarily due to changes in our business mix, including a higher contribution from freight services as part of basic logistics services, which carried lower margins.

Our overall gross profit margin remained stable at 7.3% in both 2023 and 2024. Gross profit margins for integrated last-mile delivery & installation remained stable. Our gross profit margins for production logistics and omni-channel shared inventory and distribution decreased in 2024, as we adopted more competitive pricing strategies. Our gross profit margin for basic logistics services increased from 2.2% in 2023 to 2.8% in 2024, primarily due to business mix optimization, including streamlining lower-margin existing services and introducing higher-margin new services.

Our overall gross profit margin increased from 6.8% in 2022 to 7.3% in 2023. Gross profit margins for production logistics and omni-channel shared inventory and distribution remained stable. Our gross profit margin for integrated last-mile delivery & installation slightly decreased from 15.3% in 2022 to 14.5% in 2023, primarily as we adopted a more competitive pricing strategy. Our gross profit margin for basic logistics services increased from 1.4% in 2022 to 2.2% in 2023, primarily because we optimized our business portfolio by discontinuing certain underperforming operations.

SUMMARY

NON-IFRS MEASURES

To supplement our consolidated financial statements that are presented in accordance with IFRS Accounting Standards, we also use adjusted profit for the year/period (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit for the year/period (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS Accounting Standards. We define adjusted profit for the year/period (a non-IFRS measure) as profit for the year/period adjusted for share-based compensations (a non-cash item) and [REDACTED] expenses. We define adjusted net margin (a non-IFRS measure) as adjusted profit for the year/period (a non-IFRS measure) as a percentage of our total revenue.

	For the Year Ended December 31,			For the Six Months Ended	
				June 30,	
	2022	2023	2024	2024	2025
	<i>(in RMB thousands, except for percentages)</i>				
	<i>(unaudited)</i>				
Profit for the year/period	215,135	287,955	380,328	203,959	248,320
Add:					
Share-based compensation					
expenses	15,205	11,104	7,780	4,728	8,344
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted profit for the					
 year/period					
 (a non- IFRS measure)	<u>230,340</u>	<u>299,059</u>	<u>388,108</u>	<u>208,687</u>	<u>267,849</u>
Adjusted net margin					
 (a non-IFRS measure)	1.6%	1.8%	2.1%	2.3%	2.5%

Our adjusted profit (a non-IFRS measure) in the first half of 2025 was RMB267.8 million with an adjusted net margin (a non-IFRS measure) of 2.5%, compared with an adjusted profit (a non-IFRS measure) of RMB208.7 million and an adjusted net margin (a non-IFRS measure) of

SUMMARY

2.3% in the first half of 2024. The increase in adjusted profit and adjusted net margin in the first half of 2025 was primarily due to better profit for the period on a stable net profit margin, with [REDACTED] expenses added back as part of the adjustment.

In 2024, we recorded an adjusted profit (a non-IFRS measure) of RMB388.1 million and an adjusted net margin (a non-IFRS measure) of 2.1%, as compared with an adjusted profit (a non-IFRS measure) of RMB299.1 million and an adjusted net margin (a non-IFRS measure) of 1.8% in 2023, primarily due to growth in gross profit on stable gross profit margin, and the absence of other losses in 2024.

Our adjusted profit (a non-IFRS measure) in 2022 was RMB230.3 million with an adjusted net margin (a non-IFRS measure) of 1.6%. The increase in adjusted profit and adjusted net margin in 2023 was primarily attributable to higher gross profit on improved gross profit margin as well as better operating leverage on administrative expenses, partially offset by recognition of other losses, and lower operating leverage in distribution and selling expenses and research and development expenses.

Financial position

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in RMB thousands)			
Current assets				
Trade and other receivables and prepayments	2,378,331	2,258,629	2,607,862	3,444,227
Restricted cash	4,149	4,993	273,820	1,072,509
Term deposits	—	—	374,567	440,363
Cash and cash equivalents	441,803	2,169,962	617,816	1,057,394
Total current assets	2,824,283	4,433,584	3,874,065	6,014,493
Current liabilities				
Trade and other payables	3,008,665	3,515,262	3,899,860	4,708,229
Contract liabilities	114,247	84,010	126,894	90,435
Current tax liabilities	66,209	52,917	39,514	50,066
Lease liabilities due within one year	486,539	562,322	558,901	642,675
Bank borrowings	21,325	1,080,410	547,941	1,400,351
Total current liabilities	3,696,985	5,294,921	5,173,110	6,891,756
Net current liabilities	(872,702)	(861,337)	(1,299,045)	(877,263)

SUMMARY

Our net current liabilities decreased from RMB1,299.0 million as of December 31, 2024 to RMB877.3 million as of June 30, 2025, primarily due to an increase in trade and other receivables and prepayments, restricted cash and cash and cash equivalents, partially offset by an increase in trade and other payables and bank borrowings.

Our net current liabilities increased from RMB861.3 million as of December 31, 2023 to RMB1,299.0 million as of December 31, 2024, primarily due to an increase in trade and other payables and a decrease in cash and cash equivalents, partially offset by an increase in trade and other receivables and prepayments, restricted cash and term deposits and a decrease in bank borrowings.

Our net current liabilities decreased from RMB872.7 million as of December 31, 2022 to RMB861.3 million as of December 31, 2023, primarily due to an increase in cash and cash equivalents, partially offset by an increase in trade and other payables and bank borrowings and a decrease in trade and other receivables and prepayments.

For details of the fluctuation in key items of our consolidated statements of financial position and net current assets during the Track Record Period, see “Financial Information — Selected Balance Sheet Items.”

Cash flows

	Year Ended December 31,			For the Six Months Ended	
	2022	2023	2024	2024	2025
	(in RMB thousands)			(unaudited)	
Operating cash flows before movements in working capital	1,036,704	1,173,332	1,291,681	703,810	742,550
Changes in working capital.	(208,774)	389,212	(204,021)	4,383	(266,443)
Income tax paid.	(46,387)	(93,071)	(107,387)	(74,689)	(70,058)
Net cash from operating activities.	781,543	1,469,473	980,273	633,504	406,049
Net cash used in from investing activities. . .	(48,952)	(235,017)	(1,387,277)	(1,775,555)	(2,328,039)
Net cash (used in) from financing activities. .	(610,726)	493,703	(1,145,142)	(493,934)	2,361,568
Net increase (decrease) in cash and cash equivalents	121,865	1,728,159	(1,552,146)	(1,635,985)	439,578
Cash and cash equivalents at beginning of the year/period	319,938	441,803	2,169,962	2,169,962	617,816
Cash and cash equivalents at end of the year/period.	441,803	2,169,962	617,816	533,977	1,057,394

SUMMARY

In 2022, 2023, 2024 and the first half of 2025, we recorded net cash flows generated from operating activities of RMB781.5 million, RMB1,469.5 million, RMB980.3 million and RMB406.0 million, respectively, primarily due to the profits we generated in each of the respective periods.

See “Financial Information — Cash Flows.”

KEY FINANCIAL RATIOS

	For the year ended/as of December 31,			For the six months ended/ as of June 30,
	2022	2023	2024	2025
Gross profit margin ¹	6.8%	7.3%	7.3%	7.4%
Net profit margin ²	1.5%	1.8%	2.0%	2.3%
Return on assets ³	4.2%	4.4%	5.0%	5.4%
Return on equity ⁴	18.1%	21.2%	24.3%	18.8%
Current ratio ⁵	76.4%	83.7%	74.9%	87.3%
Quick ratio ⁶	76.4%	83.7%	74.9%	87.3%
Gearing ratio ⁷	1.7%	74.4%	32.8%	38.9%

Notes:

- Gross profit margin is calculated as gross profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.
- Net profit margin is calculated as net profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%
- Return on assets is calculated as net profit for the year divided by the average total assets and multiplied by 100%. For the six months ended June 30, 2025, return on assets is annualized by multiplying the number by two. Average total assets is the sum of the balance of total assets at the beginning and at the end of the year/period, divided by two.
- Return on equity is calculated as net profit for the year divided by the average total equity and multiplied by 100%. For the six months ended June 30, 2025, return on equity is annualized by multiplying the number by two. Average total equity is the sum of the balance of total equity at the beginning and at the end of the year, divided by two.
- Current ratio is calculated as total current assets as at the end of the year/period divided by total current liabilities as at the end of the corresponding year/period.
- Quick ratio is calculated as total current assets less inventories as at the end of the year/period and divided by total current liabilities as at the end of the corresponding year/period.
- Gearing ratio is calculated as the total bank loans as at the end of the year/period divided by total equity as at the end of the corresponding year/period and multiplied by 100%.

SUMMARY

RISK FACTORS

We face risks including those set out in the section headed “Risk Factors.” As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to invest in our [REDACTED]. Some of the major risks that we face include:

- Our business and growth are significantly affected by the development of macroeconomic and other factors globally and in China that affect demand for supply chain logistics solutions and services;
- The success of our supply chain logistics business depends on our ability to attract a wide array of customers and maintain a high level of customer satisfaction and stickiness, and any failure to do so would materially and adversely affect our business, financial condition, results of operations and prospects;
- If we are not able to continue to innovate in supply chain logistics solutions, services and technologies, our business, financial condition and results of operations could be materially and adversely affected;
- We have a strategic and synergistic relationship with Midea Group. If we are unable to maintain such relationship with Midea Group or adapt to changes in the Midea ecosystem, or if the Midea ecosystem does not grow as expected, our business, financial condition, results of operations and prospects may be materially and adversely affected;
- We work with a variety of logistics partners, suppliers and other service providers in providing certain supply chain logistics solutions and services, and to support various aspects of our business operations. Failure to maintain positive relationships with them, or failure of our logistics partners, suppliers or other service providers in providing reliable or satisfactory services, could have a material adverse effect on our business, financial condition and results of operations;
- If we are unable to compete effectively, our business, financial condition and results of operations would be materially and adversely affected;
- We may not be able to expand and strengthen our logistics network, such as warehouses, in a capital-efficient and cost-effective manner;
- Failure to maintain or improve our technology infrastructure could harm our business and prospects;

SUMMARY

- If our customers reduce their expenditure in third-party supply chain logistics solutions and services, our business, financial condition and results of operations may be adversely affected; and
- Our business, financial condition and results of operations could be adversely affected if we experience any negative publicity that results in severe damage to our brand image or reputation.

OUR PRE-[REDACTED] INVESTORS

We have engaged in Pre-[REDACTED] Investment with our Pre-[REDACTED] Investors. For further details of the identity and background of the Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investment, see “History, Development and Corporate Structure — Pre-[REDACTED] Investment.”

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Midea Group was interested in 52.94% of the total issued share capital of our Company through Midea Zhilian, a wholly-owned subsidiary of Midea Group. Upon completion of the [REDACTED], Midea Group will be interested in [REDACTED]% of the enlarged share capital of our Company through Midea Zhilian (assuming the [REDACTED] is not exercised). As such, Midea Group and Midea Zhilian will constitute the Controlling Shareholders of our Company upon the [REDACTED]. For details of our Controlling Shareholders, see “Relationship with the Controlling Shareholders.”

CONTINUING CONNECTED TRANSACTIONS

We have, in our ordinary and usual course of business, entered into certain transactions which will constitute our continuing connected transactions under Chapter 14A of Listing Rules upon [REDACTED]. See “Connected Transactions” for further details.

PRC REGULATORY REQUIREMENTS ON THE [REDACTED]

CSRC promulgated the Spin-off Rules for Listed Companies (For Trial Implementation) (《上市公司分拆規則(試行)》) (the “**Spin-off Rules**”) on January 5, 2022, and the Overseas Listing Trial Measures on February 17, 2023. Pursuant to the Spin-off Rules and the Overseas Listing Trial Measures, the offshore listing of the subsidiaries controlled by domestic listed companies shall comply with the conditions set out in the Spin-off Rules and fulfill the filing procedure with CSRC. The [REDACTED] of our Company constitutes a [REDACTED] and is subject to the

SUMMARY

filing procedure with CSRC. The [REDACTED] of our Company was approved by Midea Group’s shareholders at the annual general meeting on May 30, 2025, and was approved by our Company’s shareholders at the general meeting on August 25, 2025.

DIVIDEND POLICY

In 2022, 2023 and 2024 and six months ended June 30, 2025, our Company declared dividends of RMB80.1 million, RMB108.0 million, RMB167.4 million and RMB226.8 million, all of which had been paid in full. See note 13 to the Accountants’ Report included in Appendix I to this document for details.

We do not have a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial conditions, cash requirements and availability, and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

After the [REDACTED], we may declare and pay dividends mainly by cash or by stock that we consider appropriate. Decisions to declare or to pay any dividends in the future will depend on, among other things, our Company’s profitability, operations and development plans, external financing environment, costs of capital, our Company’s cash flows and other factors that our Directors may consider relevant. Our ability to distribute dividends in the future also depends on whether we can receive dividends from our subsidiaries.

See “Financial Information — Dividend Policy.”

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] commission and fees incurred in connection with the [REDACTED] and the [REDACTED]. Our [REDACTED] expenses are estimated to be approximately HK\$[REDACTED] (including [REDACTED] commission), accounting for [REDACTED]% of the gross [REDACTED] of the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the [REDACTED] range stated in this document, and no exercise of the [REDACTED]). Among our [REDACTED] expenses, approximately HK\$[REDACTED] is directly attributable to the issuance of H Shares and will be charged to equity upon completion of the [REDACTED], and approximately HK\$[REDACTED] has been or will be charged to our consolidated statements of profit or loss and other comprehensive income. The [REDACTED] expenses we incurred

SUMMARY

during the Track Record Period and expect to incur would consist of approximately HK\$[REDACTED] related expenses and fees (including but not limited to commissions and fees), approximately HK\$[REDACTED] non-[REDACTED]-related expenses and fees of the Joint Sponsors, legal advisors and reporting accountant and approximately HK\$[REDACTED] for other non-[REDACTED]-related fees and expenses. During the Track Record Period, we incurred RMB[REDACTED] of [REDACTED] expenses, among which, RMB[REDACTED] was deferred issue costs and included in other receivables and will be subsequently charged to our equity upon completion of the [REDACTED] and RMB[REDACTED] was charged to our consolidated statements of profit or loss and other comprehensive income.

The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED] STATISTICS

The statistics in the following table are based on the assumption that (i) the [REDACTED] has been completed and [REDACTED] new H Shares are issued in the [REDACTED], (ii) the [REDACTED] are not exercised, and (iii) [REDACTED] H Shares are issued and outstanding following the completion of the [REDACTED].

	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]
Market capitalization of our H Shares ⁽¹⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets attributable to owners of the parent per share ⁽²⁾	HK\$[REDACTED] (RMB[REDACTED])	HK\$[REDACTED] (RMB[REDACTED])

Notes:

- (1) The calculation of market capitalization of our H shares is based on [REDACTED] H Shares expected to be issued immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). For details, see “Share Capital — Upon Completion of the [REDACTED]” in this document.
- (2) The unaudited [REDACTED] adjusted net tangible assets per Share is arrived at after adjustments referred to in “Appendix II — Unaudited [REDACTED] Financial Information” in this document.

SUMMARY

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the midpoint of the range of the [REDACTED] stated in this document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] commissions and other estimated expenses in connection with the [REDACTED] (assuming the [REDACTED] are not exercised). We intend to use our [REDACTED] for the purposes and in the amounts set forth below.

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used over the next 12 to 36 months to expand the depth and breadth of our logistics solutions offerings domestically. Specifically, we plan to enhance our capabilities in complex supply chain logistics solutions, expand sales channels and customer coverage, and strengthen network development, with the aim of further reinforcing our competitive advantages.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used over the next 12 to 36 months to develop our international supply chain business and leverage the advantages of deep collaboration with Midea Group’s global business coverage for the construction of international supply chain infrastructure, in order to seize the opportunities in the development of overseas supply chains.
- Approximately [REDACTED]%, or HK\$[REDACTED], are expected to be used over the next 12 to 36 months for digital and intelligent research and development, with a view to advancing the application of AI and algorithms to the digitalization of the entire supply chain, and enhancing operational quality and efficiency.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, as of the date of this document, there has been no material adverse change in our financial position since June 30, 2025, and there has been no event since June 30, 2025 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are explained in “Glossary of Technical Terms” in this document.

“Accountants’ Report”	the accountants’ report of our Company, the text of which is set out in Appendix I to this document
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Annto Shareholding Platform(s)”	the limited liability partnerships established under the laws of the PRC, serving as the shareholding platforms for our Company’s employees under the Employee Stock Ownership Plan, including Ningbo Xunchi, Ningbo Haopu, Ningbo Jiye, Ningbo Xinyou, Ningbo Zhuoran, Ningbo Shuohang and Ningbo Lisheng
“Articles” or “Articles of Association”	the articles of association of our Company with effect upon the [REDACTED] (as amended from time to time), a summary of which is set out in Appendix III to this document
“associate(s)”	has the meaning ascribed thereto under the Listing Rules

[REDACTED]

“Audit Committee”	the audit committee of the Board

[REDACTED]

DEFINITIONS

[REDACTED]

“Board” or “Board of Directors”	the board of Directors of our Company
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

“China” or “the PRC”	the People’s Republic of China
“Chongqing Annto”	Chongqing Annto Technology Co., Ltd. (重慶安得智聯科技有限公司), a limited liability company established in the PRC on September 16, 2010, and our wholly-owned subsidiary
“CIC”	China Insights Industry Consultancy Limited, an independent professional market research and consulting company
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Annto Supply Chain Technology Co., Ltd. (安得智聯供應鏈科技股份有限公司), a limited liability company established in the PRC on February 24, 2011 which was converted into a joint stock company with limited liability on August 16, 2023
“Compliance Advisor”	Shenwan Hongyuan Capital (H.K.) Limited
“Conversion of Unlisted Shares into H Shares”	the conversion of [REDACTED] Unlisted Shares in aggregate held by [REDACTED] existing Shareholders into H Shares upon the completion of the [REDACTED]
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	Midea Zhilian and Midea Group
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSDCC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company

DEFINITIONS

“Eastern Bell Shengguan”	Changzhou Eastern Bell Shengguan Consulting Management Center (Limited Partnership) (常州鐘鼎晟觀諮詢管理中心(有限合夥)), a limited liability partnership established in the PRC on November 21, 2023, and one of our Pre-[REDACTED] Investors
“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
“Employee Stock Ownership Plan”	the employee stock ownership plan implemented by Midea Group and our Company in August 2021 for Midea Group and our Company’s employees and amended from time to time
“ESG”	environmental, social and governance
“ESG Management Committee”	the ESG management committee of the Company

[REDACTED]

“Extreme Conditions”	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period

[REDACTED]

“Foshan Annto”	Foshan Annto Technology Co., Ltd. (佛山安得智聯科技有限公司), a limited liability company established in the PRC on October 27, 2004, and our wholly-owned subsidiary

DEFINITIONS

[REDACTED]

“Group”, “our Group”, “our”, “we” or “us”	our Company and its subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by our Company and/or its subsidiaries and their predecessors (if any)
“Guide” or “Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time
“Guiyang Annto”	Guiyang Annto Technology Co., Ltd. (貴陽安得智聯科技有限公司), a limited liability company established in the PRC on February 24, 2011, and our wholly-owned subsidiary
“H Share(s)”	[REDACTED] ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be [REDACTED] on the Stock Exchange
[REDACTED]	
“Hainan Annto”	Hainan Annto Supply Chain Management Co., Ltd. (海南安得智聯供應鏈管理有限公司), a limited liability company established in the PRC on January 7, 2021, and our wholly-owned subsidiary
“Hefei Annto”	Hefei Annto Technology Co., Ltd. (合肥安得智聯科技有限公司), a limited liability company established in the PRC on August 17, 2007, and our wholly-owned subsidiary
“Hidden Hill Zhineng”	Shanghai Hidden Hill Zhineng Enterprise Management Partnership (Limited Partnership) (上海隱山致能企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on November 15, 2021, and one of our Pre-[REDACTED] Investors

DEFINITIONS

“Hisense Group Holdings”

Hisense Group Holdings Co., Ltd. (海信集團控股股份有限公司), a joint stock limited company established in the PRC on May 1, 2001

[REDACTED]

“Hong Kong” or “HK”

the Hong Kong Special Administrative Region of the PRC

“Hong Kong dollars” or “HK\$”

Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

DEFINITIONS

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

“IFRSs”	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by IASB and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)

“IIT Law”	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)

DEFINITIONS

“Independent Third Party(ies)” any person(s) or entity(ies) who/which, to the best of our Directors’ knowledge, information and belief, is/are not a connected person of our Company within the meaning of the Listing Rules

[REDACTED]

“Jingzhou Meian” Jingzhou Meian Storage and Transportation Co., Ltd. (荊州美安儲運有限公司), a limited liability company established in the PRC on June 7, 2011, and our wholly-owned subsidiary

DEFINITIONS

[REDACTED]

“Joint Sponsors”	the joint sponsors as named in the section headed “Directors and Parties Involved in the [REDACTED]”
“Latest Practicable Date”	August 24, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
“Lianyungang Antu”	Lianyungang Antu Supply Chain Management Co., Ltd. (連雲港安途供應鏈管理有限公司), a limited liability company established in the PRC on December 6, 2024, and our wholly-owned subsidiary

[REDACTED]

“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“mainland China” or “Mainland”	mainland of the PRC, unless the context requires otherwise, excluding, for the purposes of this document only, the regions of Hong Kong, Macau and Taiwan of the PRC

DEFINITIONS

“Meike Meihui”	Ningbo Meike Meihui Enterprise Management Partnership (Limited Partnership) (寧波美科美慧企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on July 13, 2023
“Meike Qixin”	Anhui Meike Qixin Venture Capital Partnership (Limited Partnership) (安徽美科啟信創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on October 30, 2024, and one of our Pre-IPO Investors
“Midea Group”	Midea Group Co., Ltd. (美的集團股份有限公司), a joint stock limited company established in the PRC on April 7, 2000, the A shares and H shares of which are listed on the Shenzhen Stock Exchange (stock code: 000333) and the Stock Exchange (stock code: 0300), respectively, and one of our Controlling Shareholders
“Midea Group Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of Midea Group
“Midea Group Shareholder(s)”	holders of the Midea Group Shares
“Midea Shareholding Platform(s)”	the limited liability partnerships established under the laws of the PRC, serving as the shareholding platforms for Midea Group’s employees under the Employee Stock Ownership Plan, including Ningbo Meiyu, Ningbo Meiyue and Ningbo Zhuoyi
“Midea VC”	Midea Venture Capital Management Co., Ltd. (美的創業投資管理有限公司), a limited liability company established in the PRC on June 12, 2018
“Midea Zhilian”	Midea Zhilian (Shanghai) Supply Chain Technology Co., Ltd. (美的智聯(上海)供應鏈科技有限公司), a limited liability company established in the PRC on September 30, 2020, a wholly-owned subsidiary of Midea Group and one of our Controlling Shareholders
“MIIT”	Ministry of Industry and Information Technology (中華人民共和國工業和信息化部)

DEFINITIONS

“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“Nanjing Meian”	Nanjing Meian Logistics Co., Ltd. (南京美安物流有限公司), a limited liability company established in the PRC on April 15, 2011, and our wholly-owned subsidiary
“Ningbo Annto”	Ningbo Annto Technology Co., Ltd. (寧波安得智聯科技有限公司), a limited liability company established in the PRC on October 15, 2015, and our wholly-owned subsidiary
“Ningbo Haopu”	Ningbo Haopu Enterprise Management Partnership (Limited Partnership) (寧波浩普企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on August 10, 2021, and one of Annto Shareholding Platforms
“Ningbo Jiyue”	Ningbo Jiyue Enterprise Management Partnership (Limited Partnership) (寧波集越企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on August 10, 2021, and one of Annto Shareholding Platforms
“Ningbo Lisheng”	Ningbo Lisheng Enterprise Management Partnership (Limited Partnership) (寧波勵升企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on August 12, 2021, and one of Annto Shareholding Platforms
“Ningbo Meiyu”	Ningbo Meiyu Venture Capital Partnership (Limited Partnership) (寧波美煜創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on October 16, 2020, and one of Midea Shareholding Platforms
“Ningbo Meiyue”	Ningbo Meiyue Venture Capital Partnership (Limited Partnership) (寧波美越創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC on October 13, 2020, and one of Midea Shareholding Platforms

DEFINITIONS

“Ningbo Shuohang”	Ningbo Shuohang Enterprise Management Partnership (Limited Partnership) (寧波碩航企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on August 13, 2021, and one of Annto Shareholding Platforms
“Ningbo Xinyou”	Ningbo Xinyou Enterprise Management Partnership (Limited Partnership) (寧波欣佑企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on August 13, 2021, and one of Annto Shareholding Platforms
“Ningbo Xunchi”	Ningbo Xunchi Enterprise Management Partnership (Limited Partnership) (寧波迅馳企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on August 12, 2021, and one of Annto Shareholding Platforms
“Ningbo Zhuoran”	Ningbo Zhuoran Enterprise Management Partnership (Limited Partnership) (寧波茁冉企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on August 12, 2021, and one of Annto Shareholding Platforms
“Ningbo Zhuoyi”	Ningbo Zhuoyi Enterprise Management Partnership (Limited Partnership) (寧波卓奕企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC on September 9, 2021, and one of Midea Shareholding Platforms
“Nomination Committee”	the nomination committee of the Board

[REDACTED]

DEFINITIONS

“NPC” the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)

[REDACTED]

“Overseas Listing Trial Measures” The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023

“PBOC” the People’s Bank of China (中國人民銀行), the central bank of the PRC

DEFINITIONS

“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	generally accepted accounting principles of the PRC
“PRC Legal Advisor”	Jia Yuan Law Offices, the PRC legal advisor to our Company
“PRC Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time

[REDACTED]

“Pre-[REDACTED] Investment”	the Pre-[REDACTED] investment in our Company undertaken by the Pre-[REDACTED] Investors, details of which are set out in “History, Development and Corporate Structure — Pre-[REDACTED] Investment” in this document
“Pre-[REDACTED] Investor(s)”	the investor(s) who participated in our Pre-[REDACTED] Investment, details of which are set out in “History, Development and Corporate Structure — Pre-[REDACTED] Investment — Information about our Pre-[REDACTED] Investors” in this document

[REDACTED]

DEFINITIONS

“QIBs”	qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act
“Qihe Annto”	Qihe Annto Technology Co., Ltd. (齊河安得智聯科技有限公司), a limited liability company established in the PRC on June 3, 2011, and our wholly-owned subsidiary
“Qingdao Hisense Technology”	Qingdao Hisense Electronic Technology Service Co., Ltd. (青島海信電子技術服務有限公司), a limited liability company established in the PRC on April 13, 2004, and one of our Pre-[REDACTED] Investors

[REDACTED]

“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board

[REDACTED]

“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act

DEFINITIONS

“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Annto”	Shanghai Annto Supply Chain Technology Co., Ltd. (上海安得智聯供應鏈科技有限公司), a limited liability company established in the PRC on November 22, 2011, and our wholly-owned subsidiary
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including H Shares and Unlisted Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholding Platform(s)”	Annto Shareholding Platforms and Midea Shareholding Platforms
“Shenyang Annto”	Shenyang Annto Technology Co., Ltd. (瀋陽安得智聯科技有限公司), a limited liability company established in the PRC on January 17, 2011, and our wholly-owned subsidiary
“Shenzhen Annto”	Shenzhen Annto Intelligent Technology Co., Ltd. (深圳安得智能科技有限公司), a limited liability company established in the PRC on November 4, 2015, and our wholly-owned subsidiary
“Shenzhen Midea”	Shenzhen Midea Capital Enterprise Management Co., Ltd. (深圳美的資本企業管理有限公司), a limited liability company established in the PRC on January 11, 2019

DEFINITIONS

“Singapore”	the Republic of Singapore
“Singapore Annto”	Singapore Annto Logistics Technology Pte. Ltd., a private company limited by shares incorporated in Singapore on August 19, 2025, and our wholly-owned subsidiary
[REDACTED]	
“STA”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
[REDACTED]	
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“S\$”	Singapore dollar, the lawful currency of Singapore
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Tianjin Annto”	Tianjin Annto Technology Co., Ltd. (天津安得智聯科技有限公司), a limited liability company established in the PRC on March 3, 2011, and our wholly-owned subsidiary

DEFINITIONS

“Tianjin Annto Network”	Tianjin Annto Network Technology Co., Ltd. (天津安得網絡科技有限公司), a limited liability company established in the PRC on April 16, 2020, and our wholly-owned subsidiary
“Tianjin Antu”	Tianjin Antu Supply Chain Management Co., Ltd. (天津安途供應鏈管理有限公司), a limited liability company established in the PRC on January 25, 2022, and our wholly-owned subsidiary
“Tianjin Shunhe”	Tianjin Shunhe Enterprise Management Center (Limited Partnership) (天津順和企業管理中心(有限合夥)), a limited liability partnership established in the PRC on January 30, 2019, and one of our Pre-[REDACTED] Investors
“Track Record Period”	the financial years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025
“treasury shares”	has the meaning ascribed thereto under the Listing Rules
“U.S. dollar(s)”, “US\$” or “USD”	United States dollar, the lawful currency of the United States
“U.S. Securities Act”	The U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
[REDACTED]	
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“Unlisted Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange

DEFINITIONS

“VAT” value-added tax

[REDACTED]

“Wuhan Annto” Wuhan Annto Technology Co., Ltd. (武漢安得智聯科技有限公司), a limited liability company established in the PRC on June 5, 2009, and our wholly-owned subsidiary

“Wuhu Annto” Wuhu Annto Technology Co., Ltd. (蕪湖安得智聯科技有限公司), a limited liability company established in the PRC on December 7, 2010, and our wholly-owned subsidiary

“Xuzhou Annto” Xuzhou Annto Technology Co., Ltd. (徐州安得智聯科技有限公司), a limited liability company established in the PRC on November 25, 2010, and our wholly-owned subsidiary

“Zhengzhou Annto” Zhengzhou Annto Technology Co., Ltd. (鄭州安得智聯科技有限公司), a limited liability company established in the PRC on June 13, 2011, and our wholly-owned subsidiary

“%” percent

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“AGVs”	Automated Guided Vehicles. Unmanned, computer-controlled vehicles equipped with guidance systems (e.g., lasers, vision, or other navigation technologies) used for transporting materials, goods, or equipment within a controlled environment, such as a factory, warehouse, or distribution center. AGVs are usually deployed to automate in-house logistics and material handling processes, enhancing both operational efficiency and safety.
“AI+ technologies”	AI+ technologies refer to the integration and application of artificial intelligence (AI) with various industry-specific technologies, systems, or processes, to enhance automation, intelligence, and innovation across different sectors.
“AMS”	Automatic Management System. A technologically driven system designed to automate and streamline specific operational processes within the supply chain and distribution network. An AMS typically enhances efficiency, accuracy, and control over tasks such as inventory management, order fulfillment, and logistics coordination through automated decision-making and execution based on pre-defined parameters and real-time data.
“Artificial Intelligence (AI)”	The simulation of human intelligence by computer systems, enabling machines to perform tasks such as learning, reasoning, perception and decision-making.
“BMS”	Billing and Settlement Management System. An automated system that manages the entire process of fee calculation, invoice generation, payment and receipt, reconciliation and settlement arising from logistics services, ensuring efficient, accurate and transparent cash flow management.

GLOSSARY OF TECHNICAL TERMS

“CDC”	Central distribution center, the main warehouse located near factories.
“CSP”	City Service Platform. A comprehensive local service platform operated by Annto, providing one-stop last-mile solutions including delivery, installation, integrated delivery & installation services, and maintenance for end consumers in the home appliances, home furnishings, and EV charging station sectors.
“ERP”	Enterprise Resource Planning. A type of software system that organizations use to manage day-to-day business activities and automate core processes. ERP systems integrate various functions such as human resources, supply chain management, procurement, services, and project management into a single, unified platform.
“EV”	Electric vehicle, a type of vehicle that is propelled by one or more electric motors, using electrical energy stored in rechargeable batteries or another energy storage device.
“FDC”	Front distribution center, situated near end customers or retail points, hold high-turnover or time-sensitive inventory to enable rapid order fulfillment and last-mile delivery.
“FMCG”	Fast-moving consumer goods. The sector encompasses food, beverages, alcoholic drinks, and beauty and personal care products. It is characterized by a wide variety of products, rapid iteration, diversified sales channels and fragmented order structures, and stringent last-mile delivery requirements.
“FTL”	Full truckload. A freight shipping mode where a truck carries a dedicated consignment from a single shipper, occupying the entire or a significant portion of the truck’s capacity, directly to a consignee. This service is typically utilized for larger shipments that warrant the exclusive use of a vehicle.

GLOSSARY OF TECHNICAL TERMS

“Internet of Things (IoT)”	Devices, sensors and systems connected via the internet to collect, exchange and analyze data automatically, enabling intelligent monitoring and control across physical and digital environments.
“JIS (Just-in-Sequence)”	An advanced logistics methodology, often an extension of JIT, where components and materials are delivered to the point of use both at the precise time required and in the exact sequence needed for the manufacturing or assembly process. This method is particularly critical in complex production environments with high product customization, aiming to eliminate on-site sorting and further streamline operations.
“JIT (Just-in-Time)”	A production and inventory management strategy focused on receiving materials, components, and products only as they are needed in the production process or to meet customer demand. The primary objectives are to minimize inventory holding costs, reduce waste, and improve operational efficiency by closely aligning supply with actual requirements.
“Lean manufacturing”	A management system, also referred to as lean production, that maximizes value by eliminating waste through standard work, flow, and continuous improvement. In supply-chain logistics, it employs pull-based planning and just-in-time (JIT) deliveries to reduce work-in-process and inventories and to synchronize plant, warehousing, and transportation flows, thereby lowering end-to-end cost and lead times.
“Lighthouse factory”	The “Lighthouse Factory” initiative, launched by the World Economic Forum and McKinsey in 2018, recognizes global leaders in digital manufacturing and Industry 4.0 for setting the highest standards in intelligent and digitalized production.

GLOSSARY OF TECHNICAL TERMS

“LTL”	Less-than-truckload. A freight shipping mode involving the transportation of goods from multiple shippers consolidated into a single truck. LTL shipments typically involve smaller freight volumes that do not individually require the capacity of an entire truck, allowing for cost-sharing among various shippers.
“NEV ”	New energy vehicles, including EV, hydrogen and other new type of fuel cell vehicles.
“OMS”	Order Management System. A software system that manages and automates the entire lifecycle of an order. This includes order entry, inventory management, fulfillment coordination, and often customer communication, providing visibility into order status through to delivery.
“OTP”	Order Transport Platform. An intelligent central hub integrating order management and transportation dispatch, which digitally consolidates core functions such as order processing, transport scheduling, and end-to-end tracking, enabling efficient collaboration and full visibility of goods throughout the entire supply chain from order placement to final delivery.
“PDA”	Personal Digital Assistant. A handheld mobile device that functions as a personal information manager and often provides computing and data collection capabilities. They are frequently used for tasks like barcode scanning, data entry, order management, and communication, facilitating mobile workforce operations and real-time data capture in logistics, retail, and field services.
“RDC”	Regional distribution center, which serves as the primary hub in distribution. It receives bulk goods from CDC and manages large-scale inventory storage and redistribution.

GLOSSARY OF TECHNICAL TERMS

“RFID”	Radio Frequency Identification. A technology that uses radio waves to automatically identify and track tags attached to objects. This technology enables non-contact, automated data capture for applications such as inventory management, asset tracking, and access control.
“Townships”	A township (鄉鎮) in China refers to geographical areas including smaller towns and the central points of rural populations, which are administratively situated below the county (縣) level.
“VMI”	Vendor-managed inventory, a collaborative supply chain strategy where the supplier, or a designated logistics partner, takes on the responsibility of managing and replenishing the manufacturer’s inventory, typically at or near the point of consumption.
“VMI warehouse”	A warehouse operated by Annto as a collaborative pre-production hub for customers. It monitors in real-time the types, quantities, and consumption rates of raw materials in customers’ warehouses, performing replenishment aligned with customers’ production schedules and demand forecasts. This ensures synchronized availability of multiple categories of raw materials and prevents production interruptions caused by shortages of individual materials.

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including but not limited to statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements. When used in this document, the words “aim”, “anticipate”, “believe”, “could”, “expect”, “going forward”, “intend”, “ought to”, “project”, “seek”, “should”, “will”, “would”, “vision”, “aspire”, “target”, “schedule”, and the negative of these words and other similar expressions, as they relate to our Group or its management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Group which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our ability to maintain relationship with, and the actions and developments affecting, our customers and suppliers;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain our market position;
- the actions and developments of our competitors;
- our ability to effectively contain costs and optimize pricing;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;

FORWARD-LOOKING STATEMENTS

- our business strategies and plans to achieve these strategies;
- the effectiveness of our quality control systems;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends; including those pertaining to the PRC and the industry and markets in which we operate; and
- capital market developments.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any or undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed “Risk Factors” in this document.

In this document, statements of or references to our intentions or those of our Directors were made as of the date of this document. Any such information may change in light of future developments.

RISK FACTORS

An investment in our Shares involves risks. Prospective investors should consider carefully the risks described below, together with all other information contained in this document, before deciding to invest in our Shares. Some of the following risks relate principally to the industry in which we operate and our business in general. Other risks relate principally to general economic, political and regulatory conditions, the securities markets and ownership of our Shares, including possible future dilution in the value of our Shares. The risks described below are not the only ones we face. Additional risks not described below or not presently known to us or that we currently deem immaterial may turn out to be material. Should these risks occur or turn out to be material, our business, financial condition, results of operations, cash flow, prospects and reputation could be materially and adversely affected. The market price of our Shares could decline due to any of these risks and you may lose all or part of your investment. Unless quantified in the relevant risk factors set out herein, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

This document also contains forward-looking statements that involve risks and uncertainties. Our actual results of operations could differ materially from those anticipated in these forward-looking statements due to a variety of factors, including the risks described below and those discussed in the sections entitled “Financial Information,” “Forward-Looking Statements” and elsewhere in this document.

RISK FACTORS

RISKS RELATING TO OUR BUSINESS OPERATIONS

Our business and growth are significantly affected by the development of macroeconomic and other factors globally and in China that affect demand for supply chain logistics solutions and services

We are a leading integrated supply chain logistics solutions provider in China. We serve over 9,000 customers in China, covering a number of verticals across the home appliances, FMCG, automotive and auto parts sectors, many of whom are industry leaders in their own verticals. Our business and growth are highly dependent on the viability and prospects of our customers’ businesses, which drive demand for logistics solutions and services, including ours, in China and globally in the future. Any uncertainties relating to the growth, profitability or regulatory regime of macroeconomic and other factors in the current and future jurisdictions where we operate could have a significant impact on us. These factors, most of which are beyond our control, include:

- macroeconomic and policy factors, such as economic growth, unemployment rates, inflation and deflation, fluctuation of foreign exchange rates, volatility of stock and property markets, interest rates, tax and tariff rates, energy demand and supply, instability in the financial system, as well as monetary and fiscal policies adopted by central banks and financial authorities of the world’s leading economies, among others;
- the selection, price and popularity of products offered by our customers;
- the emergence of alternative channels or business models that better suit the needs of our customers;
- changes in laws and regulations, as well as government policies that govern the supply chain logistics industry;
- changes in politics, including geopolitical tensions, military conflicts (such as the Russia-Ukraine conflict), political turmoil and social instability;
- changes in international trade policies, geopolitics and trade protection measures, export control, economic or trade sanctions and investment restrictions that impact our customers’ demand for our services;
- the development of logistics, payment and other ancillary services associated with logistics; and

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- the growth of broadband and mobile Internet penetration and usage.

We expect the supply chain logistics industry to continue evolving in its forms and changing the ways in which business is transacted. As such, new opportunities and challenges may arise that drive further demand for innovative, efficient, reliable and cost-effective logistics solutions and services. If the logistics industry does not grow or develop as we expected, or if we cannot effectively adapt to such industry trends, our market leadership position, results of operations and prospects may be materially and adversely affected.

The success of our supply chain logistics business depends on our ability to attract a wide array of customers and maintain a high level of customer satisfaction and stickiness, and any failure to do so would materially and adversely affect our business, financial condition, results of operations and prospects

We offer reliable and differentiated supply chain logistics solutions and services to a wide array of customers, spanning sectors such as home appliances, home furnishings, FMCG, and new energy industries. Maintaining and promoting customer satisfaction of, and loyalty to our services and solutions, logistics network and our brand is critical to our future growth. Many factors could undermine our ability to effectively attract new customers and maintain customer satisfaction and stickiness, including:

- failure to satisfy customer expectations of the reliability, efficiency, quality and cost-effectiveness of logistics solutions and services available through our network;
- failure to maintain a robust customer service team that can effectively respond to customer inquiries and complaints;
- failure to maintain a reliable and effective technology infrastructure, such as errors, defects or malfunctions of our software and algorithms, as well as hardware such as automation equipment and IoT services;
- failure in the effectiveness of our intelligent, data-driven logistics processes and systems, such as inventory planning and route optimization;
- inadequate protection of the security and integrity of the data on our platform;
- negative publicity about us, our network, our logistics partners, Midea Group, or the industries in which we operate;

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- negative perceptions of the effectiveness and robustness of our risk management and compliance functions, such as logistics safety management;
- employee misconduct, illegal activities, rumors or false stories, or misconduct by our logistics partners, service providers or other counterparties; and
- failure to effectively manage or resolve customer service issues.

If we do not successfully maintain a high level of customer satisfaction, we may not be able to attract new customers, retain existing customers or increase their use of our solutions and services, which may adversely and materially affect our business and results of operations. Meanwhile, if our promotional activities and marketing strategies do not work efficiently, we cannot cost-effectively attract new customers or maintain our selling and marketing expenses at a reasonable level.

If we are not able to continue to innovate in supply chain logistics solutions, services and technologies, our business, financial condition and results of operations could be materially and adversely affected

Our historical success has been underpinned by our ability to offer integrated supply chain solutions for our customers with compelling value propositions. Since our inception, we have continuously innovated in solutions and technologies to address unmet customer needs. For details, see “Business — Our Technology.” Failure to continue to do so, or effectively identify and address new customer needs may make it difficult to differentiate ourselves from other companies providing similar services and could damage our leading position and erode our market share, which in turn could materially and adversely affect our business, financial condition, results of operations and prospects.

The business environment in which we operate is characterized by rapidly changing technologies, evolving industry standards and regulations and changing customer demand and trends. Our success will also depend, in part, on our ability to identify, develop, acquire or license leading logistics technologies useful for our business, and respond to technological development and evolving industry standards and regulations in a cost-effective and timely manner. As a result, we must continue to invest significant resources in research and development to enhance our technology capabilities, encompassing Internet of Things (“**IoT**”) and other smart hardware, automation and artificial intelligence (“**AI**”), among others. If we are unable to respond or adapt in a cost-effective and timely manner to technological development, our business, financial condition and results of operations could be materially and adversely affected.

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We have a strategic and synergistic relationship with Midea Group. If we are unable to maintain such relationship with Midea Group or adapt to changes in the Midea ecosystem, or if the Midea ecosystem does not grow as expected, our business, financial condition, results of operations and prospects may be materially and adversely affected

We and Midea Group have developed a strategic and synergistic relationship and comprehensive business cooperation. We provide integrated supply chain logistics solutions to Midea Group. In 2022, 2023 and 2024 and the first half of 2025, we generated revenue of RMB5,341.9 million, RMB5,937.7 million, RMB7,675.2 million and RMB4,398.4 million from Midea Group, respectively, representing approximately 37.7%, 36.6%, 41.1% and 40.4% of our revenue for the respective periods. We may from time to time procure certain products and services from Midea Group and/or its associates. See “Relationship with the Controlling Shareholders” and “Connected Transactions.” We expect to continue our cooperation with Midea Group in various aspects after the [REDACTED]. As such, if Midea Group discontinues its cooperation with us, stops providing support to us, or conducts business in a manner or takes other actions that are detrimental to our interests, we may have to renegotiate with Midea Group for the cooperation or support, or attempt to approach other business partners as replacements, or seek alternative revenue sources, or build certain capabilities on our own, which may be expensive, time-consuming and disruptive to our operations. If we are unable to maintain our relationship with Midea Group, our business and operations could be severely disrupted, which could materially and adversely affect our reputation, results of operations and financial condition.

The business strategies and operational focuses of Midea Group have evolved in the past and may continue to evolve in the future. We have successfully adapted to and facilitated such changes in the past to address the logistics needs of Midea Group’s various businesses. However, we cannot assure you that we will be able to continue to do so. If we cannot continue to innovate and successfully make adjustments to our services to adapt to such changes, our business and results of operations will be negatively affected.

We work with a variety of logistics partners, suppliers and other service providers in providing certain supply chain logistics solutions and services, and to support various aspects of our business operations. Failure to maintain positive relationships with them, or failure of our logistics partners, suppliers or other service providers in providing reliable or satisfactory services, could have a material adverse effect on our business, financial condition and results of operations

We leverage our logistics partners’ capabilities in providing certain standard services, such as warehousing and line-haul transportation services. Furthermore, we engage other types of suppliers and service providers, such as IoT device manufacturers, to support various aspects of our product development and business operations.

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It may be difficult to find reliable logistics partners, suppliers or other service providers whose performance and reliability meet our standards at the scale our operations require, which may restrict our ability to further expand our network. Our ability to secure sufficient high-quality resources to meet our customer needs at competitive prices is subject to inherent risks, many of which are beyond our control, such as labor shortages or disputes, network congestion, inclement weather, severe and unanticipated natural events, acts of terrorism as well as unfavorable regulatory changes.

Services provided by our logistics partners, suppliers or other service providers may be disrupted or discontinued for a variety of reasons, such as financial hardship, operational disruptions, labor or material shortages and regulatory and compliance issues. We may be unable to find suitable alternative third parties in a timely manner, on commercially reasonable terms or at all. For example, we engage qualified logistics partners to provide line-haul transportation and delivery services. Failure of our line-haul transportation and delivery service providers to provide reliable and cost-effective services may have a material and adverse impact on our delivery speed, service quality and cost structure, which would in turn affect our results of operations and future prospects.

We may not be able to maintain positive relationships with, or effectively supervise our logistics partners, suppliers or other service providers, which may negatively affect the quality of our supply chain logistics solutions and services and result in additional exposures to legal risks and liabilities. This includes risks such as partners causing fire hazards or fires due to inadequate warehouse management, or damage to goods or transportation accidents resulting from poor cargo transportation management. Some of these third parties, such as providers of our integrated last-mile delivery & installation services, have a significant amount of direct interactions with consumers and their performance is directly associated with our brand and reputation. On the other hand, as we manage relationships with these third parties with contractual agreements, we may not be able to supervise their performance as effectively as if we had full control over them. There is no assurance that unsatisfactory performance or unlawful behavior will not occur. In such cases, as well as in cases of losses, stolen or damages of parcels, whether as a result of accidents or willful misbehaviors, we may experience customer complaints, service disruptions and our reputation may be materially and adversely affected. We also may be subject to legal risks and liabilities, including administrative fines, if our logistics partners, suppliers or other service providers fail to obtain the requisite licenses and permits, are subject to legal complaints or otherwise fail to comply with laws and regulations.

We cannot assure you that we will be able to obtain access to preferred logistics partners at attractive rates or that these partners will have adequate capacity available to meet the needs of our customers.

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Furthermore, we engage outsourcing and third party firms who send large numbers of their employees to work at our logistics facilities. We enter into agreements with such outsourcing and third party firms only and therefore do not have any direct contractual relationship with these outsourced personnel. Since these outsourced personnel are not directly employed by us, our control over them is more limited as compared to our own employees. If any outsourced personnel fails to operate or perform his or her duties in accordance with our protocols, policies and business guidelines, our market reputation, brand image and results of operations could be materially and adversely affected. If the outsourcing and third party firms violate any relevant requirements under the applicable PRC labor laws, regulations or their employment agreements with the personnel, such personnel may claim compensation from us as they provide their services at our logistics facilities. As a result, we may incur legal or financial liabilities.

If we fail to effectively identify, engage and supervise qualified logistics partners, suppliers and other service providers, or if they are unable to provide products and services to our customers in a satisfactory manner and on commercially acceptable terms, or at all, our ability to attract and retain customers may be severely limited, which may have a material and adverse effect on our business, financial condition and results of operations.

If we are unable to compete effectively, our business, financial condition and results of operations would be materially and adversely affected

We face direct and indirect competition, principally from other China domestic providers of similar services, such as supply chain, logistics technology and other related services. We compete based on a number of factors, including industry insights, technology capabilities, network coverage, innovation in business models, collaborative relationships with industry leaders and operating efficiency. In particular, we strive to innovate and differentiate our solutions and services to strengthen our market positioning and competitiveness. For details, see “Business — Competition.” However, we may not be able to successfully compete against current or future competitors, and such competitive pressures may have a material and adverse effect on our business, financial condition and results of operations.

Our current and potential competitors may have more service offerings, larger customer bases, broader network coverage, stronger brand recognition, greater capital resources and longer operating histories than we do. As a result, our competitors may be able to respond more quickly and effectively to new or evolving opportunities, technologies, standards or customer requirements than we do and may have the ability to initiate or withstand significant regulatory or industry changes. Our competitors may also establish collaborative relationships or strategic alliances to improve their ability to address the needs of customers. Furthermore, when we expand into new industries or geographic markets, we may face competition from new competitors who may also enter the industries or geographic markets where we currently operate or will operate.

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Furthermore, the logistics industry is highly price competitive. Our competitors may reduce their prices to gain business, especially during times of slower market demand growth, and such reductions may limit our ability to maintain or increase our prices and operating margins or achieve growth of our business. Increased investments made and lower prices offered by our competitors may also require us to divert significant managerial, financial and human resources in order to remain competitive. We generally do not seek to compete based on price alone, but rather focus on innovating and differentiating our solutions and services in order to fulfill unmet market demand. If we fail to do so effectively while offering competitive pricing, our market share, profitability and results of operations may be materially and adversely affected.

We may not be able to expand and strengthen our logistics network, such as warehouses, in a capital-efficient and cost-effective manner

We develop, manage and operate our logistics network through a combination of self-owned, leased and managed facilities. In particular, we seek to control assets and capabilities such as warehouses in critical hubs to ensure efficient and responsive distribution, as well as leased and managed warehouses to expand our coverage and enhance flexibility. In line with our strategy to optimize capital utilization, we control many of these key nodes not only through ownership of the relevant properties but also through leases. As such, our control over these assets will depend upon our ability to maintain such arrangements. If we fail to maintain such arrangements on terms acceptable to us or at all, we may lose control over the critical nodes and the capacity and service quality of our logistics network may be materially and adversely affected.

We also cooperate with logistics partners to further expand and strengthen our logistics network and the service quality and capabilities of logistics partners may materially affect our business and operations. See “— We work with a variety of logistics partners, suppliers and other service providers in providing certain standard supply chain logistics solutions and services and to support various aspects of our business operations. Failure to maintain positive relationships with them, or failure of our logistics partners, suppliers or other service providers in providing reliable or satisfactory services, could have a material adverse effect on our business, financial condition and results of operations.”

We plan to further expand and strengthen our network of logistics infrastructure and capabilities. Our ability to do so in part depends on whether we can continue to identify and control critical logistics nodes in a capital-efficient manner. When carrying out such network expansion plan, we are subject to a variety of risks. Properties that best suit our needs may not be available on commercially acceptable terms, in a timely manner or at all. Our ability to lease or acquire properties depends on a variety of factors, some of which are beyond our control, such as overall economic conditions, the availability of properties for lease, our effectiveness in identifying, leasing or acquiring properties suitable for our network and operations, competition

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for such properties, and the time needed to obtain relevant government approvals. Properties located in convenient locations or connected by quality roads, highways and railroad access may command a premium price, which may exceed our budget. We also may not be able to recruit a sufficient number of qualified employees to operate additional facilities and equipment. In addition, if our anticipated needs for facilities, fleets, equipment or personnel differ materially from actual usage, our operations may have more or less capacity than is optimal.

As we continue to build our infrastructure and capabilities, our network will become increasingly complex and challenging to operate, as the scale, diversity and geographic coverage of our business, workforce and infrastructure continue to grow. To effectively manage our continued expansion, we will need to continue to improve our personnel management, operational and financial systems, policies, procedures and control measures, among others, which could be particularly challenging as we integrate new businesses with different and incompatible systems in new industries or geographic areas. These efforts will require significant managerial, financial and human resources. If we are not able to manage our growth effectively, our business and prospects may be materially and adversely affected.

Even if we manage the expansion of our network successfully, it may not give us the competitive advantage that we expect if similar supply chain logistics solutions and services become widely available at competitive prices to our existing and potential customers. We may not be able to realize returns on our investments, or the returns may be lower, or may be realized more slowly, than we expected. In addition, for self-owned properties, the carrying value of the related assets may be subject to impairment.

Failure to maintain or improve our technology infrastructure could harm our business and prospects

We have built a full technology stack to digitalize and automate various aspects of the logistics value chain. Our technology infrastructure, encompassing various systems, servers and databases, helps connect and integrate physical assets and capabilities with our virtual platform to support our suite of supply chain logistics solutions and services. We have developed many of our core suite of software applications, interfaces and systems. If we experience issues with the performance and reliability of such applications, interfaces or systems, or are unable to properly maintain them in order to address customers’ business needs, our business, financial condition, results of operations and prospects, as well as our reputation and brand, could be materially and adversely affected. Furthermore, we have applied intelligent hardware technologies throughout our logistics network, encompassing IoT, hardware automation, among others. Any errors, defects or malfunctioning of such hardware may disrupt our logistics operations, increase safety and security risks and result in poor customer experience, which would materially and adversely affect our business and reputation.

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In addition, our technology infrastructure incorporates third-party-developed software, systems and technologies, as well as hardware purchased or commissioned from third-party suppliers. As our technology infrastructure expands and becomes increasingly complex, we face increasing risks regarding the performance and security of our technology infrastructure that may be caused by these third-party-developed components, including risks relating to incompatibilities with existing technology components, service failures or delays or difficulties in integrating back-end procedures on hardware and software.

We are continuously upgrading our technology infrastructure that underpins our logistics network, with increased scale, improved performance, additional capacity and additional built-in functionality, including functionality related to security. Adopting new technologies and maintaining and upgrading our technology infrastructure require significant investments of time and resources. Any failure to maintain and improve our technology infrastructure could result in unanticipated system disruptions, slower response times, impaired customer experience and delays in reporting accurate operating and financial information, among other consequences. The risks of these events occurring are even higher during certain periods of peak usage and activity.

If our customers reduce their expenditure in third-party supply chain logistics solutions and services, our business, financial condition and results of operations may be adversely affected

As an integrated supply chain logistics solutions provider, our business strategies are partially based on the assumption that the trend toward outsourcing of logistics and supply chain activities will continue. Third-party service providers like us are generally able to provide supply chain logistics solutions and services more efficiently than otherwise could be provided “in-house,” primarily as a result of our expertise, technology and cost efficiency. However, many factors could cause a trend reversal. For example, our customers may see risks in relying on third-party service providers, or they may begin to define logistics and supply chain activities as within their own core competencies and decide to perform logistics and supply chain operations themselves. If our customers are able to improve the capabilities and cost structure of their in-house logistics and supply chain activities, our supply chain logistics solutions and services may not be deemed as an attractive alternative meeting our customers’ demands. If our customers in-source significant aspects of their logistics and supply chain operations, or if potential new customers decide to continue to perform their own logistics and supply chain activities, our business, financial condition and results of operations may be materially and adversely affected.

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Our business, financial condition and results of operations could be adversely affected if we experience any negative publicity that results in severe damage to our brand image or reputation

We believe that our brand image and corporate reputation, play an increasingly important role in enhancing our competitiveness and maintaining our business growth. Our ability to manage our brand image depends on whether we could successfully provide distinctive and premium services to our customers, manage complaints and negative publicity, and maintain positive perception of us. Furthermore, many other factors, some of which are beyond our control, may negatively impact our brand image and corporate reputation if not properly managed. Service quality issues, actual or perceived, even when false or unfounded, could tarnish the image of our brand and may cause customers to use other supply chain logistics solutions providers. Also, adverse publicity surrounding labor relations, environmental concerns, security matters and the like, or attempts to connect us to these sorts of issues, could negatively affect our overall reputation and acceptance of our services by customers. Damage to our reputation and loss of brand equity could reduce demand for our services and thus have an adverse effect on our business, financial condition and results of operations, and could require additional resources to rebuild our reputation and restore the value of our brand.

In addition, our brand image or reputation may be materially and adversely affected by adverse news, scandals or other incidents associated with the logistics industry. Incidents that cast doubt on the safety of cargo and parcels or the safety of delivery personnel in the logistics industry, including incidents involving our competitors, have been, and may continue to be, subject to media attention and widespread coverage. Such incidents may damage the reputation of not only the parties involved, but also the logistics industry in general and us, even if such parties or incidents have no relation to us, our management, employees, suppliers or other business partners.

Any service disruptions experienced by our logistics facilities may adversely affect our operations

We provide integrated, end-to-end supply chain logistics solutions in China, encompassing a series of key steps throughout our customers’ supply chains. Any service disruptions along the process may lead to delivery delays, poor customer experience and increased costs, which may materially and adversely affect our business and results of operations.

In particular, our daily operations heavily rely on the orderly performance of our logistics facilities, such as warehouses. Such logistics facilities may experience service disruptions due to various factors, such as failures in their automated equipment or IoT devices, force majeure events,

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sabotage, disputes between us and property owners, logistics partners or any third parties, employee delinquencies, governmental inspections of properties or governmental orders that mandate any service halt or shutdown, among others.

In the event of any service disruptions, our supply chain logistics solutions provided to our customers may be delayed, suspended or stopped. We may not be able to find suitable replacement logistics facilities that meet our requirements in a timely manner, or at all. Any of the foregoing events may result in significant operational interruptions and slowdowns, customer complaints and reputational damage.

Our historical results of operations and financial performance may not be indicative of future performance

We experienced significant growth during the Track Record Period. Our total revenue increased by 14.5% from RMB14,172.8 million in 2022 to RMB16,224.0 million in 2023, and further increased by 15.0% to RMB18,663.3 million in 2024. Additionally, our total revenue increased by 20.2% from RMB9,053.2 million for the six months ended June 30, 2024 to RMB10,884.7 million for the six months ended June 30, 2025. However, our historical results of operations and financial performance may not be indicative of future performance.

As we continue to innovate in response to evolving market environment and customer needs, we may make adjustments to our products and services, logistics network, technology infrastructure, operating models for certain businesses, among others. These changes may not achieve expected results and may have a material and adverse impact on our results of operations and financial condition. Our costs and expenses may grow faster than our revenue, and our costs and expenses may increase, or may be greater than we expected. We cannot assure you that we will be able to achieve similar results or grow at the same speed as we did in the past or at all. Rather than relying on our historical operating and financial results to evaluate us, you should consider our business prospects in light of the risks and difficulties we may encounter as an innovative, rapidly-growing logistics company seeking to enter new and emerging markets and industries, including our ability to:

- adapt to macroeconomic and other factors that affect logistics markets in the countries and regions where we operate;
- continue innovating in new products, services and business models;
- attract and retain customers;
- maintain and expand our logistics network and technology infrastructure; and

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- improve operating efficiency.

We may not be able to successfully address these or other challenges, which could adversely impact our business, results of operations and financial condition. Materialization of any risk factors described in this “Risk Factors” section can also negatively affect our ability to operate and grow our existing businesses.

Our long-term profitability and competitiveness are highly dependent on our ability to control costs

Our cost of services primarily consists of cost of procurement for logistics capacity and warehousing resources and direct labor expenses. If we are unable to effectively control our costs by securing sufficient labor, transportation, facility and other resources at competitive prices, our business, results of operations and profitability may be materially and adversely affected.

Effective cost-control measures have a direct impact on our financial condition and results of operations. We have adopted various measures, and will continue to add new ones as necessary and appropriate. For example, we use smart algorithms to select cost-efficient routes and deploy automation technologies to improve operating efficiency, while leveraging our economies of scale and bargaining power to lower procurement costs. However, the measures we have adopted or will adopt in the future may not be as effective as expected in improving our financial condition and results of operations. If we are not able to effectively control our cost and adjust the level of our product or service pricing based on costs and market conditions, our business, financial condition and results of operations may be materially and adversely affected. See “Financial Information — Factors Affecting Our Results of Operations,” and “— Overall tightening of the labor market, increases in labor costs or any labor unrest, including strikes, may affect our business as we operate in a labor-intensive industry.”

Moreover, we depend on reliable access to third parties to provide certain services that we procure and manage, such as line-haul transportation. Any significant reduction in the availability of, or increase in the costs associated with, third-party products or services could adversely affect our operations and increase our costs, which could adversely affect our operating results and cash flows.

As we aim to expand to new geographic markets, our cost structures may be affected by local conditions, such as fluctuations in prevailing wage levels, foreign exchange rates and local regulatory requirements. We may not be able to effectively adapt to local conditions or obtain local resources at competitive costs.

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We may face challenges in expanding our logistics business and operations

We plan to offer our supply chain solutions overseas, supporting China’s industry leaders’ overseas expansion. As we seek to establish and grow our international business, we face risks associated with expanding into, and operating in, an increasing number of geographic markets. In particular, the expansion of our international logistics business will expose us to risks and challenges inherent in operating businesses globally, including:

- challenges in applying or adapting our policies and procedures to operating environments across various global markets, including technology, logistics infrastructure as well as corporate culture;
- challenges in maintaining efficient and consolidated internal systems, including information technology infrastructure, and in achieving customization and integration of these systems with the other parts of our global network;
- differing, complex and potentially adverse customs, import/export laws, tax rules and regulations or other trade barriers or restrictions, related compliance obligations and consequences of non-compliance, and any new developments in these areas;
- obtain or maintain the necessary licenses, permits and authorizations to operate our businesses;
- failure to attract and retain capable talents with international perspectives who can effectively manage and operate our overseas local businesses;
- compliance with local laws and regulations, including those relating to supply chain logistics solutions and services, privacy and data security, employment and labor protection, anti-corruption and anti-money laundering and increased compliance costs across different legal systems, including the need for increased resources to manage regulatory compliance across our international businesses;
- exchange rate fluctuations, which may have a negative impact on our revenues in foreign currencies or result in foreign exchange loss; and
- political instability and general economic or political conditions in particular countries or regions, including territorial or trade disputes, war and terrorism.

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Failure to manage these risks and challenges could negatively affect our ability to expand our international logistics business and operations as well as materially and adversely affect our business, financial condition and results of operations.

We have historically engaged in Third-Party Payment Arrangements and are subject to associated risks.

During the Track Record Period, certain of our customers settled payments with us through accounts belonging to parties other than the contractual counterparties under the corresponding sales and purchase agreements or relevant parties who assumed unlimited personal liabilities for the payment obligations thereunder (the “**Third-Party Payment Arrangement(s)**”). As of December 31, 2022, 2023 and 2024 and June 30, 2025, the aggregate amounts of such payments were approximately RMB37.4 million, RMB47.0 million, RMB34.8 million and RMB8.0 million, respectively, representing 0.3%, 0.3%, 0.2%, and 0.1% of the Company’s revenue for the respective periods. See “Business — Our Customers — Sales and Marketing — Third-Party Payment Arrangements.” We have since implemented comprehensive mitigation measures, including revising relevant policies and enhancing internal controls, and have ceased accepting Third-Party Payment Arrangements that do not comply with our revised policy.

Nonetheless, we are subject to various risks relating to such Third-Party Payment Arrangements during the Track Record Period, including possible claims from third-party payors for return of funds as they were not contractually indebted to us, and possible claims from liquidators of third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings instituted or brought against us in respect of the historical Third-Party Payment Arrangements, we will have to spend significant financial and managerial resources to defend against such claims and legal proceedings, and our financial condition and results of operations may, as a result, be adversely affected.

Overall tightening of the labor market, increases in labor expenses or any labor unrest, including strikes, may affect our business as we operate in a labor-intensive industry

Our business requires a substantial number of personnel. Our direct labor expenses recorded under our cost of service accounted for 4.4%, 4.0% and 3.9% of our total revenue in 2022, 2023 and 2024, respectively, and 3.8% and 3.5% for the six months ended June 30, 2024 and 2025, respectively. Any failure to retain stable and dedicated labor by us may lead to disruptions to or delays in our services. We also hire additional or temporary workers, in particular logistics and delivery personnel, during peak periods of e-commerce activities.

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We have observed an overall tightening labor market. We have experienced, and expect to continue to experience, increases in labor expenses due to increases in salaries, social benefits and employee headcounts and we may also face seasonal labor shortages. We may compete with other companies for labor, and we may not be able to offer competitive salaries and benefits compared to what other companies do. If we are unable to secure sufficient labor resources at reasonable costs, our business and results of operations may be materially and adversely affected.

Our business and technologies collect and process data, and the improper use or disclosure of data could result in regulatory investigations and penalties, and harm our reputation and have a material adverse effect on the trading prices of our Shares, our business and prospects

Our business and technologies collect and process transactional data, as well as certain consumer data in connection with our last mile delivery and installation solutions. For details, see “Business — Data Privacy and Cybersecurity.” We face risks inherent in handling and protecting large volumes of data, especially consumer data. In particular, we face a number of challenges relating to data from transactions and other activities during our business operation, including:

- protecting the data in and hosted on our system, including against attacks on our system by external parties or misbehavior by our employees;
- addressing concerns, challenges, negative publicity and litigation related to data privacy, collection, use and actual or perceived sharing for promotional and other purposes (including cooperation and sharing among our own businesses, cooperation with business partners or mandatory disclosure to regulators), including challenges posed by new forms of data (for example, biometric data, location information and other demographic information); and
- complying with applicable laws, rules and regulations relating to the collection (from customers and other third-party systems or sources), use, storage, transmission and security of personal data, including requests from data subjects and regulatory and government authorities.

These challenges are heightened as we aim to expand our business into jurisdictions with different legal and regulatory regimes. If our customer data is improperly used or disclosed by any party, or if we were to be found in violation of any data-related laws, rules or regulations, including those relating to collection and use of customer data, it could result in a loss of customers, logistics partners and other participants from our logistics network, suspension of service or blockage of access to mobile app services, loss of confidence or trust in our platforms,

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litigation, regulatory investigations, significant amounts of penalties or actions against us, significant damage to our reputation or even criminal liabilities, and have a material adverse effect on our business and prospects.

As permitted by our privacy policies and user agreements, we grant expressly limited access to specified data to certain participants in our logistics network that provide services to our customers. Any actual or perceived improper use of data by us or them, and any systems failure or security breach or lapse on our or their part that results in the release of customer data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability or regulatory actions. This could also attract negative publicity from media outlets, privacy advocates, our competitors or others and could adversely affect our business and prospects.

We are subject to a broad range of laws and regulations, and future laws and regulations may impose additional requirements and other obligations that could materially and adversely affect our business, financial condition and results of operations, as well as the trading prices of our Shares

We and our logistics partners are subject to a broad range of laws, rules and regulations, which encompass road transportation, parcel screening and compliance, safety management, labor and employment, tax, environmental, personal information protection, privacy, consumer protection, anti-monopoly and anti-unfair competition, among others. Non-compliance with applicable laws, regulations and policies may subject us to administrative proceedings, fines or other penalties, and materially and adversely impact our business, reputation, financial condition and results of operations.

The laws and regulations we are subject to may include requirements or restrictions relating to, among other things, the provision of certain regulated products or services through platforms, new and additional licenses, permits and approvals, renewals and amendments of licenses, or governance or ownership structures. Failure to obtain and maintain such required licenses or approvals may require us to adjust our business practices, increase our costs or subject us to fines, which may materially and adversely affect our business and the trading prices of our Shares. See “— Any lack of or failure to maintain requisite approvals, licenses or permits applicable to our business operation may have a material and adverse impact on our business, financial condition and results of operations.”

Furthermore, we are subject to various labor-related laws and regulations in mainland China. For example, we are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of our employees in mainland China. According to the Regulation on the Administration of Housing Provident Funds (《住房公積

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金管理條例》), we are required to set up housing provident fund accounts (住房公積金賬戶) and pay the housing provident fund in time and in full for our employees. According to the PRC Social Insurance Law (《中華人民共和國社會保險法》), a mainland China enterprise is required to obtain social insurance certificates (社會保險登記證) for its employees and to pay the social insurance contributions in time and in full. There is no assurance that our historical and current practice with respect to the contribution of social insurance plans will at all times be deemed in full compliance with relevant laws and regulations in mainland China by government authorities. In the event of any such non-compliance, we may be required to pay any shortfall in social insurance contributions within a prescribed time period and to pay penalties if we fail to do so.

As we aim to further expand into more markets globally, we will also increasingly become subject to additional legal and regulatory compliance requirements as well as political and regulatory challenges, including scrutiny on data privacy and security and anti-money laundering compliance, on national security grounds or for other reasons, in foreign countries in which we conduct business or investment activities.

We face risks associated with items delivered and contents of inventories handled through our logistics network, and risks inherent in the logistics industry, including personal injury, product damage as well as warehousing and transportation-related incidents

We handle a large volume of inventory across our logistics network for our supply chain logistics solutions. Accordingly, we face challenges with respect to the protection and examination of our inventory. For example, shipments in our network may be delayed, stolen, damaged or lost during delivery for various reasons, and we may be perceived or found liable for such incidents. In addition, we may fail to screen inventory and detect unsafe or prohibited/restricted items. Unsafe items and contraband, such as flammables and explosives, toxic or corrosive items and radioactive materials, may damage other inventory in our network, harm the personnel and assets of us, or even injure the recipients and may expose us to environmental risks. Furthermore, if we fail to prevent prohibited or restricted items from entering into our network and if we participate in the storage, transportation and delivery of such items unknowingly, we may be subject to administrative or even criminal penalties, and if any personal injury or property damage is concurrently caused, we may be further liable for civil compensation.

Providing supply chain logistics solutions and services involves inherent risks. We constantly have a large number of vehicles and personnel in transportation, and are therefore subject to risks associated with transportation safety, and the insurance maintained by us may not fully cover the liabilities caused by transportation related injuries or loss. From time to time, vehicles and personnel may be involved in transportation or other types of accidents, and the parcels carried by them may be lost or damaged. In addition, frictions or disputes may occasionally arise from the direct interactions between delivery personnel with consumers coming to pick up or send parcels.

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Any of the above could disrupt our services, cause us to incur substantial expenses and divert the time and attention of our management. We may face claims and incur significant liabilities if found liable or partially liable for any of injuries, damages or losses. Claims against us may exceed the amount of our insurance coverage, or may not be covered by insurance at all. Any uninsured or underinsured loss could harm our business and financial condition. Governmental authorities may also impose significant fines on us or require us to adopt costly preventive measures. Furthermore, if our services are perceived to be insecure or unsafe by our customers, our business volume may be significantly reduced, and our business, financial condition and results of operations may be materially and adversely affected.

We depend on key management as well as experienced and capable personnel generally, and any failure to attract, motivate and retain our staff could severely hinder our ability to maintain and grow our business

Our future success is significantly dependent upon the continued service of our key executives and other key employees. If we lose the services of any member of management or key personnel, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new staff. Retirements and successions in key personnel positions could result in disruptions, or perceived disruptions, in our operations and the execution of our strategy.

As our business develops and evolves, it may become difficult for us to continue to retain our employees. A number of our employees, including many members of management, may choose to pursue other opportunities outside of us. If we are unable to motivate or retain these employees, our business may be severely disrupted and our prospects could suffer.

The size and scope of our logistics network also require us to hire and retain a wide range of capable and experienced personnel who can adapt to a dynamic, competitive and challenging business environment. We will need to continue to attract and retain experienced and capable personnel at all levels, including members of management, as we expand our business and operations. Our various incentive initiatives may not be sufficient to retain our management and employees. Competition for talent in our industry is intense, and the availability of suitable and qualified candidates in many jurisdictions in which we operate. Competition for these individuals could cause us to offer higher compensation and other benefits to attract and retain them. Even if we were to offer higher compensation and other benefits, there can be no assurance that these individuals will choose to join or continue to work for us. Any failure to attract or retain key management and personnel could severely disrupt our business and growth.

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Any computer system and network interruptions, whether resulted from failures of Internet infrastructure or other reasons, could disrupt our logistics systems

Our logistics systems depend on the efficient and uninterrupted operation of our computer and communications systems, which is in turn affected by the performance, reliability and security of the telecommunications and Internet infrastructure in countries and regions where we operate, among other factors. Any system interruptions and delays may prevent us from efficiently providing supply chain, technology and other services to our customers.

Increasing logistics data and information across our operations also require additional network capacity and infrastructure to process. Customers expect our logistics system to make relevant data and services readily available online, and any disruptions or delays to the availability of data and services could affect the attractiveness and reputation of our supply chain logistics solutions. The failure of the telecommunications network operators to provide us with the requisite bandwidth could also interfere with the speed and availability of our websites and mobile apps. Any of such occurrences could delay or prevent our customers from accessing our website and mobile apps, and frequent interruptions could frustrate customers and discourage them from using our services, which could cause us to lose customers and harm our results of operations.

We and certain of our logistics partners have experienced, and may experience in the future, system interruptions and delays that render websites, mobile apps and services temporarily unavailable or slow to respond. Although we have prepared for contingencies through redundancy measures and disaster recovery plans, these preparations may not be sufficient. Despite any precautions we may take, the occurrence of a natural disaster, including the effects of climate change (such as drought, floods and increased storm severity), or other unanticipated problems at our or our logistics partners’ facilities, including power outages, system failures, telecommunications delays or failures, construction accidents, break-ins to IT systems, computer viruses or human errors, could result in delays in or temporary outages of our platforms or services, loss of our, consumers’ and customers’ data and business interruptions for us and our customers. Any of these events could damage our reputation, significantly disrupt our operations and the operations of our customers and logistics partners and subject us to liability, heightened regulatory scrutiny and increased costs, which could materially and adversely affect our business, financial condition and results of operations.

Our business model involves capital expenditures, which may not generate returns or achieve intended economic benefits in the short term, or at all

Our business model involves capital expenditures, including expenditures on purchases of equipment, as well as construction of warehouses in connection with the growth of our business. Capital expenditures are associated with certain inherent risks. The amount and timing of capital

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expenditures depend on various factors, including, among other things, the projected business need. We must estimate the volume of components and finished goods inventory going through our network and the corresponding requirements for logistics infrastructure and network, and make capital commitments based on these projections before they are actually needed. Missing our projections could result in too much or too little capacity. Over-capacity could lead to asset dispositions and negative impact on our operating margins, while under-capacity could negatively impact service levels. As a result, we may lose market share or business opportunities to our competitors, and our business, financial condition and results of operations may be materially and adversely affected.

We have historically funded our capital expenditures primarily with cash generated from our operating activities, and proceeds from external debts, and other fundraising activities. We cannot assure you that these sources of financing will be sufficient to fund our expansion plans. Our access to external funding is subject to various factors that are beyond our control, including market conditions, government approval, credit supply and interest rates. Even if we have sufficient funding, assets that best suit our needs may not be available at reasonable prices, or at all. If we are unable to secure sufficient external funds to finance our capital investments and find assets that suit our needs at reasonable prices, our business, financial condition and results of operations could be materially and adversely affected.

Failure to deal effectively with fraudulent or illegal activities by our employees, logistics partners, suppliers or service providers would harm our business

Illegal, fraudulent, corrupt or collusive activities or misconduct, whether actual or perceived, by our employees, representatives, agents, logistics partners, suppliers or service providers could subject us to liability or negative publicity, which could severely damage our brand and reputation. While we have established policies and procedures for identifying, detecting and preventing fraudulent and illegal conduct, we have in the past experienced employee misconduct, and there can be no assurance that our controls and policies will prevent fraud, corrupt or illegal activity or misconduct by our employees, representatives, agents, logistics partners, suppliers or service providers or that similar incidents will not occur in the future. As we expand our operations in China and other jurisdictions, in particular our businesses that provide services to governments and public institutions, we are subject to additional internal control and compliance requirements relating to corrupt and other illegal practices by our employees, representatives or agents, and we may also be held liable for such misconduct or other misconduct by our business partners and service providers. Alleged or actual failure to comply or ensure our employees, representatives, agents, logistics partners, suppliers and service providers to comply with these requirements could subject us to regulatory investigations and liabilities, which would materially and adversely affect our business operations, customer relationships, reputation and the trading price of our Shares.

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We may need additional capital but may not be able to obtain it on favorable terms or at all

We may require additional cash resources due to future growth and development of our business, including any investments or acquisitions we may decide to pursue, and for other general corporate purposes. If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expand credit facilities.

In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financial covenants that would restrict our operations. Our ability to access domestic or international capital and lending markets may be restricted at a time when we would like, or need, to do so, especially during times of increased volatility and reduced liquidity in global financial markets and stock markets, including due to policy changes and regulatory restrictions, which could limit our ability to raise funds. There can be no assurance that financing will be available in a timely manner or in amounts or on terms acceptable to us, or at all. Any failure to raise needed funds on terms favorable to us, or at all, could severely restrict our liquidity as well as have a material adverse effect on our business, financial condition and results of operations. Moreover, any issuance of equity or equity-linked securities, including issuances of share-based awards under our equity incentive plans, could result in significant dilution to our existing Shareholders.

Any lack of or failure to maintain requisite approvals, licenses or permits applicable to our business operation may have a material and adverse impact on our business, financial condition and results of operations

Our business is subject to rigorous regulation, and we are required to hold a number of licenses, permits and filings in connection with our business operation, including, but not limited to, Road Transportation Operation Permit (道路運輸經營許可證).

Failure to satisfy these requirements may result in penalties to rectify, fines, or suspension of business for remediation. We hold all material licenses and permits described above for our current operations and are applying for certain permits and filings with the governmental authorities and modification of certain licenses and permits. However, we cannot assure you that we can complete such filings in a timely manner, or at all, due to complex procedural requirements and the expansion of our business. Failure to comply with these regulations mentioned above may result in requirements to rectify, fines, suspension of business for remediation or revocation of permit.

During the Track Record Period, we have not been subject to material penalties or other material disciplinary action from the relevant governmental authorities regarding the conducting of our business without the above approvals, licenses, permits or filings. However, we cannot assure you that the relevant governmental authorities would not require us to obtain the approvals,

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certificates or permits, complete filings or take any other actions retrospectively in the future. If the relevant governmental authorities require us to obtain the approvals, licenses or permits, or to complete filings, we cannot assure you that we will be able to do so in a timely manner or at all.

New laws and regulations may be enforced from time to time to require additional licenses and permits other than those we currently have or impose additional requirements on the operation of our business. If the relevant governmental authorities promulgate new laws and regulations that require additional approvals or licenses or impose additional requirements on the operation of any part of our business and we are not able to obtain such approvals, licenses, permits or filings or adjust our business model to comply with such new laws in a timely manner, we could be subject to penalties and operational disruptions and our financial condition and results of operations could be adversely affected.

We face risks relating to acquisitions, investments and alliances

From time to time, we may have pending investments and acquisitions that are subject to closing conditions and risks of failure to close. As we continue to invest in our network, we expect to continue to evaluate and consider an array of potential strategic transactions as part of our overall business strategy, including business combinations, acquisitions and dispositions of businesses, technologies, services, products and other assets, as well as strategic investments, joint ventures and alliances. At any given time we may be engaged in discussing or negotiating a range of these types of transactions. These transactions involve significant challenges and risks, including:

- difficulties in, and significant and unanticipated additional costs and expenses resulting from, integrating into our business the large number of personnel, operations, products, services, technology, internal controls and financial reporting of the businesses we acquire;
- disruption of our ongoing business, distraction of and significant time and attention required from our management and employees and increases in our expenses;
- departure of skilled professionals and proven management teams of acquired businesses, as well as the loss of established client relationships of those businesses we invest in or acquire;
- for investments over which we may not obtain management and operational control, we may lack influence over the controlling partners or shareholders, or may not have aligned interests with those of our partners or other shareholders;

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- difficulties in identifying and selecting appropriate targets and strategic partners, including potential loss of opportunities for strategic transactions with competitors of our investee companies and strategic partners;
- negative impact on our cash or results of operations from various fair value changes, impairment charges or write-offs; and
- losses arising from disposal of investments or deconsolidation of businesses.

As a result, we may experience significant difficulties and uncertainties carrying out investments and acquisitions, and our growth strategy and reputation may be materially and adversely affected. In addition, our strategic investments and acquisitions may adversely affect our financial results, at least in the short term. Acquired businesses that are loss-making may continue to sustain losses and may not become profitable in the near future or at all. The performance of our current and future equity method investees may also adversely affect our net income. There can be no assurance that we will be able to grow our acquired or invested businesses, or realize returns, benefits of synergies and growth opportunities we expect in connection with these investments and acquisitions.

Economic sanctions, anti-corruption and anti-money laundering laws may expose us to potential compliance risks

We are subject to economic sanctions, anti-corruption, anti-bribery, anti-money laundering and other relevant laws and regulations in the countries and regions as we aim to expand internationally. We face significant risks if we fail to comply with the applicable laws. Any violation of applicable economic sanctions, anti-corruption, anti-bribery, anti-money laundering or other laws or regulations could result in governmental or regulatory investigations, civil or criminal fines or other sanctions, whistleblower complaints and adverse publicity, which could have an adverse effect on our reputation, business, operating results and prospects. In addition, responding to any enforcement action may result in a significant diversion of management’s attention and significant defense costs and other professional fees.

The United States and other jurisdictions or organizations, including the European Union and the United Nations, have, through executive orders, passing of legislation or other governmental means, implemented measures that impose economic sanctions against certain countries or jurisdictions, or against targeted industry sectors, groups of companies or persons, and/or organizations within these countries or jurisdictions. There can be no assurance that we will be able to prevent or detect all inadvertent business dealings with sanctioned parties or the dispatch of freight to higher-risk or prohibited end-uses. We cannot predict the interpretation or implementation of government policies in the United States at the federal, state or local levels or

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any policy of the European Union, the United Nations and other applicable jurisdictions with respect to any current or future activities by us or our third-party business partners in countries subject to international sanctions and with sanctioned persons. As a result, we cannot assure you that our future business will be free of risk under sanctions implemented in these jurisdictions or that we will conform our business to the expectations and requirements of the authorities of the United States or any other government or organization that, with or without jurisdiction over our business, assert the right to impose sanctions on an extraterritorial basis.

Changes in international trade or investment policies and barriers to trade or investment, and any ongoing geopolitical conflict, may have an adverse effect on our business and expansion plans, and could lead to restrictions or prohibitions on investing in our securities

In recent years, international market conditions and the international regulatory environment have been increasingly affected by competition among countries and geopolitical frictions. In particular, the U.S. government has advocated for and taken steps towards restricting trade in certain goods, particularly from China. The progress of trade talks between China and the United States is subject to uncertainties, and there can be no assurance as to whether the United States or China will further raise, maintain or reduce tariffs, or impose additional tariffs or other restrictions and regulatory requirements on Chinese products and services in the near future. These laws are also regularly changed and updated. For example, on October 28, 2024, the U.S. Department of the Treasury issued a final rule (the “**Outbound Investment Rule**”), to implement Executive Order 14105 establishing a new outbound investment program to prohibit or require notification of certain transactions undertaken by U.S. persons and that involve persons with a qualifying nexus to China (including Hong Kong and Macau) and specified covered activity in the semiconductor and microelectronics, quantum computing, and artificial intelligence sectors (such persons defined under the rule as “**covered foreign persons**”). Transactions subject to the Outbound Investment Rule (“**covered transactions**”) include acquisitions of equity interests (including purchases of non-publicly-traded shares in an initial public offering), certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund.

We do not believe we are a covered foreign person under the Outbound Investment Rule because we do not engage in the specified covered activities thereunder. However, our position is not binding on the U.S. Department of Treasury and there is no assurance that they will take the same view. If we were to be deemed a covered foreign person due to changes in our activities or operations, amendments to relevant laws and regulations or other factors, our ability to raise capital would be significantly and negatively affected. The Outbound Investment Rule may nonetheless dissuade certain U.S. person investment in our company. Further, the Outbound Investment Rule is subject to change. Notably, the America Foreign Investment Policy issued on February 21, 2025 proposes to expand the Outbound Investment Rule, possibly to include a

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broader scope of technologies triggering prohibitions or reporting requirements. Such expanded restrictions imposed by the U.S. or other jurisdictions could adversely affect our business, results of operations, financial condition and prospects.

Changes to national trade or investment policies, treaties and tariffs, fluctuations in exchange rates or the perception that these changes could occur, and could adversely affect our business, financial condition, results of operations, and overseas strategies resulting from changes to our customers’ overseas expansion plans.

Any litigation, legal and contractual disputes, claims or administrative proceedings against us could be costly and time-consuming to defend or settle, and could result in negative publicity

Our business is subject to the risk of disputes, claims or legal proceedings brought by customers, suppliers, employees, government agencies and others in the forms of private actions, administrative proceedings, regulatory actions or other litigation. The outcome of such proceedings can be difficult to assess or quantify.

Claimants in such proceedings may seek recovery of large or indeterminate amounts, and the magnitude of potential losses relating to such disputes may remain unknown for a substantial period of time. The cost of defending future disputes or proceedings may be significant and could negatively affect our results of operations if changes to our business operations are required. There could also be negative publicity associated with such disputes or proceedings, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, any significant dispute or proceeding could adversely affect our business, results of operations, financial condition or reputation.

We face certain risks relating to the real properties that we own, such as the failure to comply with zoning and usage requirements, which may adversely affect our business

As of June 30, 2025, we owned certain properties in the PRC, including 57 properties with a gross floor area of approximately 1.4 million sq.m, and self-owned properties with an aggregate gross floor area of approximately 9,800 sq.m for which we have not yet obtained property ownership certificates. Such owned properties are primarily used as warehouses. We are subject to a variety of real property-related laws and regulations in the jurisdictions where we operate, such as property ownership and land use rights certificates, lease agreement registrations, legal zoning and permissible usage. We may, in the future, become subject to loan agreements and other contractual arrangements that, among other things, restrict property transfers, leases and disposals, or require us to meet specified investment thresholds, production-output amounts and tax-contribution targets. Furthermore, for future construction projects on our properties, we must obtain all applicable approvals, licenses, and permits. Failures to comply with such laws,

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regulations and requirements may subject us to administrative fines, government orders or foreclosures. If we lose the ability to use our owned properties for their actual or intended purposes, or if we are unable to complete planned construction projects in a timely manner, we may not be able to find replacement properties in a timely manner and on commercially acceptable terms, or at all, which may cause disruptions in parts of our logistics network and materially and adversely affect our business and results of operations. During the Track Record Period and up to the Latest Practicable Date, we were not subject to material administrative fines, government orders or foreclosures in connection with the real properties we own.

We face certain risks relating to the real properties that we lease, such as failure to register, or expiration of lease agreements, which may adversely affect our business

We lease certain properties primarily for warehouses, some of which include office areas. We are subject to a variety of relevant laws and regulations in the jurisdictions where we operate, such as lease agreement registrations, permissible usage, among others. Any failure to comply with such laws and regulations may subject us to government-ordered rectification measures or challenges by government agencies or third parties regarding the validity of lease agreements. For example, some lessors of our leased properties have not provided us with their property ownership certificates or other documentation proving their right to lease those properties to us. If the lessors are not entitled to lease the real properties to us and the owners of such real properties decline to ratify the lease agreements between us and the respective lessors, we may not be able to enforce our rights to lease such properties under the respective lease agreements against the owners. In addition, certain of our leasehold interests in leased properties have not been registered with the relevant PRC governmental authorities as required by PRC law. Although the failure to do so does not in itself invalidate the leases, we may be ordered by the PRC government authorities to rectify such noncompliance and, if such noncompliance were not rectified within a given period of time, we may be subject to fines imposed by PRC government authorities if we fail to register with the relevant PRC governmental authorities. Furthermore, certain of our leased properties’ current usages are not in conformity with the permitted usages prescribed in the relevant title certificates.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material claims or actions being contemplated or initiated by government authorities, property owners or any other third parties with respect to our leasehold interests in or use of such properties. For details about our leased properties, see “Business — Properties — Leased Properties.” However, we cannot assure you that our use of such leased properties will not be challenged in the future. In the event that our use of properties is successfully challenged, we could be required to relocate the affected operations or take other remedial measures. In addition, we may become involved in disputes with the property owners or third parties who otherwise have

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rights to or interests in our leased properties. Any relocation or remedial action could result in additional expenses and temporary disruption to our logistics activities. As a result, our business, financial condition and results of operations could be adversely affected.

Furthermore, certain of our leases are close to expiration. If we cannot successfully renew such leases where needed, we may not be able to locate comparable alternative sites as our business continues to grow, which may adversely and materially affect our business and operations.

We may be accused of infringing intellectual property rights of third parties or violating content restrictions under relevant laws

We may face claims from third parties that our products, service offerings or technologies infringe upon their intellectual property rights or are provided beyond the authorized scope. During the Track Record Period and up to the Latest Practicable Date, we have not faced material litigation involving direct claims of infringement by us. However, the possibility of intellectual property claims against us increases as we continue to grow in China and globally. There could also be existing patents of which we are not aware that our products, service offerings or technologies may inadvertently infringe. Governmental authorities around the world also stepped up efforts to investigate, prevent and take actions against alleged misappropriation of intellectual property, which may result in increased scrutiny, investigations, enforcement actions and litigation relating to intellectual property infringement. These claims or scrutiny, whether or not having merit, may result in our expenditure of significant financial and management resources, injunctions against us or payment of damages. We may need to obtain licenses from third parties who allege that we have infringed their rights, but these licenses may not be available on terms acceptable to us, or at all. These risks have been amplified by the increase in the number of third parties whose sole or primary business is to assert these claims.

If our products, service offerings or technologies were deemed to infringe upon third parties' patents, copyrights or other intellectual property rights, we could suffer losses, incur additional expenses to purchase such intellectual property rights, or become subject to penalties, including confiscation of income, fines, suspension of business and revocation of required licenses, which could materially and adversely affect our business, financial condition and results of operations. The outcome of any claims, investigations and proceedings is inherently uncertain, and in any event defending against these claims could be both costly and time-consuming, and could significantly divert the efforts and resources of our management and other personnel. An adverse determination in any of these litigation matters or proceedings could cause us to pay damages, incur legal and other costs, limit our ability to conduct business or require us to change the manner in which we operate and harm our reputation.

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We may not be able to protect our intellectual property rights

We rely on a combination of trademark, fair trade practice, patent, copyright and trade secret protection laws in the jurisdictions where we operate, as well as confidentiality procedures and contractual provisions, to protect our intellectual property rights. See “Business — Intellectual Property.” We also enter into confidentiality agreements with our employees and any third parties who may access our proprietary information, and we rigorously control access to our proprietary technology and information.

We have in the past suffered and may continue to suffer from intellectual property infringement as we continue to expand our business in China and globally. Intellectual property protection may not be sufficient in the jurisdictions where we operate. Confidentiality agreements may be breached by counterparties, and there may not be adequate remedies available to us for these breaches. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in the jurisdictions where we operate. In addition, policing any unauthorized use of our intellectual property is difficult, time-consuming and costly and the steps we have taken may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. There can be no assurance that we will prevail in any litigation. Besides, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

If our risk management system is not adequate or effective, and if it fails to detect potential risks in our business as intended, our business, financial condition and results of operations could be materially and adversely affected

We have established a risk management system, including an organizational framework, policies and procedures that are designed to identify, monitor, control and respond to potential risks relevant to our business operations. However, due to the inherent limitations in its design and implementation, our risk management system may not be sufficiently effective if external circumstances change substantially or extraordinary events take place.

Furthermore, our new business initiatives may give rise to additional risks that are currently unknown to us, despite our efforts to anticipate such issues. If our risk management system fails to detect potential risks in our business as intended or is otherwise exposed to weaknesses and deficiencies, our business, financial condition and results of operations could be materially and adversely affected.

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Our risk management also depends on effective implementation by our employees. There can be no assurance that such implementation by our employees will always function as intended or will not involve any human errors, mistakes or intentional misconduct. If we fail to implement our policies and procedures in a timely manner, or fail to identify risks that affect our business with sufficient time to plan for contingencies for such events, our business, financial condition and results of operations could be materially and adversely affected, particularly with respect to the maintenance of our relevant approvals and licenses granted by governments.

Our insurance coverage may not cover all losses

We have obtained insurance, such as property insurance, business interruption insurance for certain of our logistics facilities and third-party liabilities insurance, to cover certain potential risks and liabilities. However, insurance companies in China and other jurisdictions in which we may operate may offer limited business insurance products or we may not be able to obtain such insurance on favorable terms. Our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations.

Any business disruption, litigation, regulatory action, outbreak of epidemic disease or natural disaster could also expose us to substantial costs and diversion of resources. There can be no assurance that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Our financial condition may be materially and adversely affected if we fail to collect trade receivables from our customers in a timely manner, or at all

Our trade receivables from third and related parties (after deducting credit loss allowance) amounted to RMB1,540.2 million, RMB1,517.3 million and RMB1,541.6 million as of December 31, 2022, 2023 and 2024, respectively, and RMB2,239.0 million as of June 30, 2025. The increases in trade receivables were primarily due to an increase in the proportion of our revenue generated from merchants and customers with credit terms. See “Financial Information — Selected Balance Sheet Items — Trade and note receivables.”

Credit risks for trade receivables arise when our customers default on their contractual obligations resulting in financial losses to our Company. While we have internal processes and limits to identify and mitigate credit risks, we cannot assure you that we are or will be able to accurately assess the creditworthiness of each of our customers before entering into agreements or extending credit terms, neither can we guarantee that each of these customers will be able to

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strictly follow and enforce the payment schedules provided in the relevant agreements. Any inability of our customers to pay us in a timely manner may adversely affect our liquidity and cash flows, which may in turn have a material adverse effect on our results of operations and financial condition.

Discontinuation of any government grants could affect our financial condition and results of operations

In the past, we have received from time to time various forms of government grants, which are generally non-recurring in nature. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we recorded government grants of RMB30.9 million, RMB52.1 million, RMB61.4 million and RMB35.0 million, respectively. However, the timing, amount and criteria of government grants are determined within the discretion of the local governments and cannot be predicted with certainty before we actually receive any financial incentive. Local governments may decide to reduce or eliminate incentives at any time. We cannot assure you of the continued availability of the government incentives we currently enjoy. Any reduction or elimination of such incentives could affect our results of operations.

We have granted and expect to continue to grant share-based awards in the future under our share incentive plans, which may result in increased share-based compensation expenses

We have granted share-based awards under the Employee Stock Ownership Plan to certain directors, officers and employees and others. See “Appendix IV — Statutory and General Information — Share Incentive Scheme.” We recorded RMB15.2 million, RMB11.1 million, RMB7.8 million and RMB8.3 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively, in share-based compensation expenses in relation to share-based award grants, representing 0.11%, 0.07%, 0.04% and 0.08% of our revenue for the respective periods. We also expect to continue to grant awards under our share incentive plans, which we believe is of significant importance to our ability to attract and retain key personnel and employees. As a result, our expenses associated with share-based compensation expenses may increase, which may have an adverse effect on our financial condition and results of operations. Furthermore, we may issue Shares pursuant to any existing or future share incentive scheme, which would further dilute our Shareholders’ interests in our Company.

Increasing awareness of environmental, social and governance issues may result in the adoption of more stringent laws and regulations that increase our compliance costs

The growing concerns of ESG issues, such as packaging recycling, clean energy and environmental protection, may lead to the adoption of more stringent laws and regulations affecting our business operations. As a result, we may need to devote more efforts and resources to

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ensure that we comply with these laws and regulations. We have recognized the importance of ESG and have taken several measures to achieve sustainable development and comply with the ESG-related laws and regulations that apply to us. See “Business — Environmental, Social and Governance Matters.” However, we cannot assure that these measures adopted by us can effectively mitigate the associated risks and help us navigate the evolving ESG matters in a complex and changing regulatory environment. Changing existing ESG related laws and regulations or the enactment of new ESG-related laws and regulations may increase our compliance costs, and if we fail to comply with such ESG-related laws and regulations, our business and financial condition may be materially and adversely affected.

An occurrence of widespread health epidemics or other outbreaks or natural disasters could have a material adverse effect on our business, financial condition and results of operations

Our business could be materially and adversely affected by the outbreak of widespread health epidemics, such as COVID-19, swine flu, avian influenza, severe acute respiratory syndrome, Ebola and Zika; natural disasters, such as earthquakes, snowstorms, storm surges, floods, fires, drought and other effects of climate change; or other events, such as wars, acts of terrorism, environmental accidents, power shortages or communication interruptions. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our industry and our business and operations, and have a material adverse effect on our business, financial condition and results of operations. For example, these events could cause a temporary closure of the facilities we use for our operations, significantly disrupt supply chains and our ability to provide supply chain logistics solutions or severely impact consumer behaviors and the operations of merchants and logistics partners and other service providers in our logistics network. Our operations could also be disrupted if any of our employees or employees of our business partners are suspected of contracting an epidemic disease, since this could require us or our business partners to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be materially reduced to the extent that a natural disaster, health epidemic or other outbreak or any change in policy in response to such event harms the global or PRC economy in general.

Changes in the economic, political or social conditions or government policies in the jurisdiction where we operate could affect our business, financial condition and results of operations

A substantial part of our assets and operations are located in China. In addition, we plan to operate our business in a number of other geographic markets across Asia and globally. Accordingly, our business, financial condition and results of operations could also be influenced by political, economic and social conditions in these markets. Economic growth in each of our

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geographic markets has been uneven, both geographically and among various sectors within any one of the relevant economies. Any economic downturn, whether actual or perceived, further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could affect our business, financial condition and results of operations. Changes in the economic or political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations and affect our results of operations.

Any uncertainties embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations

Legal systems of the geographic markets where we currently operate and plan to operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

We are subject to certain uncertainties embedded in the legal systems of some geographic markets where we operate and plan to operate. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets where we operate and plan to operate are based in part on their respective government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

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It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow the growth of the logistics industry and affect our business, financial condition and results of operations.

You may have limited recourse in effecting services of legal process or enforcing overseas judgments against us, our Directors and our senior management

A substantial part of our assets, and a majority of our Directors and senior management, are located in China. As a result, it may not be possible for investors to effect services of process upon us, or our Directors or senior management who reside in China. China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions.

On July 14, 2006, the Supreme People’s Court of the PRC and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》), or the 2006 Arrangement. Under the 2006 Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. On January 18, 2019, the Supreme People’s Court of the PRC and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), or the New Arrangement, which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between the PRC court and Hong Kong court. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People’s Court of the PRC and the completion of the relevant legislative procedures in Hong Kong. The New Arrangement will, upon its effectiveness, supersede the 2006 Arrangement.

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We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas securities offering and listing issued by PRC government authorities

On February 17, 2023, the CSRC issued the Overseas Listing Trial Measures and five supporting guidelines, which had become effective on March 31, 2023 (the “**Overseas Listing Regulations**”). The Overseas Listing Regulations are applicable to overseas securities offering and listing conducted by issuers who are (i) companies incorporated in the PRC (“**PRC domestic companies**”) and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. For details, see “Regulatory Overview — Laws and Regulations on Securities and Overseas Listings” in this document. The Overseas Listing Regulations, or any pertinent rules or regulations promulgated in the future, may subject us, or our financing activities, to additional compliance requirements in the future. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our future financing activities.

Our payment of dividends is subject to restrictions under applicable laws and regulations

Our payment of dividends is subject to restrictions under applicable laws and regulations. For example, under the current PRC law, dividends may be paid only out of accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Moreover, we and each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserves, except where such reserve has reached 50% of its registered capital. These reserves are not distributable as cash dividends. In addition, in the future, if any of our subsidiaries incurs debt on its own behalf, the instruments governing the debt may impose restrictions on its ability to pay dividends or other payments to our Company. The inability of our subsidiaries to distribute dividends or other payments to our Company could significantly affect the amount of liquidity available to supply the development and growth of our business.

Our operations are subject to, and may be affected by, changes in tax laws and regulations in the jurisdiction where we operate

The PRC EIT Law imposes a tax rate of 25% on business enterprises. Some of our subsidiaries are entitled to preferential tax treatment. See “Financial Information — Principal Components of Results of Operations — Income tax expense” in this document. To the extent there are any changes in the laws and regulations governing preferential tax treatment, or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly.

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In addition, the PRC government may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with the PRC tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to PRC tax laws and regulations and tax penalties or fines could affect our businesses, financial condition and results of operations.

We also plan to operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to corporate income tax, are complex, our international operations may expose us to risks associated with the overseas tax policy changes. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

Non-PRC Holders of our H Shares may be subject to PRC income tax obligations

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and a non-PRC investor’s jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have an establishment or place of business in the PRC if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within the PRC unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular

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Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of the PRC and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals’ income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. To our knowledge, in practice, the PRC tax authorities have not sought to collect individual income tax from non-PRC resident individuals on gains from the transfer of listed shares of PRC resident enterprises on overseas stock exchanges. However, there is no assurance as to whether further implemented laws, regulations, or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

If the PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

RISKS RELATING TO THE [REDACTED]

An active trading market for our H Shares may not develop or be sustained

Prior to the [REDACTED], there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity will develop and be sustained following the completion of [REDACTED]. The initial [REDACTED] for our H Shares to the public will be the result of negotiations, and the [REDACTED] may differ significantly from the market price of the H Shares following the [REDACTED].

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We have applied to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED] in, the H Shares (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]). However, the [REDACTED] on the Stock Exchange does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the market price of the H Shares will not decline following the [REDACTED]. If an active public market for our H Shares does not develop following the completion of the [REDACTED], the market price and liquidity of our H Shares could be materially and adversely affected.

The price and trading volume of our H Shares may be volatile, which could materially and adversely affect the market price of our H Shares

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and trading volume of our Shares. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in the PRC have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

You will incur immediate and substantial dilution, and may experience further dilution in the future

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the net tangible asset value per H Share of their H Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may issue Shares pursuant to any existing or future share option incentive scheme, which would further dilute our Shareholders’ interests in our Company.

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Our Controlling Shareholders have significant influence over us, and their interests may not be aligned with the interest of our other Shareholders. Changes in our Controlling Shareholders’ shareholdings in our Company may adversely affect our shareholding structure and the market price of our Shares

As of the date of this document, Midea Group was interested in 52.94% of the total issued share capital of our Company through Midea Zhilian, a wholly-owned subsidiary of Midea Group. Upon completion of the [REDACTED], Midea Group will be interested in [REDACTED]% of the enlarged share capital of our Company through Midea Zhilian (assuming the [REDACTED] is not exercised). Our Controlling Shareholders have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other securities, timing and amount of dividend payments, nomination of directors, and other significant corporate actions. The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Subject to the Listing Rules, our Articles of Association and other applicable laws and regulations, our Controlling Shareholders will continue to have the ability to exercise their substantial influence over us. The concentration of voting power and the substantial influence of our Controlling Shareholders over our Company may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our Shares.

Actual or perceived sale or availability for sale of substantial amounts of our Shares could adversely affect the market price of our Shares

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and Controlling Shareholders, or the perception or anticipation that such sales might occur, could negatively impact the market price of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. Certain amount of the Shares controlled by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which [REDACTED] in our Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. In addition, certain existing Shareholders of our Shares are not subject to lock-up agreements. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our Shares.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as “anticipate”, “believe”, “could”, “going forward”, “intend”, “plan”, “project”, “seek”, “expect”, “may”, “ought to”, “should”, “would” or “will” and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend to update or otherwise revise the forward-looking statements in this document to the public, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

Certain facts, forecasts and other statistics in this document are derived from various publicly available official sources and independent third-party sources, including the industry expert reports

This document, particularly the section headed “Industry Overview,” contains information and statistics relating to the logistics industry and other economic data. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We believe that the sources of the information are appropriate, and we have taken reasonable care in extracting and reproducing such information. However, the information derived from official government sources has not been independently verified by us, any of the Joint Sponsors, [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information.

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You should read the entire document carefully and only rely on the information included in this document to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares or the [REDACTED]

There has been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the [REDACTED], press and media coverage regarding us and the [REDACTED]. We have not authorized the disclosure of any information concerning the [REDACTED] in the press or media. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. You should rely solely upon the information contained in this document, the [REDACTED] and any formal announcements made by us in Hong Kong in making your investment decision regarding our H Shares. By applying to purchase our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [REDACTED].

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation of the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Rules 8.12 and 19A.15 of the Listing Rules provide that a new applicant for listing on the Stock Exchange must have a sufficient management presence in Hong Kong and, under normal circumstances, at least two of the new applicant’s executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Our headquarters are based, and most of the business operations of our Group, are managed and conducted in the PRC. Our executive Directors ordinarily reside in the PRC, as the Board believes it would be more effective and efficient for the executive Directors to be based in a location where our substantial operations are located. As such, we do not and, in the foreseeable future, will not be able to comply with the requirements of Rules 8.12 and 19A.15 of the Listing Rules for sufficient management presence in Hong Kong.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that we implement the following arrangements:

- (i) we have appointed Mr. Liang Pengfei and Ms. Lai Siu Kuen (“**Ms. Lai**”) as our authorized representatives (the “**Authorized Representatives**”) for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will serve as our principal channel of communication with the Stock Exchange. They can be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange and will also be available to meet with the Stock Exchange to discuss any matters on short notice. The contact details of the Authorized Representatives have been provided to the Stock Exchange;
- (ii) all the Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period. In addition, each Director has provided his/her contact details, including office phone numbers, mobile phone numbers, fax numbers (if any) and email addresses, to the Authorized Representatives and to the Stock Exchange, so

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

that each of the Authorized Representatives and the Stock Exchange would be able to contact all the Directors (including the independent non-executive Directors) promptly at all times if and when the Stock Exchange wishes to contact the Directors;

- (iii) we have appointed Shenwan Hongyuan Capital (H.K.) Limited as our Compliance Advisor for the period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED], or until the agreement is terminated, whichever is earlier. The Compliance Advisor will act as our additional and alternative channel of communication with the Stock Exchange, and our representatives will be readily available to answer enquiries from the Stock Exchange; and
- (iv) we have appointed designated staff members as the responsible communication officers at our headquarters to oversee regular communication with the Authorized Representatives and our professional advisors in Hong Kong, including our legal advisors and the Compliance Advisor, keep abreast of any correspondence and/or inquiries from the Stock Exchange and report to the executive Directors, streamlining communication between the Stock Exchange and our Company following the [REDACTED].

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experiences, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (i) a member of The Hong Kong Chartered Governance Institute;
- (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

- (i) length of employment with the issuer and other issuers and the roles he played;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (ii) familiarity with the Listing Rules and other relevant law and regulations including the SFO, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

We have appointed Mr. Ma Liang (“**Mr. Ma**”) as one of our joint company secretaries. Mr. Ma joined our Group in December 2019. He currently also holds the position of executive Director, finance director and Board secretary in our Company. See “Directors and Senior Management” in this document for further biographical details of Mr. Ma. Although Mr. Ma does not possess the qualifications set out in Rule 3.28 of the Listing Rules, we believe that it would be in the best interests of our Company and the corporate governance of our Group to have Mr. Ma as our joint company secretary who is familiar with our internal operation and management and possesses professional knowledge and experience in handling corporate governance and compliance, legal affairs and public relationship related matters. We have also appointed Ms. Lai to act as the other joint company secretary to assist Mr. Ma in discharging the duties of a company secretary of our Company. Ms. Lai is a Chartered Secretary, a Chartered Governance Professional and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and is therefore qualified under Rule 3.28 of the Listing Rules to act as a joint company secretary of our Company. See “Directors and Senior Management” for further biographical details of Ms. Lai.

Since Mr. Ma does not possess the formal qualifications required for a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for a period of three years since the [REDACTED] on the following conditions: (i) Mr. Ma must be assisted by Ms. Lai who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the waiver period; and (ii) the waiver can be revoked in the event of a material breach of the Listing Rules by our Company.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In support of the waiver application, we have adopted, or will adopt the following arrangements:

- (i) in preparation of the application of the [REDACTED], Mr. Ma has attended training on the respective obligations of the Directors, senior management and our Company under the relevant Hong Kong laws and the Listing Rules organised by the Hong Kong legal advisor to our Company;
- (ii) Ms. Lai will work closely with Mr. Ma to jointly discharge the duties and responsibilities as the joint company secretaries and to assist Mr. Ma in acquiring the relevant experience as required under the Listing Rules for an initial period of three years from the [REDACTED], a period which should be sufficient for Mr. Ma to acquire the relevant experience as required under the Listing Rules;
- (iii) we will ensure that Mr. Ma continues to have access to the relevant training and support in relation to the Listing Rules and the duties required for a company secretary of an issuer listed on the Stock Exchange. Furthermore, both Mr. Ma and Ms. Lai will seek advice from our Hong Kong legal and other professional advisors as and when required. Mr. Ma also undertakes to take no less than 15 hours of relevant professional training in each financial year of our Company; and
- (iv) at the end of the three-year period, the qualifications and experience of Mr. Ma and the need for on-going assistance of Ms. Lai will be further evaluated by our Company. We will then endeavour to demonstrate to the Stock Exchange’s satisfaction that Mr. Ma, having had the benefit of the assistance of Ms. Lai for the immediately preceding three years, has acquired the relevant experience (within the meaning of Note 2 to Rule 3.28 of the Listing Rules) such that a further waiver from Rules 3.28 and 8.17 of the Listing Rules will not be necessary. We understand that the Stock Exchange may revoke the waiver if Ms. Lai ceases to provide assistance to Mr. Ma during the three-year period.

Prior to the expiry of the three-year period, our Company will liaise with the Stock Exchange to enable it to assess whether Mr. Ma has acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVERS IN RELATION TO CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute partially-exempt or non-exempt continuing connected transactions under the Listing Rules after the [REDACTED]. We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, waivers in relation to certain continuing connected transactions under Chapter 14A of the Listing Rules. For details, see “Connected Transactions” in this document.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Liang Pengfei (梁鵬飛)	7B, Building 12 Chang Qin Xuan Haiqin Bay Garden Xingui Road Middle Shunde District, Foshan Guangdong Province PRC	Chinese
Mr. Ma Liang (馬良)	202, Building 20 Jiangshan Garden 10 Midea Avenue Beijiao Town Shunde District, Foshan Guangdong Province PRC	Chinese
Non-executive Directors		
Mr. Liu Xiao (劉嘯)	Room 601, No. 136 3088 Jinxiu Road Pudong New District Shanghai PRC	Chinese
Ms. Luo Wenhui (駱文輝)	208, Building 1 Hai Chen Ju Midea Coast Garden Beijiao Town Shunde District, Foshan Guangdong Province PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Ms. Chen Lihong (陳麗紅)	8 Huming Street Chancheng District, Foshan Guangdong Province PRC	Chinese

Mr. Duan Yuebin (段躍斌)	Building 19 Luxin Suizhu Garden Huangdao District, Qingdao Shandong Province PRC	Chinese

Independent Non-executive Directors

Dr. Chen Wei Ru (陳威如)	Room F407 699 Hongfeng Road Pudong New District Shanghai PRC	Singaporean

Dr. Lin Zhong (林忠)	Room 101, Building 7 338 Biyun Road Pudong New District Shanghai PRC	Chinese

Ms. Song Yi (宋屹)	Flat 49, 3/F, Tower 7 Hong Kong Parkview 88 Tai Tam Reservoir Road Repulse Bay Hong Kong	Chinese (Hong Kong)

For further details, see “Directors and Senior Management” in this document.

Joint Sponsors and [REDACTED]	China International Capital Corporation Hong Kong Securities Limited 29/F One International Finance Centre 1 Harbour View Street Central Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Morgan Stanley Asia Limited

46/F, International Commerce Center

1 Austin Road West

Kowloon

Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

Legal Advisors to our Company

As to Hong Kong and U.S. laws:

Freshfields

55th Floor, One Island East
Taikoo Place, Quarry Bay
Hong Kong

As to PRC law:

Jia Yuan Law Offices

F408, Ocean Plaza
158 Fuxing Men Nei Street
Xicheng District
Beijing
PRC

Legal Advisors to the Joint Sponsors and the [REDACTED]

As to Hong Kong and U.S. laws:

Cooley HK

35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

As to PRC law:

King & Wood Mallesons

18th Floor, East Tower

World Financial Center

1 Dongsanhuan Zhonglu

Chaoyang District

Beijing

PRC

Auditor and Reporting Accountants

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

35/F, One Pacific Place

88 Queensway

Hong Kong

Industry Consultant

China Insights Industry Consultancy Limited

10F, Block B

Jing'an International Center

88 Puji Road, Jing'an District

Shanghai

PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office	99 Qingshuihe Road Wuhu Economics and Technology Development Zone Anhui Province PRC
Headquarters and Principal Place of Business in the PRC	Midea 08 Space No. 2 Yixing Road Beijiao Town Shunde District, Foshan Guangdong Province PRC
Place of Business in Hong Kong	Room 1918, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company’s Website	<u>www.annto.com</u> <i>(The information contained in this website does not form part of this document)</i>
Joint Company Secretaries	Mr. Ma Liang (馬良) Midea 08 Space No. 2 Yixing Road Beijiao Town Shunde District, Foshan Guangdong Province PRC Ms. Lai Siu Kuen (黎少娟) (FCG HKFCG) Room 1918, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

CORPORATE INFORMATION

Authorized Representatives

Mr. Liang Pengfei (梁鵬飛)

Midea 08 Space

No. 2 Yixing Road

Beijiao Town

Shunde District, Foshan

Guangdong Province

PRC

Ms. Lai Siu Kuen (黎少娟)

Room 1918, 19/F, Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

Strategy Committee

Mr. Liang Pengfei (*Chairperson*)

Mr. Liu Xiao

Mr. Ma Liang

Audit Committee

Ms. Song Yi (*Chairperson*)

Dr. Lin Zhong

Dr. Chen Wei Ru

Remuneration and Appraisal Committee

Dr. Lin Zhong (*Chairperson*)

Dr. Chen Wei Ru

Mr. Ma Liang

Nomination Committee

Dr. Chen Wei Ru (*Chairperson*)

Ms. Song Yi

Mr. Ma Liang

Compliance Advisor

Shenwan Hongyuan Capital (H.K.) Limited

Level 6, Three Pacific Place

1 Queen's Road East

Hong Kong

CORPORATE INFORMATION

[REDACTED]

Principal Banks

**Industrial and Commercial Bank of China
Limited Wuhu Economics and Technology
Development Zone Branch**

Storefront, Building 1
Yinhu Huating, Yinhu North Road
Wuhu
Anhui Province
PRC

**China Merchants Bank Co., Ltd. Foshan Beijiao
Sub-Branch**

Stores 1, 2, 6, 7 and One of Store 223 (2/F)
5 Renchang Road
Beijiao Town
Shunde District, Foshan
Guangdong Province
PRC

**Industrial and Commercial Bank of China
Limited Foshan Beijiao Sub-Branch**

One of Nancui Haoting
4 Yuejin South Road
Beijiao Town
Shunde District, Foshan
Guangdong Province
PRC

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This section and elsewhere in this document contain certain information, statistics and data which are derived from various official government publications and other publicly available publications, and a report commissioned by us and prepared by our industry consultant, CIC. We believe that the sources of the information in this section and elsewhere in this document are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false in any material respect or misleading. The information from official government sources has not been independently verified by us, the Joint Sponsors, [REDACTED], any of their respective directors, officers, employees, agents, advisers or representatives, or any other person or party involved in the [REDACTED], and no representation is given as to its accuracy, reliability or completeness. As such, investors are cautioned not to place any undue reliance on the information, including statistics, data and estimates, set out in this section or similar information included elsewhere in this document.

ANALYSIS OF CHINA’S LOGISTICS INDUSTRY

Overview of the China’s logistics industry

The efficient operation of the logistics industry relies on the development of robust infrastructure and the acceleration of digital transformation. In recent years, China has made steady progress in enhancing the infrastructure of its four major transportation modes—road, rail, waterway, and air—providing a solid foundation for improving efficiency and reducing costs. Amid economic recovery and stronger internal driving force of the industry, the logistics sector is undergoing a transition toward a high-value, high-quality, and high-efficiency development model. From 2019 to 2024, the total revenue of China’s logistics industry grew from RMB10.3 trillion to RMB13.8 trillion, representing a CAGR of 6.0%. Looking ahead, the market is projected to expand at a CAGR of 5.6% from 2024 to 2029, reaching approximately RMB18.1 trillion by 2029.

Manufacturing, as one of the key drivers of global economic growth, generates substantial logistics demand that propels the development of the logistics industry. In 2024, the global GDP reached USD110.5 trillion, with USD16.6 trillion contributed by the manufacturing sector, accounting for approximately 15% of the global GDP. Among this, China’s manufacturing value added (referring to the value generated by all manufacturing activities within China’s borders, excluding the manufacturing output of Chinese enterprises overseas) grew from USD3.8 trillion in 2019 to USD4.8 trillion in 2024, with a CAGR of 4.7%. In 2024, China’s manufacturing value added accounted for 30% of the global total, firmly ranking first in the world, and was 1.65 times the size of that of the United States, which ranked second. China’s comprehensive manufacturing

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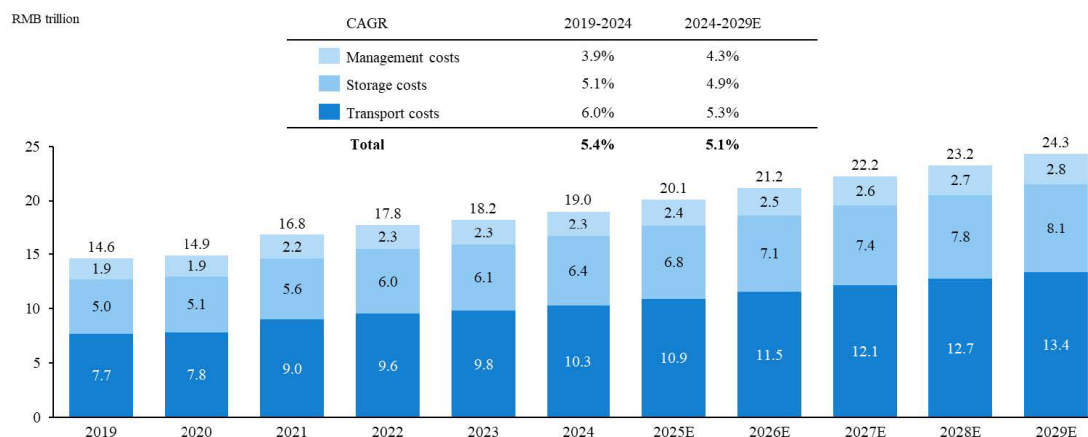
system covers the entire supply chain, from raw material procurement to production and finished goods distribution. Its vast scale and continuous growth not only provided a stable base demand for China’s logistics industry but also continuously released incremental demand through industrial upgrading and supply chain optimization, further driving the logistics industry towards refinement and intelligent development. Moreover, as China’s manufacturing sector continues to advance in scale and technology, its manufacturing capabilities have become deeply integrated into the global industrial chain. By establishing industrial parks and overseas factories in Southeast Asia, South Asia, Latin America and other regions, China has achieved a significant shift from “product export” to “capacity export” across numerous fields. This widespread global expansion of Chinese manufacturing has introduced new and diverse demands for the logistics industry. It requires not only the development of a broader, more efficient, and reliable global logistics network but also the enhancement of logistics service providers’ expertise in cross-border supply chain compliance and global resource allocation. Ultimately, this fosters efficient linkage between the parallel global growth of manufacturing and logistics sectors.

Market size of China’s logistics industry

In recent years, China’s logistics industry has maintained rapid growth, demonstrating a clear upward trajectory. A key metric for assessing the industry’s operating costs is total social logistics costs, which encompass expenditures across all sectors of the national economy associated with logistics activities. These costs are categorized into transport costs, storage costs, and management costs, based on their respective functions. Among them, transport costs, which include freight charges, transportation agency fees, and other ancillary charges, constitute the core component of total social logistics costs, accounting for over 50% in recent years. As logistics activities become increasingly dynamic and inventory turnover accelerates, the share of transport costs is expected to continue rising. Storage costs comprise interest expenses, warehousing fees, handling charges, insurance premiums, loss-related costs, and other service fees during circulation. Management costs refer to expenses incurred by supply and demand parties in organizing and executing logistics activities. In 2024, China’s total social logistics costs reached RMB19.0 trillion, accounting for 14.1% of the GDP for that year. In 2024, the General Office of the State Council issued the Action Plan for Effectively Reducing the Overall Logistics Costs of the Society, which clearly set the goal of striving to reduce the ratio of total social logistics costs to GDP to around 13.5% by 2027, and coordinated efforts to promote a substantive reduction in logistics costs. With ongoing initiatives to reduce costs and enhance efficiency, optimize logistics resource allocation nationwide, and strengthen coordination across logistics segments, the ratio of total social logistics costs to GDP is projected to decline steadily in the coming years.

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Total social logistics costs in China, by usage, 2019-2029E



Source: CFLP, The CIC Report

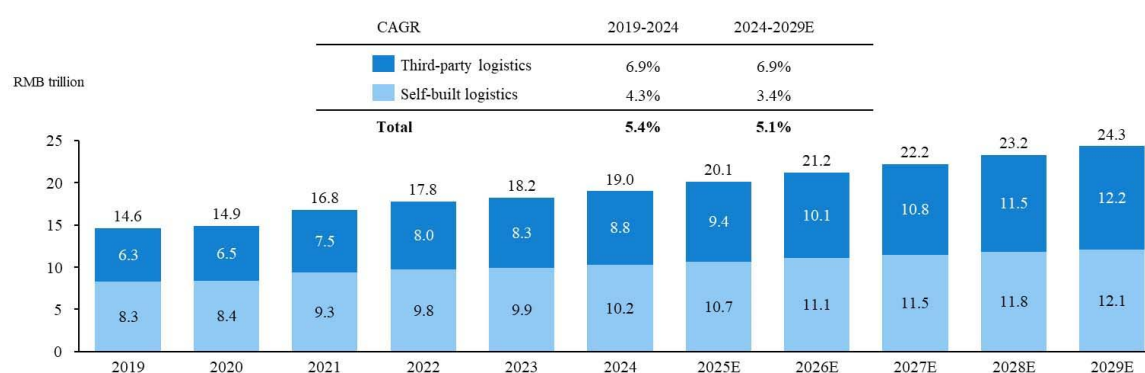
China’s logistics industry can be categorized into self-built logistics and third-party logistics, based on operation model. During the operation of enterprises, the flow of goods typically occurs in procurement, production, and sales. Companies need to consider multiple factors such as strategic planning, cost control, and operational efficiency to decide whether to use self-built logistics or to procure third-party logistics services to meet their logistics needs.

- Self-built logistics:** This operation model refers to enterprises independently investing in and constructing logistics infrastructure, including in-house logistics centers, proprietary warehouses, transportation fleets, loading and unloading equipment, and dedicated logistics management systems. These systems are operated and managed by the company’s internal logistics team, serving logistics needs such as packaging, storage, and transportation within the company’s procurement, manufacturing, or sales processes. Under this model, enterprises maintain full control over their logistics systems, which are designed exclusively for internal use.
- Third-party logistics:** This operation model involves outsourcing logistics operations to professional logistics service providers through market-oriented cooperation. These providers offer large-scale infrastructure, established logistics networks, standardized operating systems, and specialized service capabilities to support logistics activities across the supply chain. Third-party logistics includes both the purchase of services from independent third-party logistics companies and the utilization of services provided by professional logistics subsidiaries within corporate groups that have achieved socialized operations.

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Compared to self-built logistics, third-party logistics providers leverage their existing assets, management expertise, and efficient logistics systems to offer professional, transparent, and cost-effective logistics services. This approach also allows the demand side to avoid the substantial upfront investments associated with building their own logistics systems. By outsourcing logistics functions to third-party providers, enterprises can significantly reduce supply chain costs and enhance operational efficiency, thus, third-party logistics is becoming an increasingly preferred solution among enterprises. Amid rising supply and demand, China’s third-party logistics market has seen substantial expansion, from RMB6.3 trillion in 2019 to RMB8.8 trillion in 2024, representing an increase in market share from 43.0% to 46.1% of the total logistics industry. By 2029, its market size is projected to reach RMB12.2 trillion, accounting for 50.2% of the total market, surpassing self-built logistics in market scale.

Market size of logistics market in China, by operation model, 2019-2029E



Source: CFLP, The CIC Report

Contract logistics, as a representative model of customized logistics services within third-party logistics, refers to the arrangement where a logistics service provider and a client enter into a contract to offer long-term and stable logistics services. Unlike temporary logistics outsourcing, contract logistics is based on long-term agreements, establishing a stable partnership through contracts that typically last from one to five years. The scope of services in contract logistics can cover the entire supply chain, offering either single-function logistics services or integrated supply chain logistics solutions. These offerings emphasize logistics information visualization, resource integration, and other refined operational management. Compared to general temporary logistics services, contract logistics is characterized by a higher degree of specialization, greater value-added, and stronger client retention. The long-term binding relationship with clients allows contract logistics providers to deeply integrate into the clients’ supply chain management systems. By offering more integrated and tailored services, contract logistics helps clients reduce costs and improve efficiency in their logistics operations, thus it holds an important position in the third-party logistics market.

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ANALYSIS OF CHINA’S INTEGRATED SUPPLY CHAIN LOGISTICS SOLUTIONS INDUSTRY

Market size of China’s integrated supply chain logistics solutions industry

In China’s third-party logistics market, logistics services can be categorized into integrated supply chain logistics solutions and basic logistics services based on the scope of business coverage. Integrated supply chain logistics solutions, considered an advanced form of contract logistics, involve logistics providers delivering supply chain solutions that span two or more logistics processes for a single client. These services are designed to consolidate fragmented logistics service segments and drive cost reduction and efficiency improvements across the entire supply chain of enterprises. Compared to traditional contract logistics that typically cover a single logistics service segment, integrated supply chain logistics solutions leverage a higher degree of digital and intelligent technologies. Service providers can deeply understand the needs of clients in various vertical industries and offer customized supply chain services and solutions that penetrate into every business segment of the industry, enabling enterprises to build intelligent supply chains. In contrast, basic logistics services include single-function logistics and temporary logistics services. Under this model, logistics providers typically offer standardized and modular logistics services with limited integration and customization, making it difficult for providers to embed within a client’s supply chain management framework.

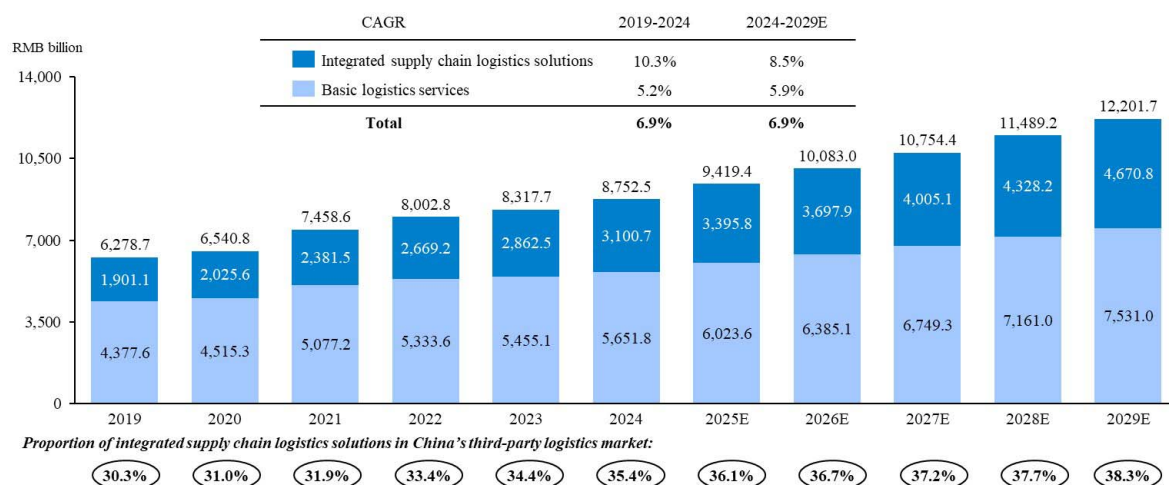
China’s manufacturing industry, underpinned by its vast scale and mature system, has long been a cornerstone of the country’s economic development. However, as the complexity of China’s manufacturing sector increases, traditional supply chains are facing significant pressure and are in urgent need of transformation and upgrading. Against the backdrop of intensified market competition and narrowing profit margins, enterprises have put forward key requirements for supply chains to reduce costs and increase efficiency in order to consolidate their development advantages. On the basis of maintaining stability and reliability, they need to integrate resources through digital transformation, optimize processes using methods such as intelligent production scheduling and unified warehousing and distribution, and improve production and circulation efficiency. Furthermore, the accelerated product iteration and intensified market demand fluctuations are forcing supply chains to strengthen their flexibility and digital capabilities. Supply chains need to not only have the adaptability to quickly adjust production capacity and flexibly switch production modes, but also rely on real-time data collection and visual decision-making systems to achieve efficient intelligent collaboration, thereby forming a supply chain support system that matches the development characteristics of the manufacturing industry.

Due to the core advantages of integrated supply chain logistics solutions, such as full-chain collaboration for cost efficiency, support for flexible manufacturing, the ability to respond to fragmented orders, enhanced information visibility, and intelligent technology-driven operations,

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this type of service is capable of meeting the demand for supply chain optimization and upgrading from the manufacturing industry and other major sectors, and has gained favor with both chain leaders across various industries and an increasing number of small and medium-sized manufacturing companies in recent years. This has driven the rapid growth of the integrated supply chain logistics solutions market in China, which increased from RMB1,901.1 billion in 2019 to RMB3,100.7 billion in 2024, with a CAGR of 10.3%, surpassing the average growth rate of the third-party logistics industry. Driven by factors including the expanding demand for cost reduction and efficiency improvement among logistics-demanding enterprises, the growing need for flexible production, the remarkable trend of order fragmentation, and the requirement for logistics information visualization, corporate clients’ demand for integrated supply chain logistics solutions is expected to continue expanding. The penetration rate of integrated supply chain logistics solutions in the third-party logistics sector will continue to rise, with their market size accounting for an estimated 38.3% of China’s third-party logistics market by 2029.

Market size of China’s third-party logistics industry, by service type, 2019-2029E



Source: The CIC Report

China’s integrated supply chain logistics solutions market can be segmented by service node into production logistics solutions and distribution logistics solutions. In integrated supply chain logistics solutions, logistics activities occurring during the stages of raw materials, semi-finished products, and finished products are classified as production logistics solutions, while logistics activities occurring during the delivery phase of finished products are classified as distribution logistics solutions.

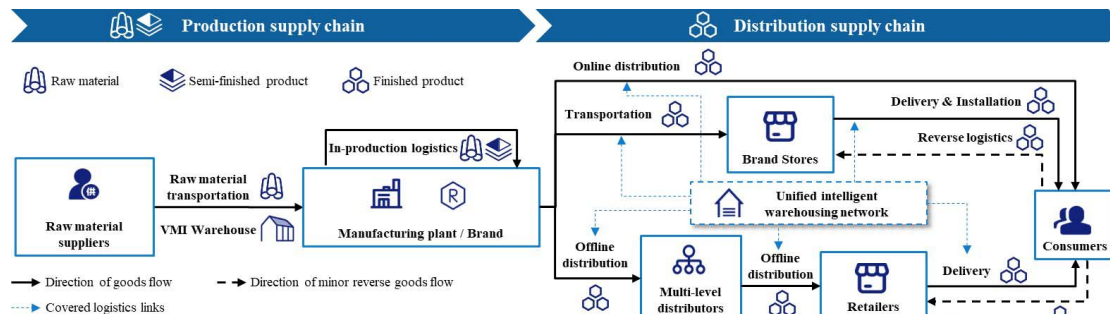
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Traditional basic logistics services face significant pain points at both the production side and the distribution side. Taking the manufacturing supply chain as an example, the pain points for logistics demanders on the production side are primarily focused on industrial chain collaboration. During the use of basic logistics services, the overall data sharing mechanism in the supply chain is often absent, resulting in a lack of global data support for the coordination of production plans and the formation of significant information blind spots. The lag in demand transmission and feedback between upstream and downstream enterprises can easily trigger the “bullwhip effect” — minor fluctuations in end-market demand are amplified step by step through hierarchical transmission, leading to deviations in the production side’s prediction of real market demand. This in turn causes resource waste such as overstocked raw materials, excessive work-in-progress, or idle production capacity. In addition, most factories have insufficient digitalization in their production processes and lack in-production logistics capabilities such as automated material handling and visual monitoring of production line logistics, resulting in low material turnover efficiency. This makes it difficult to achieve precise alignment between raw material delivery and production links, restricting the improvement of overall production efficiency across the entire chain. On the distribution side, pain points are concentrated on distribution efficiency and inventory management. The distribution of finished products involves a complex network of multi-level suppliers and dealers. In basic logistics services, the information systems of each link are usually independently dispersed, which leads to delayed information transmission. Logistics delivery route planning, lacking real-time data support, is difficult to optimize, further increasing distribution costs and extending delivery cycles. Meanwhile, the challenge of achieving global inventory management in this complex network easily causes inventory accumulation and capital occupation at each link. From the perspective of the entire supply chain, there is still significant room for improvement in the turnover efficiency of raw materials, semi-finished products on the production side, and finished products on the distribution side. Optimizing the turnover efficiency of the entire chain can effectively reduce redundant inventory costs.

To address the pain points of chain leaders and other logistics demanders, compared with basic logistics service providers, integrated supply chain logistics solutions providers can help clients improve efficiency and achieve resource integration across both production and distribution sides, leveraging their full chain coordination capabilities and digital technology advantages. For example, on the production side, service providers may deploy vendor managed inventory (VMI) warehouses to enable synchronized delivery of raw materials and alignment with production schedules. On the distribution side, they may build intelligent warehousing and distribution networks to enable omni-channel inventory sharing and dynamic allocation, effectively lowering channel inventory levels and improving order fulfillment rates.

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Schematic diagram of integrated supply chain logistics solutions in China



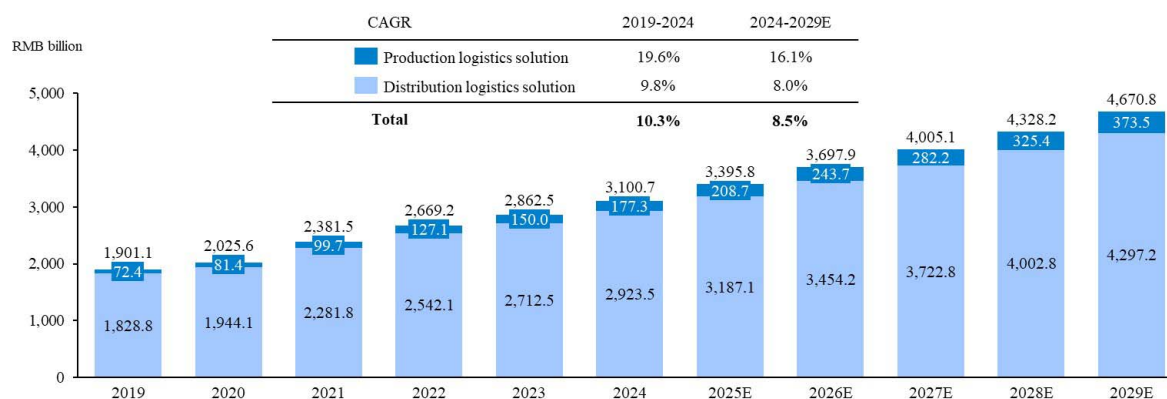
Source: The CIC Report

At present, the penetration of integrated supply chain logistics solutions in the distribution side has reached a relatively mature level, primarily due to the inherently multi-node and cross-regional nature of distribution activities, which require professional warehousing networks and delivery systems to support omni-channel sales. As a result, the distribution side continues to generate substantial demand for integrated supply chain logistics solutions. In 2024, the market size of distribution integrated supply chain logistics solutions reached RMB2,923.5 billion, accounting for 94.3% of the overall integrated supply chain logistics solutions market, reflecting its deep application in the distribution segment. Historically, on the production side of the supply chain, the transportation of raw materials has largely been handled by upstream suppliers, while in-production logistics has typically been managed internally by manufacturers, resulting in slower adoption of production logistics solutions. However, as enterprises pursue deeper cost reduction and efficiency gains, this demand is increasingly extending from distribution to production. Manufacturers are placing greater emphasis on intelligent production planning and coordinated raw material management, seeking to enhance the seamless integration between production and distribution and to build truly full-chain collaborative supply chain systems. Additionally, production logistics inherently demands high precision in logistics operations and deep insights into the manufacturing industry. Leveraging continuous technological innovation and profound expertise accumulated through serving manufacturing enterprises, some integrated supply chain logistics solutions providers have established capabilities to deliver efficient and precise production logistics solutions to clients. Driven by dual momentum from both supply and demand sides, the market size of production logistics solutions has grown rapidly in recent years, increasing from RMB72.4 billion in 2019 to RMB177.3 billion in 2024, representing a CAGR of 19.6%. By 2029, the production logistics solutions market is projected to expand further to RMB373.5 billion, with its share of the overall integrated supply chain logistics solutions market rising from 5.7% in 2024 to approximately 8.0% by 2029. It is expected that the sustained penetration of production logistics solutions will drive deep integration between the logistics and manufacturing industries, serving not only as a critical pillar for enhancing manufacturing quality

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and efficiency but also reshaping industrial supply chain ecosystems through digital and intelligent collaboration to facilitate the sector’s transformation toward flexibility, green sustainability, and intelligence.

Market size of China’s integrated supply chain logistics solutions industry, by service node, 2019-2029E



Source: The CIC Report

China’s integrated supply chain logistics solutions market can be segmented by downstream industry into home appliances, home furnishings, 3C electronics, fast-moving consumer goods (FMCG), automobiles and auto parts, and other sectors. In recent years, the automobiles and auto parts segment has experienced rapid growth, driven by the increasing demand for delivery and installation services for new energy vehicle charging stations, with a market size of RMB584.7 billion in 2024, it has become the largest segmented industries in the integrated supply chain logistics solutions market. As the automotives and auto parts supply chain continues to evolve and demand rises for flexible production and after-sales services, the market size of integrated supply chain logistics solutions in the automotives and auto parts sector is projected to grow further at a CAGR of 10.1%, reaching RMB946.9 billion by 2029. The FMCG segment, characterized by a wide variety of products, rapid iteration, diversified sales channels, fragmented order structures, and high requirements for last-mile delivery speed, is highly sensitive to logistics costs due to the relatively low unit value of goods. These features have created strong demand for integrated supply chain logistics solutions that streamline supply chain structures and reduce redundant distribution layers. As a result, the market size of integrated supply chain logistics solutions in the FMCG sector grew from RMB292.1 billion in 2019 to RMB520.2 billion in 2024. It is projected that the penetration of integrated supply chain logistics solutions in the FMCG sector will continue to deepen, with the market size expected to reach RMB818.6 billion by 2029, representing a CAGR of 9.5% from 2024 to 2029. The home appliance sector, known for its complex product categories and large number of raw materials, faces high warehousing costs and challenges in raw

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material management on the production side. At the same time, significant demand exists for delivery, installation, and after-sales services on the end-user side, placing high requirements on downstream service capabilities. As a result, the home appliance industry has a strong demand for integrated supply chain logistics solutions capable of providing efficient support across production logistics, distribution and sales, and terminal services. The market size of integrated supply chain logistics solutions in the home appliance sector has increased from RMB26.2 billion in 2019 to RMB41.5 billion in 2024 and is expected to reach RMB57.0 billion by 2029. In the home furnishings industry, the demand for customized products is high, while the standardization level is low. Furniture transportation faces significant challenges, involving multiple turnover cycles. Additionally, the sales process usually includes delivery and installation services, as well as debugging and return logistics. These characteristics drive a strong demand for highly customized integrated supply chain logistics solutions with a well-established last-mile delivery and installation network. The market size of integrated supply chain logistics solutions in the home furnishings sector grew from RMB39.6 billion in 2019 to RMB65.1 billion in 2024 with a CAGR of 10.5%, and is expected to reach RMB92.6 billion by 2029 with a CAGR of 7.3% from 2024 to 2029.

Market drivers of China’s integrated supply chain logistics solutions industry

- ***Intensifying competition across industries driving the need for cost reduction and efficiency enhancement, with integrated supply chain logistics solutions standing out due to their advantages in cost optimization, fulfillment efficiency, and flexible supply chain management:*** Currently, intensifying competition across industries is compelling enterprises to continuously pursue new pathways for cost reduction and efficiency enhancement. On the one hand, intensified market homogenization has compelled enterprises to optimize their operating costs. Traditional fragmented logistics service models, where procurement, production, warehousing, and delivery operate independently, often lead to inventory overstocking, high empty-load rates, and inefficient resource allocation. On the other hand, rising consumer expectations for delivery speed and service quality are driving companies to build more efficient and competitive fulfillment systems. In this context, integrated supply chain logistics solutions eliminate information silos across functions, enabling end-to-end visibility and intelligent scheduling. This reduces resource waste in intermediate links and accelerates order response times. Through centralized procurement, integrated supply chain logistics solutions lower raw material costs; intelligent warehousing reduces inventory occupancy; and route optimization cuts transportation expenses, thereby significantly optimizing overall operational costs. Meanwhile, leveraging digital platforms enables automatic order allocation, intelligent inventory alerts, and real-time delivery tracking, markedly enhancing fulfillment efficiency and service quality. These systemic

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advantages allow enterprises to optimize both cost-effectiveness and service quality simultaneously, driving more logistics demand-side players to adopt integrated supply chain logistics solutions and driving sustained market expansion.

- ***Flexible production at the production side driving the transformation and upgrade toward integrated supply chains:*** Flexible production refers to a production model to quickly switch product types and adjust production pace on the production line through intelligent equipment, modular design, and digital management. As consumer demand becomes more personalized and diverse, traditional production models are unable to keep pace with market dynamics. Integrated supply chain logistics solutions incorporate flexible production into the production side of the supply chain, allowing production to adapt swiftly to changes in market demand. This not only reduces production costs and enhances efficiency but also improves supply chain responsiveness and adaptability. As a result, enterprises maintain vitality and flexibility in market competition and promotes deep integration between the production side and other supply chain segments, driving the entire supply chain towards an integrated model. This enables chain leaders to better meet the needs of personalized, small-batch, and multi-batch orders.
- ***Order fragmentation on the distribution side accelerating the expansion of China’s integrated supply chain logistics solutions:*** With the diversification of sales channels and the fragmentation of consumer order demands, traditional supply chain models struggle to efficiently meet the rising complexity of market requirements. To cope with omni-channel sales models, brand chain leaders need to integrate various sales channels, enhance fulfillment capabilities, and ensure the efficient flow of orders across different stages. Integrated supply chain logistics solutions optimize information flow, logistics, and inventory management, enhancing the coordination and flexibility of the supply chain, and enabling enterprises to better adapt to the challenges of fragmented orders. As the market demand for efficient supply chain management increases, these changes on the distribution side are accelerating the transformation from logistics services to integrated supply chain logistics solutions.
- ***Rising demand for logistics visibility and information sharing:*** As supply chains become more complex, enterprises have higher requirements for accuracy and timeliness in logistics management. Visibility in logistics processes has become essential for improving overall supply chain efficiency. By real-time tracking and monitoring of the transportation status of goods, enterprises can adjust logistics plans in a timely manner, reduce delays and inventory overstocking, and thus optimize delivery and inventory management. Moreover, upstream and downstream information sharing enhances cross-segment coordination, enabling real-time synchronization of production plans, inventory status, and delivery progress across different business units. This achieves

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efficient integration between the production and distribution, significantly enhancing overall operational efficiency and market responsiveness. Integrated supply chain logistics solutions, through integrating information flows across multiple segments, can effectively achieve these collaborative advantages and have thus gained the favor of enterprises.

- ***Intelligent technologies enabling integrated supply chain logistics solutions to reduce costs and enhance efficiency, while driving their digital transformation:*** On the software side, big data and AI algorithms optimize route planning, vehicle dispatching, and other operational aspects, helping enterprises reduce supply chain costs and improve efficiency. On the hardware side, the application of intelligent warehousing equipment such as automated robotic arms and robots significantly enhances the level of logistics and warehousing automation, reducing labor costs and improving warehouse operation efficiency. In terms of full-process management, the construction of supply chain networks and integrated comprehensive solutions based on the IoT and AI technologies, through information visualization and real-time data management, enhances the operational efficiency of the supply chain. The application of AI+ technologies has become a key growth driver in the industry, empowering chain leaders and service providers to achieve intelligent and efficient operations in demand forecasting, inventory management, and transport scheduling, thereby driving the continuous upgrading of the integrated supply chain logistics solutions industry.

Future trends of China’s integrated supply chain logistics solutions industry

- ***Modern integrated supply chain logistics systems increasingly integrated into all segments of manufacturing industry under the guidance of policies, forming a deeply integrated development mode between manufacturing and logistics:*** Guided by policies such as the “14th Five-Year Plan for Modern Logistics Development” and the “Implementation Plan for Promoting Extensive Integration and Innovative Development of the Logistics Industry and the Manufacturing Industry”, the integration between manufacturing and supply chain logistics is accelerating. The policies explicitly encourage manufacturing enterprises and logistics providers to build full-chain collaborative systems, spanning raw material procurement, production organization, and product sales, through strategic cooperation and resource sharing. In this context, modern integrated supply chain logistics systems will rapidly connect manufacturing and logistics data via industrial internet platforms and deeply embed into key manufacturing activities such as material allocation, production scheduling, and finished goods distribution. On one hand, this integration enhances supply chain stability by allowing manufacturers to dynamically adjust production plans based on real-time logistics data. On the other hand, it improves responsiveness and efficiency of the supply chain,

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supporting the transformation and upgrading of the manufacturing industry and laying a foundation for flexible and agile production, ultimately promoting high-quality development of the real economy.

- ***Integrated supply chain logistics solutions providers accelerating full-chain digital coordination, enabling intelligent management across procurement, production, and distribution:*** Driven by industrial upgrading and technological innovation, enterprises are increasingly demanding greater supply chain agility, visibility, and intelligent decision-making capabilities, making digital competency a core competitive advantage for integrated supply chain logistics solutions providers. Through the deep integration of technologies such as AI, big data, IoT, and 5G, providers are not only able to optimize the efficiency of individual logistics functions such as warehousing and transportation, but more importantly, build intelligent supply chain collaboration platforms that enable dynamic cross-enterprise resource integration. This digitalized, full-chain collaboration enhances the resilience and responsiveness of the supply chain while creating new value growth points through intelligent forecasting and optimized decision-making. It marks a strategic leap from basic logistics services to intelligent supply chain value innovation and will become a key upgrade direction for integrated supply chain logistics solutions providers.
- ***Leading integrated supply chain logistics enterprises expanding market share, driven by their advantages in resources, technology, and scale, along with growing downstream demand for premium services:*** Top-tier companies significantly enhance market competitiveness through their extensive logistics networks, advanced IT systems, rich industry expertise, and efficient logistics management systems, enabling them to provide downstream enterprises with high-efficiency, low-cost integrated supply chain logistics solutions and other value-added services. As downstream industry consolidation increases and the overall supply chain matures, large enterprises are placing greater demand on chain leaders that can provide resource integration and customized services. With the multiple advantages of resources, technology, scale effect, and brand, the market share of leading integrated supply chain logistics enterprises is expected to continue to rise, driving the entire industry towards a more concentrated and efficient direction.
- ***Integrated supply chain logistics solutions industry transitioning toward green and sustainable development with the “dual-carbon” goals, rising demand for resource optimization, deeper CSR awareness, and strong technological support:*** In response to China’s “dual-carbon” goals, the integrated supply chain logistics sector is actively exploring environmentally sustainable development paths to address environmental pollution and carbon emissions. As the concept of CSR becomes more deeply rooted in

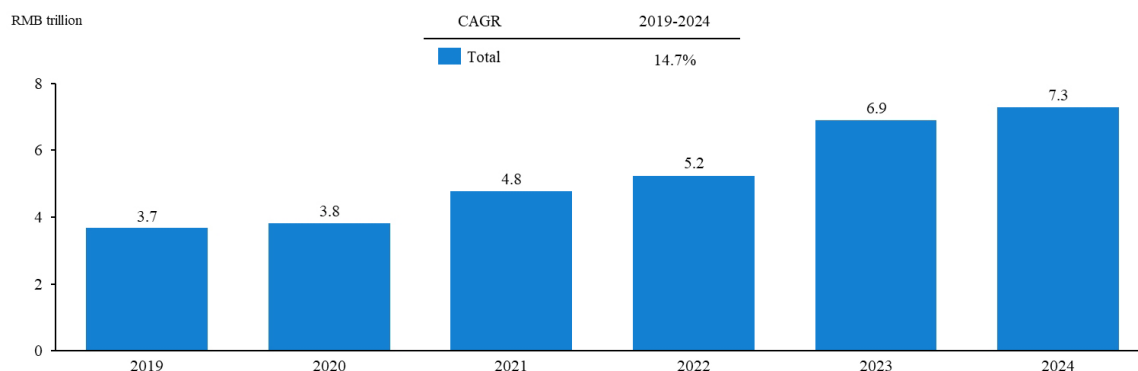
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the public, integrated supply chain logistics enterprises are meeting social expectations and gaining the support of customers and investors by adopting measures such as recyclable packaging materials and new energy vehicles. At the same time, intensifying market competition drives enterprises to improve resource utilization by optimizing transportation routes and distribution channels, reducing costs while adhering to green logistics principles. Rapid advancements in IoT, big data, and AI technologies are enabling intelligent energy management and high-efficiency logistics operations, accelerating the shift toward a cleaner, smarter, and more sustainable logistics industry.

Analysis of opportunities for China’s integrated supply chain logistics solutions exports

In recent years, China’s foreign trade scale has steadily expanded. The total value of China’s goods imports and exports increased from RMB31.5 trillion in 2019 to RMB43.8 trillion in 2024, representing a CAGR of 6.8%. China has been the world’s largest trading nation in terms of imports and exports for several consecutive years. This sustained growth in foreign trade has laid a solid foundation for Chinese manufacturing enterprises to expand into overseas markets. With the advancement of the “Going Global” strategy, Chinese manufacturers are continuously expanding their global footprint, from exporting products to exporting production capacity. The number of overseas R&D centers, production plants, warehousing hubs, and sales outlets established by Chinese enterprises has grown significantly. These companies are gradually realizing localized operations overseas to better align with target markets and enhance product competitiveness. Among them, the total overseas assets of China’s top 500 manufacturing enterprises surged from RMB3.7 trillion in 2019 to RMB7.3 trillion in 2024, reflecting a CAGR of 14.7%, indicating the accelerated globalization of capacity deployment among chain leaders in China’s manufacturing industry.

Total overseas assets of China’s top 500 manufacturing enterprises, 2019-2024



Source: CEC, The CIC Report

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In the process of Chinese manufacturing enterprises expanding overseas, the complexity of supply chain management and the demand for transnational operations have also increased. Given that overseas unit logistics costs are typically higher than domestic ones, enterprises have a more pressing need for cost-effective supply chain services. Integrated supply chain logistics solutions providers, with their full-chain coordination capabilities, can help clients optimize the structure of overseas logistics costs and ensure efficient operations from raw material procurement to production and global distribution, thereby effectively enhancing the efficiency of corporate asset allocation. Moreover, leading manufacturing customers have already validated the efficiency benefits of integrated supply chain logistics solutions in the domestic market and thus prefer to continue using similar services overseas to maintain high levels of logistics efficiency and consistency in brand delivery. This demand provides abundant market opportunities for the international expansion of Chinese integrated supply chain logistics solutions providers. By optimizing service resource allocation and improving supply chain management efficiency, Chinese integrated supply chain logistics solutions providers are expected to become an important supporting force for Chinese manufacturing enterprises going global. Against this backdrop, some integrated supply chain logistics solutions providers that already serve large manufacturing customers are expected to expand overseas in tandem with the overseas business expansion of their core customers, reaching the global supply chain logistics market.

Market drivers and future trends of China’s integrated supply chain logistics solutions exports

- ***Rapid growth in demand for integrated supply chain logistics solutions driven by manufacturing enterprises’ overseas expansion:*** As China’s manufacturing industry accelerates its internationalization strategy, an increasing number of enterprises are setting up production capacities, sales networks, and localized operating systems globally. This trend is driving their supply chain systems towards globalization and integration. During this process, enterprises are placing higher demands on integrated supply chain logistics solutions that can support the coordination of multiple functions, including cross-border logistics, international procurement, overseas warehousing, customs compliance, and production scheduling. On one hand, facing intensified global market competition and rising uncertainties, enterprises urgently need integrated supply chain logistics solutions to enhance operational efficiency, reduce overall costs, and increase the flexibility and resilience of their supply chains. On the other hand, given the differences in regulatory environments, customs standards, and supply chain infrastructure across countries and regions, relying on integrated service providers with global operational experience and local execution capabilities has become a key support for manufacturing enterprises to ensure business compliance and stable operations. Therefore, the pace of manufacturing enterprises “going global” directly drives

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integrated supply chain logistics solutions providers to accelerate the construction of international market service capabilities to meet customers’ needs for full-chain, one-stop services in cross-border or overseas operations.

- ***Deep integration of leading manufacturing enterprises and integrated supply chain logistics solutions providers promoting synchronized overseas expansion:*** The enterprises that take the lead in international layout are mostly industry-leading manufacturing enterprises or those with a large scale and mature operational capabilities in the domestic market. These enterprises usually maintain long-term deep cooperation with integrated supply chain logistics solutions providers domestically, forming highly compatible business processes and collaborative mechanisms. Integrated supply chain logistics solutions providers are not only familiar with their customers’ operating models, management systems, and technical standards but also have developed high stickiness in system docking, data coordination, and emergency response. As these core customers move into the international market, considering customer relationship maintenance, business collaboration continuity, and market expansion, integrated supply chain logistics solutions providers often synchronize their international layout by setting up service nodes in key overseas regions of their customers and providing localized, customized comprehensive solutions. This “follow-the-client” approach is not only an extension and value enhancement of existing customer resources but also a practical path and strategic choice for supply chain service providers to achieve global business expansion.
- ***Development of the cross-border B2B model driving demand for efficient and compliant integrated supply chain logistics solutions:*** Against the backdrop of global economic integration, a growing number of Chinese enterprises are actively exploring overseas markets to expand their business footprint and optimize revenue structures. By leveraging cross-border B2B e-commerce platforms, these enterprises can efficiently connect with global buyers, accelerating their international market expansion. This process not only fuels the rapid development of the cross-border B2B business model but also significantly increases the demand for cross-border supply chain services. Given the typically large scale of cross-border B2B transactions, enterprises place higher demands on the stability, reliability, and compliance of key supply chain links — including cross-border logistics timeliness, inventory turnover in overseas warehouses, customs compliance, and cross-border payment and settlement. Consequently, there is growing demand for supply chain service providers capable of delivering efficient and compliant integrated solutions, which is directly driving the expansion of the overseas integrated supply chain logistics solutions market and compelling service providers to continuously innovate and enhance their capabilities to adapt to changing market conditions and meet the evolving needs of globalizing businesses.

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- ***Growing global demand for green supply chains creating opportunities for integrated supply chain logistics solutions providers with green compliance capabilities:*** The global business environment’s increasing emphasis on sustainable development has led to stricter environmental regulations in many countries, with higher requirements for corporate carbon emissions and resource utilization efficiency. The concept of green supply chains has become an indispensable part of corporate supply chain management. The growth in green compliance demands presents significant opportunities for leading Chinese integrated supply chain logistics solutions providers with capabilities in intelligent management, separation optimization of goods flow and business flow, and transportation route planning. These service providers, leveraging their core capabilities and advantages, can not only effectively help customers meet environmental regulations but also achieve cost reduction and efficiency improvement through full-chain green transformation. Thus, integrated supply chain logistics solutions providers play a key role in the global compliance operations and brand green upgrading, gaining the favor of multinational and overseas-bound companies. As global demand for green supply chains grows, leading integrated supply chain logistics solutions providers with relevant core capabilities are expected to access broader market opportunities.

Competitive Landscape of China’s Integrated Supply Chain Logistics Solutions Industry

Competitive analysis of China’s integrated supply chain logistics solutions industry

Comprehensive integrated supply chain logistics solutions providers refer to enterprises that offer integrated supply chain logistics solutions to clients across multiple industry sectors. In 2024, the market size of China’s integrated supply chain industry reached RMB3,100.7 billion. The combined market share of the top five comprehensive integrated supply chain logistics solutions providers was 5.2%, indicating a relatively fragmented market structure in China’s integrated supply chain logistics solutions industry. The Company generated integrated supply chain logistics solutions revenue of RMB16.3 billion in 2024, with a market share of 0.5%, ranking third among China’s comprehensive integrated supply chain logistics solutions providers. Additionally, during 2022 to 2024, the Company’s integrated supply chain logistics solutions revenue grew at an approximate CAGR of 16%, ranking first among top 5 comprehensive integrated supply chain logistics solutions providers, demonstrating the Company’s rapid growth in integrated supply chain logistics solutions.

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Ranking and market share of China’s comprehensive integrated supply chain logistics solutions providers, in terms of revenue generated from integrated supply chain logistics solutions, 2024

Rank	Company	Integrated supply chain logistics solutions revenue in China (RMB billion)	Market share (%)	Chain Leader Type	Main Customer Types	CAGR (2022–2024)
1	Company A	87.4	2.8%	E-commerce chain leader	Intra-group e-commerce merchants, external e-commerce clients, and manufacturing enterprises across industries	~6%
2	Company B	31.7	1.0%	Bulk commodity chain leader	Bulk import/export traders and industrial goods manufacturers	~-1%
3	The Company	16.3	0.5%	Manufacturing chain leader	Intra-group and external clients in home appliances, home furnishings, FMCGs, 3C electronics, and automobiles	~16%
4	Company C	14.2	0.5%	Manufacturing chain leader	Intra-group and external clients in home appliances and home furnishings	~6%
5	Company D	12.0	0.4%	Manufacturing chain leader	Intra-group and external clients in 3C electronics, home appliances and automobiles	~9%

Source: The CIC Report

Notes:

1. Company A was established in 2007 and is listed on the Hong Kong Stock Exchange. It is a leading technology-driven supply chain solutions and logistics service provider in China, primarily offering integrated supply chain solutions including warehousing and distribution, express delivery, heavy goods logistics, cold chain, and cross-border logistics.
2. Company B was established in 2002 and is listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange. It is a leading comprehensive logistics service provider in China, with business covering sea freight, air freight, rail transportation, road transportation, and contract logistics.

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3. Company C was established in 2000 and is a private company. It is an IoT supply chain ecosystem brand, focusing on supply chain management for large goods such as home appliances and home furnishings.
4. Company D was established in 2010 and is a private company. It is a global manufacturing supply chain management service provider, specializing in full-chain supply chain solutions for the electronics manufacturing and high-tech industries.

Leading comprehensive integrated supply chain logistics solutions providers primarily serve chain leaders in manufacturing, e-commerce, or bulk commodity sectors. Among them, integrated supply chain logistics solutions providers that serve manufacturing chain leaders typically originate from in-house logistics divisions of manufacturing enterprises. Through long-term service to their parent manufacturing groups, these providers have developed a strong manufacturing DNA and have accumulated extensive operational know-how in core areas such as raw material transportation and warehousing, in-production logistics planning, and distribution supply chain construction. Meanwhile, they can also observe the needs and pain points of industry supply chain construction from the perspective of the brand owners. Therefore, they are able to offer highly efficient integrated supply chain logistics solutions with deep industry insights to external clients.

In 2024, the market size of China’s production logistics solutions reached RMB177.3 billion, accounting for approximately 5.7% of the total integrated supply chain logistics solutions market. The Company’s revenue from production logistics solutions in 2024 amounted to RMB2.0 billion, ranking first among China’s comprehensive integrated supply chain logistics solutions providers and demonstrating the Company’s leading position in serving the production logistics links of manufacturing enterprises.

Ranking and market share of China’s comprehensive integrated supply chain logistics solutions providers, in terms of revenue generated from production logistics solutions, 2024

Rank	Company	Production logistics solutions revenue in China	Market share
		(RMB billion)	(%)
1	The Company	2.0	1.1%
2	Company D	1.8	1.0%
3	Company A	1.7	0.9%
4	Company B	1.2	0.7%
5	Company C	1.1	0.6%

Source: The CIC Report

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In 2024, the market size of China’s home appliance integrated supply chain logistics solutions sector reached RMB41.5 billion. In terms of revenue, the top five home appliance integrated supply chain logistics solutions providers accounted for 80.7% of the total market, indicating a relatively high level of industry concentration. The Company ranked first in the sector with RMB11.2 billion in revenue, representing a 27.1% market share. The Company’s revenue in this segment is primarily derived from providing home appliance manufacturers with integrated supply chain logistics solutions, covering production logistics, omni-channel shared inventory and distribution, and integrated last-mile delivery & installation solutions.

Ranking and market share of China’s home appliance integrated supply chain logistics solutions providers, in terms of revenue, 2024

Rank	Company	Home appliance integrated supply chain logistics solutions revenue in China (RMB billion)	Coverage of the production side of the home appliance industry	Market share (%)
1	The Company	11.2	Yes	27.1%
2	Company C	9.6	Yes	23.2%
3	Company A	8.7	No	21.0%
4	Company E	2.0	Yes	4.9%
5	Company F	1.9	No	4.6%

Source: The CIC Report

Notes :

1. Company E was established in 1990 and is a private company. It is a leading smart retail supply chain service provider in China, which specializes in full-chain logistics solutions for retail enterprises, including warehouse management, line-haul transportation, urban distribution, and after-sales logistics services.
2. Company F was established in 2013 and is a private company. It is a digital and intelligent global logistics industry internet company, which specializes in building a smart logistics backbone network and providing digital supply chain services for e-commerce platforms and brand owners.

In 2024, the market size of China’s FMCG integrated supply chain logistics solutions sector reached RMB520.2 billion. The FMCG sector encompasses food, beverages, alcoholic drinks, and beauty and personal care products. The market remains relatively fragmented, with the top five

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FMCG integrated supply chain logistics solutions providers collectively accounting for only 9.1% of total market share. The Company generated RMB3.6 billion in revenue from FMCG integrated supply chain logistics solutions, representing a 0.7% market share, ranking fourth in the industry in 2024.

Ranking and market share of China’s FMCG integrated supply chain logistics solutions providers, in terms of revenue, 2024

Rank	Company	FMCG integrated supply chain logistics solutions revenue in China (RMB billion)	Market share (%)
1	Company A	21.8	4.2%
2	Company B	13.7	2.6%
3	Company F	4.6	0.9%
4	The Company	3.6	0.7%
5	Company G	3.5	0.7%

Source: The CIC Report

Notes :

1. Company G was established in 1993 and is listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange. It is a leading comprehensive logistics service provider in China, offering a wide range of logistics services including time-sensitive express delivery, economy express delivery, freight, cold chain and pharmaceutical logistics, intra-city express, and international express logistics.

Key success factors in China’s integrated supply chain logistics solutions industry

- **Strong resource synergy capabilities to enhance overall resource utilization:** Integrated supply chain logistics solutions providers need to establish efficient mechanisms for resource integration and coordination, enabling to flexibly allocate key resources such as warehousing networks, transportation capacity, and last-mile services to achieve optimized resource allocation across regions and processes. This requires not only a nationwide infrastructure layout but also the use of intelligent systems to enable real-time coordination between warehousing, transportation, and delivery. Additionally, building a stable ecosystem of partners is essential. While maintaining control over core

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resources, companies should leverage social collaboration to rapidly expand their service capabilities, meeting clients’ elastic demands during peak seasons or special scenarios and ensuring the stability and sustainability of service quality.

- ***In-depth understanding of industry needs and pain points to provide tailored solutions:*** A deep understanding of the specific needs and pain points of clients’ industries allows integrated supply chain logistics solutions providers to offer targeted, customized solutions to enterprises in various verticals. Integrated supply chain logistics solutions providers can develop corresponding plans in advance for the supply chain challenges that customers may face, deeply understand industry trends and market demands faced by customers, help enterprises explore innovation opportunities, and establish stable cooperative relationships with customers, which is conducive to the long-term sustainable development and reputation dissemination of supply chain logistics enterprises.
- ***End-to-end industry ecosystem integration to create value beyond basic logistics services:*** Leading supply chain companies should go beyond traditional logistics services and deeply integrate into the industry ecosystem. By connecting key players such as manufacturers, brand owners, distributors, and retailers, they can build an end-to-end value collaboration network. On the production side, this involves integrating with manufacturing enterprises’ production planning systems to achieve precise matching of raw material procurement and component delivery with production schedules. On the distribution side, it means linking the inventory systems of brand owners, distributors, and retailers to create an omni-channel shared supply chain network. Establishing an industry-level data interconnection and collaboration platform enables real-time data sharing and business linkage between upstream and downstream enterprises. This helps clients shorten supply chain response cycles, reduce overall operating costs, and optimize supply chain efficiency, thereby creating value beyond basic logistics services and enhancing market competitiveness.
- ***Advanced technology and automation systems to improve operational efficiency and competitiveness:*** Advanced technology is the foundational capability supporting the continuous expansion of integrated supply chain logistics solutions providers. The application of automation systems significantly enhances efficiency in the supply chain logistics industry, reduces labor costs and error rates, and improves customer satisfaction. Collecting, integrating, and analyzing data from different supply chain links allows providers to offer value-added services such as data insights and sales and production forecasts. The introduction of advanced equipment like industrial robots

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further increases warehouse operation efficiency and reduces labor costs. Companies with data integration and analysis capabilities, as well as automation, will lead industry development.

- ***Reliable delivery capabilities and strong brand image to build client trust and expand market influence:*** A strong brand image accumulated by integrated supply chain logistics solutions providers in the industry is one of the key factors influencing downstream client choices. The flexibility of the supply chain and reliable, efficient delivery capabilities are crucial in establishing a strong brand image and positive word-of-mouth. Reliable and efficient delivery by supply chain logistics companies helps build client trust and loyalty, increasing repeat business and positive referrals. In the face of ever-changing market demands, the ability to promptly respond to client needs and maintain supply chain flexibility is a key factor in maintaining a competitive edge.

Entry barriers for China’s integrated supply chain logistics solutions industry

- ***Existing enterprises having formed mature industrial collaboration networks, making it difficult for new entrants to quickly build resource integration capabilities at the same level:*** Leading integrated supply chain logistics solutions providers have developed mature, highly efficient coordination mechanisms across raw material procurement, manufacturing, distribution, and last-mile delivery by serving core enterprises along the industrial value chain over many years. This deep integration is not only reflected in the networked layout of logistics facilities such as warehousing, transportation networks, and terminal outlets but, more crucially, in the standardized docking processes and dynamic optimization capabilities with upstream and downstream enterprises. New entrants, lacking mature industry collaboration experience and stable partnerships, find it challenging to quickly establish such a multi-link coordinated system. As a result, they are unable to offer competitive end-to-end solutions and struggle to establish a foothold in the market.
- ***Core enterprises in the industrial chain having formed deep ties with leading integrated supply chain logistics solutions providers, creating barriers of customer acquisition for new entrants:*** Large manufacturing companies and brand owners typically have strategic partnerships with leading integrated supply chain logistics solutions providers. These providers are deeply embedded in the clients’ industry systems and even participate in the entire process of supply chain transformation. This cooperation extends beyond logistics execution to core processes such as production planning coordination and inventory strategy formulation, creating highly specialized service stickiness. New entrants, lacking case endorsements for serving benchmark

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clients and unable to quickly establish deeply matched collaborative mechanisms with clients’ businesses, find it difficult to break through existing cooperation patterns and gain the trust and business opportunities of core clients in the short term.

- ***New entrants requiring significant investment in infrastructure, technological systems, and market promotion, with funding shortages becoming the main obstacle for small businesses entering the industry:*** New entrants into the integrated supply chain logistics solutions industry require substantial capital investment to establish and maintain infrastructure such as warehouses and distribution centers, develop or purchase advanced information technology systems, build or partner with third-party transportation organizations, and invest in market promotion and customer development to establish brand awareness. Start-up or small supply chain logistics service providers often face capital shortages, which become a significant barrier to entering the integrated supply chain logistics solutions industry.
- ***The industry requiring advanced logistics technology and system support, as well as data resources accumulated from industry services to complement intelligent systems, forming a technological threshold:*** In addition to basic transportation management systems (TMS) and warehouse management systems (WMS), the application of big data and AI in supply chains is equally important, which can provide precise data insights, optimize resource allocation, and drive the digital and intelligent transformation of supply chains. However, the effective implementation of intelligent systems depends on the accumulation of a large amount of industry data by service providers. By analyzing and mining historical data, intelligent systems can offer accurate predictions, decision support, and operational optimization. Therefore, service providers need to have extensive data accumulation through long-term cooperation with “chain leader” enterprises to build a core competitive barrier in technology.
- ***Leading integrated supply chain logistics solutions providers having formed a complete talent training system and professional knowledge accumulation through long-term accumulation, creating talent accumulation barriers for new entrants:*** Leading integrated supply chain logistics solutions providers have established comprehensive talent cultivation systems and accumulated specialized knowledge through long-term experience. Their management teams possess deep supply chain operation experience and a vision for digital technology, enabling them to translate industry insights into innovative solutions. By serving clients in various vertical fields over time, these companies have developed professional teams that understand industry needs and pain points and are proficient in logistics system management. They have also established standardized knowledge transfer mechanisms. New entrants not only face challenges in recruiting cross-domain experienced composite talents but also lack the

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project practice environment and time accumulation needed to cultivate such talents. This puts them at a significant disadvantage in providing high-value services, creating a formidable entry barrier.

SOURCES OF INFORMATION

We engaged CIC, an independent market research and consulting company that provides industry consulting services, commercial due diligence, and strategic consulting, to conduct detailed research on and analysis of the integrated supply chain logistics solutions market in China. We have agreed to pay a fee of RMB520,000 to CIC in connection with the preparation of the CIC Report. We have incorporated certain information from the CIC Report into this section, as well as into “Summary”, “Business”, “Financial Information”, and elsewhere in this document to provide potential investors with a comprehensive presentation of the industries where we operate.

CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analysing data from various publicly available data sources, such as the National Bureau of Statistics of China, China Federation of Logistics & Purchasing, etc.

The CIC Report was compiled based on the following key assumptions: (i) the overall social, economic, and political environment in China is expected to remain stable during the forecast period; (ii) relevant key industry drivers are likely to drive the integrated supply chain logistics solutions market in China during the forecast period; and (iii) there is no extreme force majeure or unforeseen set of industry regulations in which the market may be affected in either a dramatic or fundamental way.

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The laws and regulations in mainland China that have a significant impact on our business operations are set out below:

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Company Law

The PRC Company Law (《中華人民共和國公司法》) (the “**Company Law**”) was promulgated by the Standing Committee of the National People’s Congress, or the SCNPC, on December 29, 1993 and implemented on July 1, 1994, and last revised on December 29, 2023, which came into effect on July 1, 2024. Under the Company Law, companies are generally classified into two categories, namely, limited liability companies and joint stock limited companies. The Company Law also applies to foreign-invested enterprises. Pursuant to the Company Law, where laws on foreign investment have other stipulations, such stipulations shall prevail. The major amendments of the latest Company Law, which came into effect on July 1, 2024, include improving the company establishment and exit regime, optimizing the organizational structures of companies, improving the capital system of companies, strengthening the responsibilities of controlling shareholder and management, and reinforcing the social responsibilities of companies, among others.

Foreign Investment

Investment activities in mainland China by foreign investors are principally governed by the Catalog of Encouraged Industries for Foreign Investment (《鼓勵外商投資產業目錄》) (the “**Encouraged Catalog**”), and the Special Administrative Measures (Negative List) for Foreign Investment Access (《外商投資准入特別管理措施(負面清單)》) (the “**Negative List**”), which are promulgated and amended from time to time by the National Development and Reform Commission (the “**NDRC**”), and the Ministry of Commerce of the People’s Republic of China, or the MOFCOM, and together with the PRC Foreign Investment Law (《中華人民共和國外商投資法》), or the Foreign Investment Law, and its respective implementation rules and ancillary regulations.

The Foreign Investment Law was promulgated by the National People’s Congress of the PRC (the “**NPC**”), in March 2019 and came into effect on January 1, 2020, which replaced three then existing laws on foreign investments in mainland China, namely, the Sino-Foreign Equity Joint Venture Enterprise Law of PRC (《中華人民共和國中外合資經營企業法》), the Sino-Foreign Cooperative Joint Venture Enterprise Law of PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-owned Enterprise Law of PRC (《中華人民共和國外資企業法》). The Foreign Investment Law, by means of legislation, establishes the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection

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and fair competition. According to the Foreign Investment Law, foreign investment shall enjoy pre-entry national treatment, except for those foreign invested entities that operate in industries deemed to be either “restricted” or “prohibited” in the Negative List, which is promulgated and approved by the State Council. To ensure the effective implementation of the Foreign Investment Law, the Regulations on Implementing the Foreign Investment Law of PRC (《中華人民共和國外商投資法實施條例》) (the “**Foreign Investment Implementation Regulations**”), was promulgated by State Council in December 2019 and came into effect on January 1, 2020, which further clarified that the state encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment and advances a higher-level opening.

The NDRC and the MOFCOM jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**2024 Negative List**”), on September 6, 2024, to replace the previous Negative List. Pursuant to the Foreign Investment Law, the Foreign Investment Implementation Regulations and the 2024 Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed “permitted” for foreign investments.

LAWS AND REGULATIONS RELATING TO ROAD TRANSPORTATION OPERATION

Road Transportation

Pursuant to the Regulations on Road Transportation of the PRC (《中華人民共和國道路運輸條例》) promulgated by State Council on April 30, 2004, and last amended on July 20, 2023, and the Provisions on Administration of Road Freight Transportation and Stations (Sites) (《道路貨物運輸及站場管理規定》) issued by the Ministry of Transport on June 16, 2005, and last amended on November 10, 2023 (the “**Road Freight Provisions**”), the business operations of road freight transportation refer to commercial road freight transportation activities that provide public services to society. The road freight transportation includes general road transportation, special road freight transportation and others. Special road freight transportation refers to freight transportation using special vehicles with containers, refrigeration equipment, or tank containers, etc. The Road Freight Provisions set forth detailed requirements with respect to vehicles and drivers.

Under the Road Freight Provisions, where the competent authority of transport makes a decision of approval of administrative licensing for an application for business operations of road freight transportation that meets the statutory requirements, it shall issue a Decision on Administrative Licensing for Business Operations of Road Freight Transportation and grant the Operation License for Road Transport to the license. Where an operator uses an ordinary freight

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vehicle of 4,500 kilograms or less to engage in ordinary freight transportation business operations, it is not required to apply for an Operation License for Road Transport and a Road Transport Certificate. Where a business operator of road freight transportation intends to establish a subsidiary, it shall file an operation license application with the competent authority of transport of the place where the subsidiary to be established is located. If it intends to establish a branch, it shall report to the competent authority of transport of the place where the branch to be established is located for archival purposes.

Transport Vehicles

On February 29, 2000, the PRC Ministry of Transport promulgated the Regulations on the Road Management of the Running of Over-dimensional Transport Motor Vehicles (《超限運輸車輛行駛公路管理規定》), and latest amended on August 11, 2021, which stipulates that cargo vehicles running on public roads shall not carry cargo weighing more than the limits prescribed by this regulation and their dimensions shall not exceed those as set forth by the same regulation. Vehicle operators who violate this regulation may be subject to a fine of up to RMB30,000 for each violation.

LAWS AND REGULATIONS RELATING TO CONSUMER PROTECTION

Pursuant to the Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) (the “**Law on the Protection of the Rights and Interests of Consumer**”) which was promulgated by the SCNPC on October 31, 1993 and implemented on January 1, 1994, and last revised on October 25, 2013, the operators to provide consumers with the goods they produce or sell or to provide services shall comply with the Law on the Protection of the Rights and Interests of Consumer. Operators shall bear civil liability under the following circumstances: (i) a defect exists in a product or service; (ii) a product does not possess the functions it is supposed to possess, and no declaration thereof is made at the time of sale; (iii) the product standards indicated on a product or on the package of such product are not met; (iv) the quality condition indicated by way of product description or physical sample, etc. is not met; (v) products that have been formally declared by the state to be obsolete are produced or expired or deteriorated products are sold; (vi) the products sold are short on quantity; (vii) the contents and costs of the services are in violation of the agreement; or (viii) consumers’ requests for repair, redoing, replacement, return, making up the quantity of a product, refund of payment for the products or services, or claims for compensation have been deliberately delayed or unreasonably rejected. Operators who fail to fulfil the security obligations and causes harm to consumers shall bear tort liability. If an operator’s provision of goods or services violates the provisions of the Law on the Protection of the Rights and Interests of Consumer and infringes upon the legitimate rights and interests of consumers, which constitutes a crime, the operator shall be subject to criminal liability according to the law.

REGULATORY OVERVIEW

LAWS AND REGULATIONS ON INTERNATIONAL FREIGHT FORWARDING AND DOMESTIC TRANSPORTATION

International Freight Forwarding

Pursuant to the Interim Measures for Filing of International Freight Forwarding Enterprises (《國際貨運代理企業備案(暫行)辦法》) which was promulgated by MOFCOM on March 2, 2005, and last amended on August 18, 2016, any international freight forwarding enterprise and its branches (the “IFFE”) that are registered with the state administrative authority of industry and commerce according to law shall complete the filing with the MOFCOM or an institution entrusted by the MOFCOM. The filing authority shall complete the filing procedures within 5 days upon receipt of application materials submitted by the IFFE and affix the filing seal on the Filing Form of International Freight Forwarding Enterprise.

Non-Vessel Shipping Business

According to the Regulations of the People’s Republic of China on International Ocean Shipping (《中華人民共和國國際海運條例》) (the “**Regulations on International Ocean Shipping**”) promulgated by State Council on December 11, 2001 and last amended on July 20, 2023, and the Implementation Rules for the Regulations of the People’s Republic of China on International Ocean Shipping (《中華人民共和國國際海運條例實施細則》) promulgated by the Ministry of Transport on January 20, 2003 and last amended on November 10, 2023, the “non-vessel shipping business” refers to the international ocean shipping business operations of a non-vessel shipping operator to accept the cargo of the shipper as the carrier, take the freight charges from the shipper by issuing his own bills of lading or other transport documents, ship the international ocean goods through international shipping operators and bear the responsibilities of the carrier.

To operate non-vessel shipping business within the territory, file with the competent department of transport under the people’s government of the province, autonomous region or municipality directly under the central government for record within 15 days after starting business.

If any business operator fails to complete the filing formalities as required by the applicable laws and regulations, the competent department of transport of the State Council or the competent department of transport under the people’s government of the province, autonomous region or municipality directly under the central government shall order it to make up the filing formalities within a prescribed time limit; if it fails to do so within the prescribed time limit, a fine of no less than RMB10,000 but no more than RMB50,000 shall be imposed on it, and its corresponding qualifications shall be revoked.

REGULATORY OVERVIEW

LAWS AND REGULATIONS ON CUSTOMS DECLARATION

The Customs Law of the PRC (《中華人民共和國海關法》) which was promulgated by SCNPC on January 22, 1987 and last amended on April 29, 2021, stipulates that the customs of the PRC is the national supervisory and administrative authority for entry and exit at the national borders. All inward and outward means of the transports, goods and articles shall enter into or exit from the territory of the PRC at a place where a customs office is established. Unless otherwise specified, all import and export goods must be declared and duty payment formalities may be undergone by the consignees or consignors of imported and exported goods, or by the customs clearing enterprises entrusted by such consignees or consignors. The consignees or consignors of imported and exported goods and the customs clearing enterprises shall file records with the customs when undergoing customs declaration formalities. When a customs broker accepts the entrustment of a consignee or consignor of import and export goods to handle customs declaration procedures in the name of the entrustor, it shall submit to the customs a power of attorney signed by the entrustor and comply with all provisions of Customs Law of the PRC applicable to the entrustor. When a customs broker accepts the entrustment of a consignee or consignor of import and export goods to handle customs declaration procedures in its own name, it shall bear the same legal responsibilities as the consignee or consignor. When a consignor entrusts a customs broker to handle customs declaration procedures, it shall provide the customs broker with the true information regarding the entrusted customs declaration matters; when a customs broker accepts the entrustment of a consignor to handle customs declaration procedures, it shall conduct reasonable examination of the authenticity of the information provided by the entrustor.

According to the Administrative Provisions of the Customs of the PRC on Record-Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) issued by the General Administration of Customs of the PRC (the “GACC”) on November 19, 2021 and effective from January 1, 2022, the consignees or consignors of imported and exported goods and the customs clearing enterprise that apply for the filing of records with the customs shall obtain the status of a market entity; where the consignees or consignors of imported and exported goods apply for the filing of records with the customs, the filing of foreign trade dealers shall also be completed. According to the Announcement on Fully Including the Filing of Customs Declaration Entities in the Reform of “Integrating Multiple Certificates into One” (《關於報關單位備案全面納入“多證合一”改革的公告》) issued by the GACC and the SAMR on December 20, 2021 and effective from January 1, 2022, where, in applying to a market regulatory authority for registration of a market participant, an applicant is required to concurrently apply for the recordation of a customs declaration entity, the applicant shall choose the option for the recordation of customs declaration entities as required, and additionally enter the relevant recordation information. The market regulatory authority shall complete the registration according to the process of “Integrating Multiple Certificates into One” and complete data sharing with the GACC at the level of the SAMR. Such enterprises are no longer required to submit applications for filing to the customs.

REGULATORY OVERVIEW

In addition, the Decision of the SCNPC on revising the Foreign Trade Law of the PRC (《全國人民代表大會常務委員會關於修改〈中華人民共和國對外貿易法〉的決定》) issued by the SCNPC on December 30, 2022 deleted the requirements on the foreign trade dealers engaged in the import and export of goods or technologies to be registered with the competent administrative departments of foreign trade of the State Council or any institutions authorized thereby.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated by State Council in January 29, 1996, and last amended on August 5, 2008, and the Administrative Regulations on Foreign Exchange Settlement, Sales and Payment (《結匯、售匯及付匯管理規定》) promulgated by the People’s Bank of China on June 20, 1996 and effective on July 1, 1996, Renminbi is freely convertible for payments of current account items such as trade and service-related foreign exchange transactions and dividend payments after the relevant financial institutions have reasonably examined the authenticity of the transactions and their consistency with foreign exchange receipts and payments, but are not freely convertible for capital expenditure items such as direct investments overseas China or engaging in issuance and trading of quoted securities and derivatives overseas unless prior approval or filing have been obtained from the State Administration of Foreign Exchange (the “SAFE”).

According to the Notice of Issues concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE on December 26, 2014, a domestic company shall, within 15 working days after the completion of its overseas listing, go through the registration of overseas listing with the foreign exchange bureau at its place of registration.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL SECURITY

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994, came into effect on January 1, 1995 and last revised on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated on June 29, 2007, revised on December 28, 2012 and came into effect on July 1, 2013, written labor contracts shall be executed between an employer and its employees if an employment relationship is established. Employers are required to truthfully inform their employees about their job responsibilities, working conditions, occupational hazards, remuneration and other matters with which the employees may be concerned. Employers shall pay remuneration to employees on time and in full in accordance with the commitments set forth in their employment contracts and the relevant PRC laws and regulations.

REGULATORY OVERVIEW

Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010, came into effect on July 1, 2011 and last revised on December 29, 2018, the Interim Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was implemented on January 22, 1999 and revised on March 24, 2019, the Trial Measures for Enterprise Staff Maternity Insurance (《企業職工生育保險試行辦法》), which was implemented on January 1, 1995, the Regulations on Work-Related Injury Insurance (《工傷保險條例》), which was implemented on January 1, 2004, amended on December 20, 2010 and came into effect on January 1, 2011, and the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》), which was promulgated on April 3, 1999 and last revised on March 24, 2019, employers in mainland China shall provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, occupational injury insurance and housing provident fund. Employers who fail to contribute to the above social insurance and housing provident funds may be subject to a fine and ordered to make full payment within a prescribed time period. If employers fails to make the payment towards the social insurance and housing provident funds within a prescribed time limit, an application may be made to a people’s court for enforcement.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》), which was promulgated by the SCNPC on March 12, 1984 and implemented on April 1, 1985, and last revised on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001, implemented on July 1, 2001 and last amended on December 11, 2023, with the latest amendment being effective on January 20, 2024, patents in mainland China are divided into invention patent, utility patent and design patent. Invention patent shall be valid for 20 years from the date of application, while utility patent shall be valid for 10 years and design patent shall be valid for 15 years from the date of application respectively. The patent right entitled to its owner shall be protected by the laws. Any person shall be licensed or authorized by the patent owner before using such patent. Otherwise, the use constitutes an infringement of the patent right.

REGULATORY OVERVIEW

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) (the “**Trademark Law**”), was promulgated by the SCNPC on August 23, 1982 and became effective on March 1, 1983 and last revised on April 23, 2019 and implemented on November 1, 2019 and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002 and implemented on September 15, 2002, and amended on April 29, 2014, a trademark registered by the Trademark Office is a registered trademark, including the commodity trademark, service trademark, collective trademark and certification trademark. The valid period of a registered trademark shall be 10 years, commencing from the date of approval of the registration. The trademark registrant shall apply for renewal within 12 months before the expiry date for further use of the registered trademark. The valid period for each renewal of registration is 10 years, counted from the next day of the expiration day of the last term.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) (the “**Copyright Law**”), promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and last revised on November 11, 2020 and came into effect on June 1, 2021, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software created in writing or oral or other forms. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and the Regulation on Computers Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in mainland China and recognizes the China Copyright Protection Centre as the software registration organization. The China Copyright Protection Centre shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

REGULATORY OVERVIEW

Domain Names

Domain names are protected under the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) which was promulgated by the Ministry of Industry and Information Technology of the PRC on August 24, 2017 and came into effect on November 1, 2017. Domain name registrations are handled through domain name registration service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

LAWS AND REGULATIONS ON INFORMATION SECURITY AND DATA PRIVACY

The Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”) was promulgated by NPC on May 28, 2020 and became effective on January 1, 2021. Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual that need to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, sell, provide or make public personal information of others.

The Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cyber Security Law**”) was promulgated by SCNPC on November 7, 2016 and became effective on June 1, 2017. The Cyber Security Law requires network operators shall abide by laws and administrative regulations, show respect for social moralities, follow business ethics, and act in good faith. They shall also fulfill the obligation of cybersecurity protection, accept governmental and public supervision, and undertake social responsibilities when carrying out business operation and service activities. According to the Cyber Security Law, the network operator of a critical information infrastructure shall store within the territory of the PRC personal information and important data collected and generated during its operation within the territory of the People’s Republic of China. Where such information and data have to be provided abroad for business purpose, security assessment shall be conducted pursuant to the measures developed by the CAC together with competent departments of the State Council.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of PRC (《中華人民共和國個人信息保護法》) (the “**Personal Information Protection Law**”), which became effective on November 1, 2021. The Personal Information Protection Law aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly of personal information. Personal information, refers to information related to identified or identifiable natural persons and is recorded by electronic or

REGULATORY OVERVIEW

other means but excluding the anonymized information. The Personal Information Protection Law applies to personal information processing activities within China, as well as certain personal information processing activities outside China.

On June 10, 2021, the SCNPC promulgated the Data Security Law of PRC (《中華人民共和國數據安全法》), which became effective on September 1, 2021. It stipulates that each organization or individual collecting data shall adopt legal and proper methods, and shall not steal or obtain data by other illegal methods, and the data processing activities shall comply with laws and regulations, respect social mores and ethics, comply with commercial ethics and professional ethics, be honest and trustworthy, perform obligations to protect data security, and undertake social responsibility; it shall not endanger national security, the public interest, or individuals’ and organizations’ lawful rights and interests. Besides, it is necessary to establish and improve a whole-process data security management system in accordance with the provisions of laws and regulations, organize and carry out data security education and training, and adopt corresponding technical measures and other necessary measures to ensure data security. When carrying out data processing activities through information networks such as the Internet, the above-mentioned data security protection obligations shall be fulfilled on the basis of the cybersecurity classification protection system.

LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION

Environment Protection

On April 24, 2014, the SCNPC amended the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which became effective on January 1, 2015. It outlines the authorities and duties of various environmental protection regulatory agencies. The environmental protection administrative department of the State Council is authorized to issue national standards for environmental quality and emissions, and to monitor the environmental protection scheme of the PRC. Local People’s government may formulate local environmental quality standards for projects not covered by the national environmental quality standards; for projects covered by the national environmental quality standards, local environmental quality standards which are stricter than the national environmental quality standards may be formulated.

On April 29, 2020, the SCNPC amended the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), which became effective on September 1, 2020. It requires that E-commerce, express delivery, food delivery, and other industries shall prioritize the adoption of reusable and easily recycled packaging, optimize the packaging of items, reduce the use of packaging, and actively recycle packaging. Operators of commodity retail premises, E-commerce platform

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enterprises, express delivery enterprises, and food delivery enterprises shall, in accordance with the relevant provisions of the State, report the use and recycling of plastic bags and other disposable plastic products to the competent departments of commerce, postal services, etc.

Fire Prevention Design and Acceptance

On April 29, 2021, the SCNPC last amended the Fire Prevention Law of the PRC (《中華人民共和國消防法》), for special construction projects stipulated by the Ministry of Housing and Urban-Rural Development of the State Council, the construction entity shall submit the fire protection design documents to the Ministry of Housing and Urban-Rural Development for examination, while for construction projects other than those stipulated as special development projects, the construction entity shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire protection design drawings and technical materials which satisfy the construction needs. According to the Interim Regulations on Administration of Examination and Acceptance of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) amended by the Ministry of Housing and Urban-Rural Development of the PRC on August 21, 2023 and effective on October 30, 2023, an examination system for fire protection design and acceptance only applies to special construction projects, and for other projects, a record-filing and random inspection system would be applied.

LAWS AND REGULATIONS RELATING TO TAXATION

Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), or the EIT Law, promulgated by the SCNPC on March 16, 2007 and implemented on January 1, 2008 and last revised on December 29, 2018 and the Implementation Rules of the Enterprise Income Tax Law (《企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007 and came into effect on January 1, 2008 and revised on December 6, 2024, a resident enterprise refers to an enterprise established in accordance with the laws within the territory of the PRC, or an enterprise established under the laws of a foreign country (or region) but with its actual management institution located within the territory of PRC. Resident enterprises shall pay EIT at a rate of 25% on their income derived from both within and outside the territory of PRC. The State grants EIT incentives to industries and projects that are prioritized for support and encouragement. High-tech enterprises requiring key State support shall be levied EIT at a reduced rate of 15%.

REGULATORY OVERVIEW

Value-Added Tax

Pursuant to the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993 and last revised on November 19, 2017, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the Ministry of Finance on December 25, 1993 and last amended on October 28, 2011, entities and individuals that sell goods or labor services of processing, repair or replacement, selling services, intangible assets, or immovables, or import goods within the territory of PRC are taxpayers of value-added tax, or the VAT, and shall pay VAT in accordance with law. Unless otherwise stipulated, the VAT rate is 17% for taxpayers selling goods, labour services, or tangible movable property leasing services or importing goods; 11% for taxpayers selling transportation, postal, basic telecommunications, construction, or immovable leasing services, selling immovables, transferring land use rights, or selling or importing specific goods; unless otherwise stipulated, 6% for taxpayers selling services or intangible assets.

According to the Circular on Policies in Relation to the Deepening of Value-added Tax Reforms (《關於深化增值稅改革有關政策的公告》), which was jointly promulgated by the Ministry of Finance, the SAT and the General Administration of Customs on 20 March 2019, the tax rate of 16% and 10% originally applicable to general VAT taxpayers’ VAT taxable sales or goods import shall be adjusted to 13% and 9%, respectively.

LAWS AND REGULATIONS ON SECURITIES AND OVERSEAS LISTINGS

Securities Laws and Regulations

The Securities Law of the People’s Republic of China (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998, and was latest revised on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating activities in the mainland China securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The China Securities Regulatory Commission (the “CSRC”) is the securities regulatory body set up by the State Council to supervise and administer the securities market according to the laws, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

REGULATORY OVERVIEW

Overseas Listings

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Overseas Listing Trial Measures, together with several supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the “**Overseas Listing Regulations**”). Under Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

The Overseas Listing Regulations provides that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company’s controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Additionally, the Overseas Listing Regulations stipulates that after an issuer has offering and listing securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (i) a change of control thereof, (ii) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities, (iii) changes of listing status or transfers of listing segment, and (iv) a voluntary or mandatory delisting. Overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security and etc., and duly fulfill their obligations to protect national security.

REGULATORY OVERVIEW

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》). Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of mainland China by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of mainland China. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a leading integrated supply chain logistics solutions provider in China. According to CIC, we achieved the fastest revenue CAGR from 2022 to 2024 among the top five comprehensive integrated supply chain logistics solutions providers in China. Our history can be traced back to 2000 when the smart logistics business segment of Midea Group commenced operation. In February 2011, our Company was established as a limited liability company under the PRC laws.

With deep industry expertise and transformative supply chain logistics solutions as our core competences, we are committed to driving efficiencies across supply chain. Unlike traditional logistics providers, we are deeply embedded in the industry value chains, built through years of supporting Midea Group’s operational transformation. We have pioneered a unique “1+3” supply chain logistics model — combining end-to-end logistics capability with three core solution pillars: production logistics, omni-channel shared inventory and distribution, and integrated last-mile delivery & installation.

MILESTONES

The following sets out the summary of our Company’s key business development milestones:

Year	Milestone
2000	We commenced logistics business as a unit of Midea Group
2010	We became a “5A ¹ ” logistics enterprise
2013	We started to enable Midea Group to implement its business reform of “T+3” production & sales model and omni-channel shared inventory and distribution
2019	We extended our omni-channel shared inventory and distribution solutions to external customers
2021	Our omni-channel shared inventory and distribution programme was selected as one of the “Typical Cases of Deep Integration and Innovative Development of Logistics Industry and Manufacturing Industry” (物流業製造業深度融合創新發展典型案例) by the National Development and Reform Commission

¹ 5A is the highest level of class A logistics enterprise assessment by China Federation of Logistics & Purchasing, which is based on the enterprise’s business situation, assets, equipment and facilities, management and services, personnel quality and information technology level.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
2022	We have provided our integrated supply chain solutions for more than 3,000 large and medium-sized enterprises We launched a unique “1+3” supply chain service model
2023	We gradually increased the industry coverage of our comprehensive supply chain solutions and began to provide in-depth services to numerous leading new energy vehicle enterprises
2024	We launched the “Annto ChainCloud (安得安鏈雲)” digital platform, and our digital capabilities were recognized with the First Prize of Science and Technology Progress of China Federation of Logistics and Purchasing Science and Technology Award (中國物流與採購聯合會科學技術獎科技進步一等獎)
2025	We expanded our supply chain capabilities globally and our services started to reach Southeast Asia We deepened our exploration of ESG low-carbon supply chains and have so far obtained six Three-Star Green Warehouse Certification (三星級綠色倉庫認證) (the highest level) in different cities of China

MAJOR SUBSIDIARIES

The following sets out the principal business activities, place of establishment and date of establishment of our subsidiaries that made a material contribution to our results of operations.

Name of subsidiary	Place of establishment	Date of establishment	Equity interest attributable to our Company	Principal business activities
Foshan Annto	PRC	October 27, 2004	100%	Provision of warehousing services
Hefei Annto	PRC	August 17, 2007	100%	Provision of supply chain management, cargo transportation and warehousing services
Wuhan Annto	PRC	June 5, 2009	100%	Provision of warehousing services

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

<u>Name of subsidiary</u>	<u>Place of establishment</u>	<u>Date of establishment</u>	<u>Equity interest attributable to our Company</u>	<u>Principal business activities</u>
Chongqing Annto . .	PRC	September 16, 2010	100%	Provision of warehousing services
Xuzhou Annto	PRC	November 25, 2010	100%	Provision of warehousing services
Wuhu Annto	PRC	December 7, 2010	100%	Provision of supply chain management, cargo transportation, warehousing and installation services
Shenyang Annto . . .	PRC	January 17, 2011	100%	Provision of warehousing services
Guiyang Annto	PRC	February 24, 2011	100%	Provision of warehousing services
Tianjin Annto	PRC	March 3, 2011	100%	Provision of warehousing services
Nanjing Meian	PRC	April 15, 2011	100%	Provision of warehousing services
Qihe Annto	PRC	June 3, 2011	100%	Provision of warehousing services
Jingzhou Meian	PRC	June 7, 2011	100%	Provision of warehousing services
Zhengzhou Annto . .	PRC	June 13, 2011	100%	Provision of warehousing services
Shanghai Annto	PRC	November 22, 2011	100%	Provision of cargo transportation and warehousing services

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

<u>Name of subsidiary</u>	<u>Place of establishment</u>	<u>Date of establishment</u>	<u>Equity interest attributable to our Company</u>	<u>Principal business activities</u>
Ningbo Annto	PRC	October 15, 2015	100%	Provision of supply chain management, cargo transportation, warehousing and installation services
Shenzhen Annto . . .	PRC	November 4, 2015	100%	Provision of green recycling services
Tianjin Annto Network.	PRC	April 16, 2020	100%	Provision of supply chain management services
Hainan Annto	PRC	January 7, 2021	100%	Provision of cargo transportation and warehousing services
Tianjin Antu	PRC	January 25, 2022	100%	Provision of services related to trading of refined oil products
Lianyungang Antu . .	PRC	December 6, 2024	100%	Provision of services related to trading of refined oil products
Singapore Annto . .	Singapore	August 19, 2025	100%	Investment holding

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Establishment and Early Development of our Company

On February 24, 2011, our Company was established as a limited liability company under the laws of the PRC under the name of Wuhu Meian Investment Co., Ltd. (蕪湖美安投資有限公司), with an initial registered capital of RMB100,000,000 contributed by Midea Group.

From July 2011 to November 2020, our Company underwent several rounds of equity transfers and a round of capital increase, after completion of which the registered capital of our Company reached RMB540,000,000, which was contributed by Midea Zhilian, a wholly-owned subsidiary of Midea Group.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Equity Transfers in October 2021

In August 2021, the Employee Stock Ownership Plan was implemented by Midea Group and our Company, pursuant to which the 10 Shareholding Platforms were established under the laws of the PRC. See “Shareholding Platforms” below for details.

On October 15, 2021, Midea Zhilian and each of the Shareholding Platforms entered into an equity transfer agreement, respectively, pursuant to which Midea Zhilian agreed to transfer a total of RMB131,706,000 in our Company’s registered capital to the Shareholding Platforms, at a total consideration of RMB501.52 million, which was determined after arm’s length negotiations with reference to the appraised value of shareholder’s total equity of our Company as of January 31, 2021 pursuant to a valuation report issued by an independent valuer. Such consideration was settled on October 29, 2021. The details of such equity transfers are set out as follows:

Name of Shareholding Platform	Registered capital acquired	Percentage of shareholding involved in the equity transfer	Consideration
	(RMB)		(RMB)
Ningbo Xunchi	27,500,000	5.09%	104,717,250.00
Ningbo Meiyu	26,622,000	4.93%	101,373,913.80
Ningbo Haopu	21,600,000	4.00%	82,250,640.00
Ningbo Meiyue	20,358,000	3.77%	77,521,228.20
Ningbo Xinyou	7,750,000	1.44%	29,511,225.00
Ningbo Jiyue	7,550,000	1.40%	28,749,645.00
Ningbo Zhuoran	6,400,000	1.19%	24,370,560.00
Ningbo Shuohang	6,000,000	1.11%	22,847,400.00
Ningbo Lisheng	4,200,000	0.78%	15,993,180.00
Ningbo Zhuoyi	3,726,000	0.69%	14,188,235.40

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of this round of equity transfers, the shareholding structure of our Company was as follows:

Shareholders	Registered capital subscribed for	Percentage of shareholding
	(RMB)	
Midea Zhilian	408,294,000	75.61%
Ningbo Xunchi	27,500,000	5.09%
Ningbo Meiyu	26,622,000	4.93%
Ningbo Haopu	21,600,000	4.00%
Ningbo Meiyue	20,358,000	3.77%
Ningbo Xinyou	7,750,000	1.44%
Ningbo Jiyue	7,550,000	1.40%
Ningbo Zhuoran	6,400,000	1.19%
Ningbo Shuohang	6,000,000	1.11%
Ningbo Lisheng	4,200,000	0.78%
Ningbo Zhuoyi	3,726,000	0.69%
Total	540,000,000	100%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Equity Transfers in June 2023

On June 15, 2023, due to adjustment of the Employee Stock Ownership Plan for Midea Group’s employees resulted from, among others, the changes in incentive personnel, Midea Zhilian and each of Ningbo Meiyu, Ningbo Zhuoyi and Ningbo Meiyue entered into an equity transfer agreement, respectively, pursuant to which Midea Zhilian agreed to acquire RMB1,134,000, RMB1,134,000 and RMB2,700,000 of our Company’s registered capital from Ningbo Meiyu, Ningbo Zhuoyi and Ningbo Meiyue, at a consideration of RMB4,318,158.6, RMB4,318,158.6 and RMB10,281,330.0, respectively. The considerations were determined after arm’s length negotiations and were fully settled on April 6, 2023.

Upon completion of this round of equity transfers, the shareholding structure of our Company was as follows:

Shareholders	Registered capital subscribed for	Percentage of shareholding
	(RMB)	
Midea Zhilian	413,262,000	76.53%
Ningbo Xunchi	27,500,000	5.09%
Ningbo Meiyu	25,488,000	4.72%
Ningbo Haopu	21,600,000	4.00%
Ningbo Meiyue	17,658,000	3.27%
Ningbo Xinyou	7,750,000	1.44%
Ningbo Jiyue	7,550,000	1.40%
Ningbo Zhuoran	6,400,000	1.19%
Ningbo Shuohang	6,000,000	1.11%
Ningbo Lisheng	4,200,000	0.78%
Ningbo Zhuoyi	2,592,000	0.48%
Total	540,000,000	100%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Equity Transfers in July 2023

On July 21, 2023, due to the implementation of the second phase of the Employee Stock Ownership Plan, Midea Zhilian and each of the Shareholding Platforms named below entered into an equity transfer agreement, respectively, pursuant to which Midea Zhilian agreed to transfer a total of RMB14,490,000 of our Company’s registered capital to such Shareholding Platforms, at a total consideration of RMB70,276,500, which was determined after arm’s length negotiations with reference to the appraised value of the shareholders’ total equity of our Company as of February 28, 2023 pursuant to a valuation report issued by an independent valuer. Such consideration was settled on August 31, 2023. The details of such equity transfers are set out as follows:

Name of Shareholding Platform	Registered capital acquired	Percentage of shareholding involved in the equity transfer	Consideration
	(RMB)		(RMB)
Ningbo Meiyu	3,348,000	0.62%	16,237,800
Ningbo Zhuoyi	1,782,000	0.33%	8,642,700
Ningbo Haopu	450,000	0.08%	2,182,500
Ningbo Xinyou	1,200,000	0.22%	5,820,000
Ningbo Jiyue	2,540,000	0.47%	12,319,000
Ningbo Zhuoran	2,450,000	0.45%	11,882,500
Ningbo Shuohang	1,170,000	0.22%	5,674,500
Ningbo Lisheng	1,550,000	0.29%	7,517,500

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of this round of equity transfers, the shareholding structure of our Company was as follows:

Shareholders	Registered capital subscribed for	Percentage of shareholding
	(RMB)	
Midea Zhilian	398,772,000	73.85%
Ningbo Meiyu	28,836,000	5.34%
Ningbo Xunchi	27,500,000	5.09%
Ningbo Haopu	22,050,000	4.08%
Ningbo Meiyue	17,658,000	3.27%
Ningbo Jiyue	10,090,000	1.87%
Ningbo Xinyou	8,950,000	1.66%
Ningbo Zhuoran	8,850,000	1.64%
Ningbo Shuohang	7,170,000	1.33%
Ningbo Lisheng	5,750,000	1.06%
Ningbo Zhuoyi	4,374,000	0.81%
Total	540,000,000	100%

Conversion into Joint Stock Limited Company in August 2023

In August 2023, our Company was converted into a joint stock company with limited liability, converting our total registered capital of RMB540,000,000 into 540,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interest in our Company before the conversion, and our Company adopted the current name of Annto Supply Chain Technology Co., Ltd. (安得智聯供應鏈科技股份有限公司).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Share Transfers in January 2025

On January 22, 2025, due to the adjustment of the Employee Stock Ownership Plan for Midea Group’s employees resulted from, among others, changes in the incentive personnel, Ningbo Meiyu and each of Midea Zhilian and Ningbo Zhuoyi entered into a share transfer agreement, respectively, pursuant to which Ningbo Meiyu agreed to transfer 2,884,000 and 2,300,000 Shares to Midea Zhilian and Ningbo Zhuoyi at a consideration of RMB13,987,400 and RMB11,155,000, respectively. The considerations were determined after arm’s length negotiations and were fully settled on January 24, 2025.

Upon completion of this round of share transfers, the shareholding structure of our Company was as follows:

Shareholders	Number of Shares held	Percentage of shareholding
Midea Zhilian	401,656,000	74.38%
Ningbo Xunchi	27,500,000	5.09%
Ningbo Meiyu	23,652,000	4.38%
Ningbo Haopu	22,050,000	4.08%
Ningbo Meiyue	17,658,000	3.27%
Ningbo Jiyue	10,090,000	1.87%
Ningbo Xinyou	8,950,000	1.66%
Ningbo Zhuoran	8,850,000	1.64%
Ningbo Shuohang	7,170,000	1.33%
Ningbo Zhuoyi	6,674,000	1.24%
Ningbo Lisheng	5,750,000	1.06%
Total	540,000,000	100%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Share Transfers in April 2025 and June 2025

On April 17, 2025 and June 4, 2025, Midea Zhilian and each of Ningbo Xunchi, Ningbo Xinyou and Ningbo Shuohang entered into a share transfer agreement and a supplemental agreement, respectively, pursuant to which Midea Zhilian agreed to transfer 5,540,000, 50,000 and 130,000 Shares to Ningbo Xunchi, Ningbo Xinyou and Ningbo Shuohang at a consideration of RMB41,550,000, RMB375,000 and RMB975,000, respectively.

On June 4, 2025, Midea Zhilian and each of Ningbo Xunchi, Ningbo Xinyou, Ningbo Shuohang, Ningbo Haopu, Ningbo Jiyue, Ningbo Lisheng and Ningbo Zhuoran entered into a share transfer agreement, respectively, pursuant to which Midea Zhilian agreed to transfer a total of 1,452,000 Shares to such Shareholding Platforms, at a total consideration of RMB10,890,000. The details of such share transfers are set out as follows:

Name of Shareholding Platform	Number of Shares acquired	Percentage of shareholding involved in the share transfer	Consideration
			(RMB)
Ningbo Xunchi	752,000	0.14%	5,640,000
Ningbo Xinyou	50,000	0.01%	375,000
Ningbo Shuohang	150,000	0.03%	1,125,000
Ningbo Haopu	200,000	0.04%	1,500,000
Ningbo Jiyue	100,000	0.02%	750,000
Ningbo Lisheng	50,000	0.01%	375,000
Ningbo Zhuoran.	150,000	0.03%	1,125,000

On June 4, 2025, Ningbo Meiyu and Ningbo Xunchi entered into a share transfer agreement, respectively, pursuant to which Ningbo Meiyu agreed to transfer 378,000 Shares to Ningbo Xunchi, at a consideration of RMB2,835,000.

The share transfers set out above were made due to adjustment of the Employee Stock Ownership Plan resulted from, among others, the changes in incentive personnel and shares, and the considerations of such share transfers were determined after arm’s length negotiations with reference to the appraised value of the shareholders’ total equity of our Company as of December 31, 2024 pursuant to a valuation report issued by an independent valuer and were fully settled on June 4, 2025.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of this round of share transfers, the shareholding structure of our Company was as follows:

Shareholders	Number of Shares held	Percentage of shareholding
Midea Zhilian	394,484,000	73.05%
Ningbo Xunchi	34,170,000	6.33%
Ningbo Meiyu	23,274,000	4.31%
Ningbo Haopu	22,250,000	4.12%
Ningbo Meiyue	17,658,000	3.27%
Ningbo Jiyue	10,190,000	1.89%
Ningbo Xinyou	9,050,000	1.68%
Ningbo Zhuoran	9,000,000	1.67%
Ningbo Shuohang	7,450,000	1.38%
Ningbo Zhuoyi	6,674,000	1.24%
Ningbo Lisheng	5,800,000	1.07%
Total	540,000,000	100 %

Capital Increase in June 2025

We have completed one series of financing in June 2025 through capital increases (the “Pre-[REDACTED] Investment”). As a result, the share capital of our Company was increased to RMB745,200,000. See “Pre-[REDACTED] Investment” below for details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of this round of capital increase, the shareholding structure of our Company was as follows:

Shareholders	Number of Shares held	Percentage of shareholding
Midea Zhilian	394,484,000	52.94%
Ningbo Xunchi	34,170,000	4.59%
Ningbo Meiyu	23,274,000	3.12%
Ningbo Haopu	22,250,000	2.99%
Ningbo Meiyue	17,658,000	2.37%
Ningbo Jiyue	10,190,000	1.37%
Ningbo Xinyou	9,050,000	1.21%
Ningbo Zhuoran	9,000,000	1.21%
Ningbo Shuohang	7,450,000	1.00%
Ningbo Zhuoyi	6,674,000	0.90%
Ningbo Lisheng	5,800,000	0.78%
Qingdao Hisense Technology	164,160,000	22.03%
Tianjin Shunhe	21,600,000	2.90%
Eastern Bell Shengguan	10,800,000	1.45%
Hidden Hill Zhineng	5,400,000	0.72%
Meike Qixin	3,240,000	0.43%
Total	745,200,000	100%

PRC REGULATORY REQUIREMENTS

Our PRC Legal Advisor has confirmed that the aforesaid capital increases and equity and/or share transfers have complied with applicable PRC laws and regulations in all material respects.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENT

The following table summarizes the key terms of the Pre-[REDACTED] Investment to our Company made by the Pre-[REDACTED] Investors:

	Number of Shares subscribed	Consideration (RMB)	Cost per Share ⁽¹⁾ (RMB)	Date of payment in full	[REDACTED] to the mid-point of the [REDACTED] range	Percentage of shareholding upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)
Pre-[REDACTED]						
Investors						
Qingdao Hisense						
Technology	164,160,000	1,520,000,000	9.259	June 5, 2025	[REDACTED]%	[REDACTED]%
Tianjin Shunhe	21,600,000	200,000,000	9.259	June 5, 2025	[REDACTED]%	[REDACTED]%
Eastern Bell						
Shengguan	10,800,000	100,000,000	9.259	June 5, 2025	[REDACTED]%	[REDACTED]%
Hidden Hill Zhineng . .	5,400,000	50,000,000	9.259	June 6, 2025	[REDACTED]%	[REDACTED]%
Meike Qixin	3,240,000	30,000,000	9.259	June 5, 2025	[REDACTED]%	[REDACTED]%
Total	205,200,000	1,900,000,000				[REDACTED]%

Note:

- (1) The cost per Share is calculated by dividing the consideration paid by each Pre-[REDACTED] Investors by the number of Shares subscribed for by each Pre-[REDACTED] Investor.

Principal terms of the Pre-[REDACTED] Investment and Pre-[REDACTED] Investors’ Rights

The table below sets forth the other principal terms of the Pre-[REDACTED] Investment:

Use of proceeds from the Pre-[REDACTED] Investment

As of the Latest Practicable Date, no funds raised from the Pre-[REDACTED] Investment have been utilized. We plan to utilize the proceeds from the Pre-[REDACTED] Investment for the daily operation of our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Basis of determination of the consideration

The considerations for the Pre-[REDACTED] Investment were determined based on arm’s length negotiation amongst the respective Pre-[REDACTED] Investors and our Group after taking into consideration of the status of our business operations and the prospects of our Company.

Lock-up Period

Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all existing Shareholders (including the Pre-[REDACTED] Investors) cannot dispose of any of the Shares held by them.

Special Rights of the Pre-[REDACTED] Investors

No special rights have been granted to any of the Pre-[REDACTED] Investors in the Pre-[REDACTED] Investment.

Strategic Benefits from Pre-[REDACTED] Investment

At the time of the Pre-[REDACTED] Investment, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors’ investments in our Company, insights for industry, advice on business expansion or strategic direction that the Pre-[REDACTED] Investors may bring to our Company.

Our Directors are also of the view that the Pre-[REDACTED] Investors’ investments in our Company demonstrated their confidence in our operations and served as an endorsement of our performance, strengths and prospects.

Joint Sponsors’ Confirmation

On the basis that (i) the consideration for the Pre-[REDACTED] Investment was irrevocably settled no less than 28 clear days before the date of our first submission of the [REDACTED] application form to the Stock Exchange; and (ii) no special rights were granted to the Pre-[REDACTED] Investors, the Joint Sponsors confirm that the Pre-[REDACTED] Investment is in compliance with the guidance in Chapter 4.2 of the Guide for New Listing Applicants.

Information about our Pre-[REDACTED] Investors

Set out below is a description of our Pre-[REDACTED] Investors as of the Latest Practicable Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Qingdao Hisense Technology

Qingdao Hisense Technology is a limited liability company established in the PRC, which was wholly owned by Hisense Group Holdings Co., Ltd. (海信集團控股股份有限公司, “**Hisense Group Holdings**”) as of the Latest Practicable Date. Hisense Group Holdings was held (i) as to approximately 28.79% by Qingdao Xinfeng Information Technology Co., Ltd. (青島新豐信息技術有限公司, “**Qingdao Xinfeng**”), Shanghai Haifeng Navigation Co., Ltd. (上海海豐航運有限公司, “**Shanghai Haifeng**”) and Qingdao Ximing Information Technology Co., Ltd. (青島熙銘信息科技有限公司, “**Qingdao Ximing**”) in aggregate, which are acting-in-concert parties. Among them, Qingdao Xinfeng, Shanghai Haifeng and Qingdao Ximing held approximately 24.36%, 2.64% and 1.79% of the equity interests, respectively; and (ii) as to approximately 26.79% by Hisense Group Co., Ltd. (海信集團有限公司), a state-owned company.

Tianjin Shunhe

Tianjin Shunhe is a limited liability partnership established in the PRC. As of the Latest Practicable Date, Tianjin Shunhe was held as to approximately 99.80% by Tianjin Shunhe Investment Management Center (Limited Partnership) (天津順和投資管理中心(有限合夥)), “**Shunhe Investment**”) as the limited partner and 0.20% by Suzhou Changrui Asset Management Co., Ltd. (蘇州常瑞資產管理有限公司, “**Suzhou Changrui**”) as the general partner. Shunhe Investment was held as to approximately 99.80% by PERFECT KEY INVESTMENTS LIMITED (“**PERFECT KEY**”) as the limited partner and 0.20% by Suzhou Changrui as the general partner. PERFECT KEY was ultimately controlled by Mr. Yang Shaopeng (楊紹鵬). Suzhou Changrui was wholly owned by Beijing Changrui Asset Management Co., Ltd. (北京常瑞資產管理有限公司) (“**Beijing Changrui**”). The *de facto* controller of Beijing Changrui was Mr. Tian Yu (田宇) and Mr. Nie Lei (聶磊).

Eastern Bell Shengguan

Eastern Bell Shengguan is a limited liability partnership established in the PRC. As of the Latest Practicable Date, Eastern Bell Shengguan was held as to approximately 99.72% by Changzhou Eastern Bell Shenghua Equity Investment Partnership (Limited Partnership) (常州鐘鼎晟華股權投資合夥企業(有限合夥)), “**Eastern Bell Shenghua**”) as a limited partner and 0.28% by Eastern Bell (Shanghai) Venture Capital Management Co., Ltd. (鐘鼎(上海)創業投資管理有限公司, “**Eastern Bell Shanghai**”) as the general partner. The general partner of Eastern Bell Shenghua was Eastern Bell Shanghai. Eastern Bell Shanghai was held as to 82% by Yan Li (嚴力) and 10% by Ningbo Dingpu Venture Capital Partnership (Limited Partnership) (寧波鼎浦創業投資合夥企業(有限合夥)), which was ultimately controlled by Yan Li (嚴力).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Hidden Hill Zhineng

Hidden Hill Zhineng is a limited liability partnership established in the PRC. As of the Latest Practicable Date, Hidden Hill Zhineng was held as to 64.28% by Xiamen Hidden Hill Equity Investment Partnership (Limited Partnership) (廈門隱山股權投資合夥企業(有限合夥), “**Xiamen Hidden Hill**”) as a limited partner, 35.71% by Nanjing Hidden Hill Equity Investment Partnership (Limited Partnership) (南京隱山股權投資合夥企業(有限合夥), “**Nanjing Hidden Hill**”) as a limited partner, and 0.0014% by Xiamen Yinjin Enterprise Management Co., Ltd. (廈門隱金企業管理有限公司, “**Xiamen Yinjin**”) as the general partner. Xiamen Hidden Hill was held as to 99.91% by 29 limited partners, each holding less than one third of the partnership interest in Xiamen Hidden Hill, and 0.09% by Xiamen Yinjin as the general partner. The general partner of Nanjing Hidden Hill was Zhuhai Hidden Hill Capital Equity Investment Management Co., Ltd. (珠海隱山資本股權投資管理有限公司, “**Zhuhai Hidden Hill**”), a wholly-owned subsidiary of Shanghai Hidden Hill Puheng Enterprise Management Co., Ltd. (上海隱山普衡企業管理有限公司, “**Shanghai Hidden Hill**”), which was in turn owned as to 65% by Unity CMC Holdings Limited (“**Unity CMC**”). Unity CMC was ultimately controlled by GLP. Xiamen Yinjin was wholly owned by Shanghai Hidden Hill.

Meike Qixin

Meike Qixin is a limited liability partnership established in the PRC and a fund filed with China Fund Industry Association with fund number of SAQY97. As of the Latest Practicable Date, Meike Qixin was held as to approximately 99.00% by six limited partners, including three partnerships and three limited companies, each holding less than one third of the partnership interest therein, and 1.00% by Meike Meihui as the general partner. Meike Meihui was held as to 50% by Shenzhen Midea as a limited partner and 50% by Midea VC as the general partner. Shenzhen Midea was wholly owned by Midea VC, which was in turn wholly owned by Midea Group.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

SHAREHOLDING PLATFORMS

In August 2021, in order to promote the rapid development of our Company, fully incentivize Midea Group and our Company’s management and core employees, as well as stabilize and attract talents, the Employee Stock Ownership Plan was implemented by Midea Group and our Company, pursuant to which the 10 Shareholding Platforms (including Midea Shareholding Platforms for Midea Group’s employees, namely Ningbo Meiyu, Ningbo Meiyue and Ningbo Zhuoyi, and Annto Shareholding Platforms for our Company’s employees, namely Ningbo Xunchi, Ningbo Haopu, Ningbo Xinyou, Ningbo Jiyue, Ningbo Zhuoran, Ningbo Shuohang and Ningbo Lisheng) were established under the laws of the PRC.

Midea Shareholding Platforms

- **Ningbo Meiyu:** The general partner of Ningbo Meiyu was Cao Zhijie and the remaining partnership interests in Ningbo Meiyu were held by 21 limited partners, none of whom held more than one third of partnership interests in Ningbo Meiyu.
- **Ningbo Meiyue:** The general partner of Ningbo Meiyue was Ms. Zhong Zheng and the remaining partnership interests in Ningbo Meiyue were held by seven limited partners. Among them, save for Mr. Fang Hongbo, no others held more than one third of partnership interests in Ningbo Meiyue.
- **Ningbo Zhuoyi:** The general partner of Ningbo Zhuoyi was Zhao Dongye and the remaining partnership interests in Ningbo Zhuoyi were held by six limited partners, none of whom held more than one third of partnership interests in Ningbo Zhuoyi.

Annto Shareholding Platforms

For details of the Employee Stock Ownership Plan for our Company’s employees and Annto Shareholding Platforms, see “Appendix IV — Statutory and General Information — Share Incentive Scheme” in this document.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

The table below sets forth the shareholding structure of our Company as of the Latest Practicable Date and the [REDACTED] (before the exercise of the [REDACTED]):

Shareholders	As of the Latest Practicable Date		As of the [REDACTED]		
	Number of Shares	Approximate shareholding percentage	Number of Unlisted Shares	Number of H Shares ⁽¹⁾	Approximate shareholding percentage
Midea Zhilian	394,484,000	52.94%	[REDACTED]	[REDACTED]	[REDACTED]%
Qingdao Hisense Technology.	164,160,000	22.03%	[REDACTED]	[REDACTED]	[REDACTED]%
Ningbo Xunchi	34,170,000	4.59%	[REDACTED]	[REDACTED]	[REDACTED]%
Ningbo Meiyu.	23,274,000	3.12%	[REDACTED]	[REDACTED]	[REDACTED]%
Ningbo Haopu.	22,250,000	2.99%	[REDACTED]	[REDACTED]	[REDACTED]%
Tianjin Shunhe	21,600,000	2.90%	[REDACTED]	[REDACTED]	[REDACTED]%
Ningbo Meiyue	17,658,000	2.37%	[REDACTED]	[REDACTED]	[REDACTED]%
Eastern Bell Shengguan	10,800,000	1.45%	[REDACTED]	[REDACTED]	[REDACTED]%
Ningbo Jiyue	10,190,000	1.37%	[REDACTED]	[REDACTED]	[REDACTED]%
Ningbo Xinyou	9,050,000	1.21%	[REDACTED]	[REDACTED]	[REDACTED]%
Ningbo Zhuoran	9,000,000	1.21%	[REDACTED]	[REDACTED]	[REDACTED]%
Ningbo Shuohang.	7,450,000	1.00%	[REDACTED]	[REDACTED]	[REDACTED]%
Ningbo Zhuoyi	6,674,000	0.90%	[REDACTED]	[REDACTED]	[REDACTED]%
Ningbo Lisheng.	5,800,000	0.78%	[REDACTED]	[REDACTED]	[REDACTED]%
Hidden Hill Zhineng.	5,400,000	0.72%	[REDACTED]	[REDACTED]	[REDACTED]%
Meike Qixin.	3,240,000	0.43%	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal	745,200,000	100.00%	[REDACTED]	[REDACTED]	[REDACTED]%
Other public Shareholders	—	—	—	[REDACTED]	[REDACTED]%
Total	745,200,000	100.00%	[REDACTED]	[REDACTED]	100.00%

Note:

- (1) The [REDACTED] Unlisted Shares held by our existing Shareholders will be converted to H Shares upon [REDACTED].

FULL CIRCULATION

Our Company has applied for H Share full circulation to convert an aggregate of [REDACTED] Unlisted Shares held by our existing Shareholders, representing [REDACTED]% of the total issued Shares of our Company as of the Latest Practicable Date and approximately [REDACTED]% of the total issued Shares of our Company upon completion of the Conversion of

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Unlisted Shares into H Shares and the [REDACTED] (assuming the [REDACTED] is not exercised). For details, please refer to the section headed “Share Capital — Our Share Capital — Upon Completion of the [REDACTED]” in this document.

ACQUISITION, MERGER AND DISPOSAL

Throughout the Track Record Period and up to the Latest Practicable Date, our Company did not conduct any material acquisitions, mergers or disposals.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Among the [REDACTED] H Shares to be converted from Unlisted Shares and [REDACTED] on the Stock Exchange:

- (a) (i) Midea Zhilian, one of our Controlling Shareholders, (ii) Qingdao Hisense Technology, one of our substantial Shareholders, and (iii) Ningbo Xunchi, an Annto Shareholding Platform held as to 47.41% by Mr. Liang Pengfei (our executive Director) as a limited partner as of the Latest Practicable Date, will be deemed as the core connected persons of our Company and [REDACTED] Shares (representing [REDACTED]% of the enlarged share capital of our Company in aggregate upon the [REDACTED] assuming that the [REDACTED] is not exercised) held by such Shareholders will not be counted towards the public float; and
- (b) a total of [REDACTED] Unlisted Shares (representing [REDACTED]% of the enlarged share capital of our Company in aggregate upon the [REDACTED] assuming that the [REDACTED] is not exercised) held by the Shareholders other than Midea Zhilian, Qingdao Hisense Technology and Ningbo Xunchi will be converted into H Shares and [REDACTED] on the Stock Exchange and will be counted as part of the public float, as such Shareholders will not be core connected persons of our Company upon the [REDACTED], are not accustomed to take instructions from core connected persons of our Company in relation to the acquisition, disposal, voting or other disposition of their Shares, and their acquisition of Shares were not financed directly or indirectly by core connected persons of our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The following table sets out the minimum public float percentage prescribed under Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules applicable to our H Shares under different circumstances of [REDACTED] determination:

[REDACTED]	The percentage threshold of the expected market value of our H Shares to be HK\$[REDACTED] (assuming the [REDACTED] is not exercised) or [REDACTED]%, whichever is higher
HK\$[REDACTED] per H Share (low end)	[REDACTED]%
HK\$[REDACTED] per H Share (mid end)	[REDACTED]%
HK\$[REDACTED] per H Share (high end)	[REDACTED]%

Taking into account the [REDACTED] (assuming the [REDACTED] is not exercised), [REDACTED] Shares, representing [REDACTED]% of our enlarged share capital upon the [REDACTED] will be counted towards the public float, which is in compliance with the requirement under Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

Satisfaction of the Free Float Requirement

[REDACTED] H Shares, which are to be newly issued under the [REDACTED] having an expected market value of approximately HK\$[REDACTED] based on the low end of indicative [REDACTED], will count towards the free float of our Company, which is in compliance with the requirement under 19A.13C of the Listing Rules.

Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all current Shareholders are not allowed to dispose of any of the Shares held by them.

PRC REGULATORY REQUIREMENTS ON THE [REDACTED]

CSRC promulgated the Spin-off Rules for Listed Companies (For Trial Implementation) (《上市公司分拆規則(試行)》) (the “Spin-off Rules”) on January 5, 2022, and the Overseas Listing Trial Measures on February 17, 2023. Pursuant to the Spin-off Rules and the Overseas Listing Trial Measures, the offshore listing of the subsidiaries controlled by domestic listed companies shall comply with the conditions set out in the Spin-off Rules and fulfill the filing procedure with CSRC. The [REDACTED] of our Company constitutes a [REDACTED] and is subject to the filing procedure with CSRC. The [REDACTED] of our Company was approved by Midea Group’s shareholders at the annual general meeting on May 30, 2025, and was approved by our Company’s shareholders at the general meeting on August 25, 2025.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

THE PREVIOUS LISTING ATTEMPT

In December 2023, to explore the opportunity of establishing a capital market platform in the A-share market in the PRC, we entered into a tutoring agreement for the initial public offering (the “**Tutoring Agreement**”) with China International Capital Corporation Limited (“**CICC**”), to receive guidance from CICC, a qualified sponsor of A-share listing. On December 13, 2023, CICC, on behalf of our Company, submitted the preliminary tutoring filing (上市前輔導備案) to the CSRC Anhui office.

Along with the development of the business of our Group, and considering that the Stock Exchange is an internationally recognized and reputable stock exchange, our Company subsequently decided to seek to [REDACTED] its H Shares on the Stock Exchange in order to further promote our Company’s internationalization strategy, strengthen our Company’s international brand influence and market awareness, increase our Company’s international presence and provide an overseas fundraising platform for our Company, so as to further enhance our Company’s competitiveness, and to improve the internal governance structure and establish a modern enterprise management system.

As of the Latest Practicable Date, our Company didn’t submit any A-share listing application to the CSRC or any stock exchange in the PRC, and didn’t receive any comments or inquiries by the CSRC (including its local offices) or any stock exchange in the PRC.

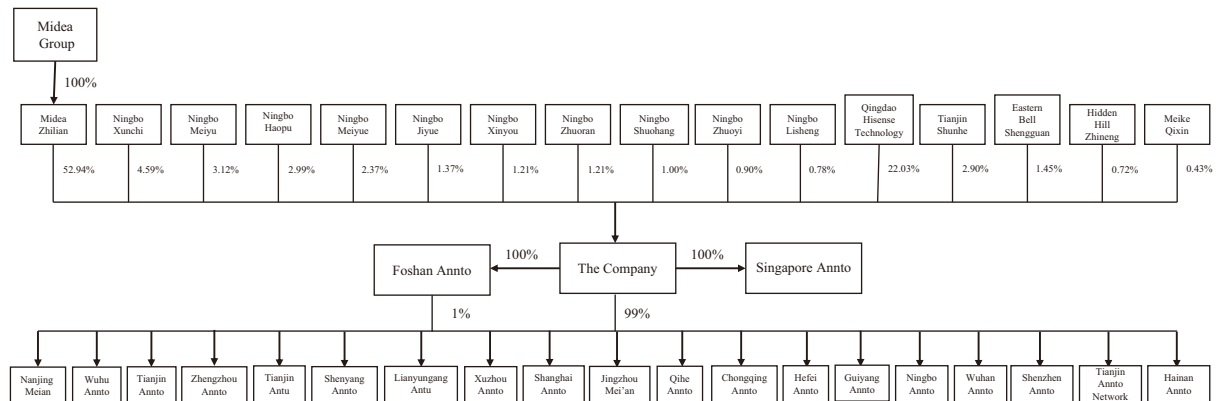
To the best of the Directors’ knowledge and belief, the Directors are not aware of any material matter in relation to the previous A-share listing attempt that needs to be brought to the attention of the Stock Exchange. Based on the due diligence conducted by the Joint Sponsors, the Joint Sponsors are not aware of any material matter in relation to the previous A-share listing attempt that needs to be brought to the attention of the Stock Exchange.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

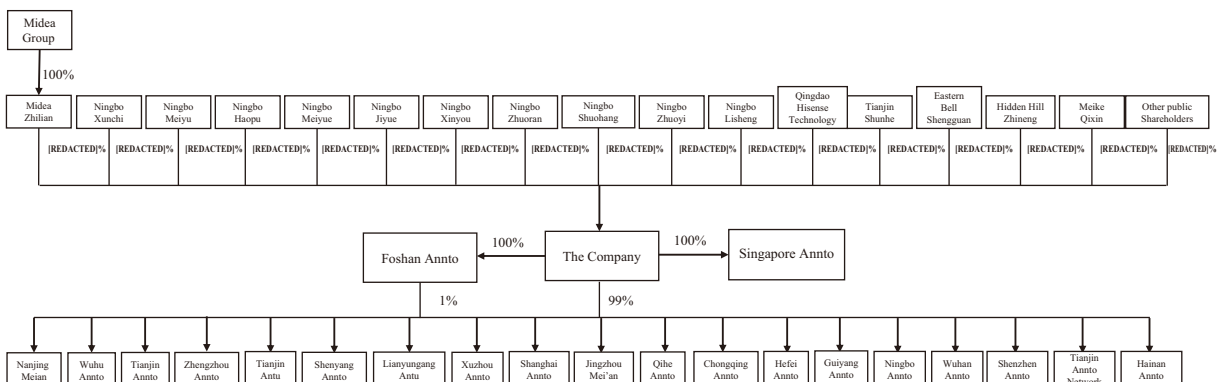
Corporate Structure Immediately Before the [REDACTED]

The following chart sets forth the shareholding and corporate structure of our Group immediately before the [REDACTED]:



Corporate Structure Immediately After the [REDACTED]

The following chart sets forth the shareholding and corporate structure of our Group immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Note:

- The existing Shareholders have applied to convert [REDACTED] Unlisted Shares in aggregate held by them into H Shares upon [REDACTED], representing approximately [REDACTED]% of the enlarged issued share capital of the Company upon completion of the Conversion of Unlisted Shares into H Shares and the [REDACTED] (assuming the [REDACTED] is not exercised). Among such Unlisted Shares to be converted into H Shares, a total of [REDACTED] Unlisted Shares (representing [REDACTED]% of the enlarged share capital of our Company in

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

aggregate upon the [REDACTED] assuming that the [REDACTED] is not exercised) held by the Shareholders other than Midea Zhilian, Qingdao Hisense Technology and Ningbo Xunchi will be counted as part of the public float, as such Shareholders will not be core connected persons of our Company upon the [REDACTED], are not accustomed to take instructions from core connected persons of our Company in relation to the acquisition, disposal, voting or other disposition of their Shares, and their acquisition of Shares were not financed directly or indirectly by core connected persons of our Company. For details, please refer to the section headed “Share Capital — Our Share Capital — Upon Completion of the [REDACTED]” and “— Public Float and Free Float — Satisfaction of the Public Float Requirement” under this section.

BUSINESS

OVERVIEW

Vision

To become the most trusted partner in supply chain logistics solutions

Mission

To deliver greater value to our partners through supply chain logistics excellence

Who we are

We are a leading integrated supply chain logistics solutions provider in China. According to CIC, we achieved the fastest revenue CAGR from 2022 to 2024 among the top five comprehensive integrated supply chain logistics solutions providers in China. Furthermore, we ranked first in revenue from production logistics solutions in 2024 among comprehensive integrated supply chain logistics solutions providers in China; and we are the largest integrated supply chain logistics solutions provider for China’s home appliance industry by revenue in 2024, according to CIC.

With deep industry expertise and transformative supply chain logistics solutions as our core competences, we are committed to driving efficiencies across supply chain. Unlike traditional logistics providers, we are deeply embedded in the industry value chains, built through years of supporting Midea Group’s operational transformation. We have pioneered a unique “1+3” supply chain logistics model — combining end-to-end logistics capability with three core solution pillars: production logistics, omni-channel shared inventory and distribution, and integrated last-mile delivery & installation.

We are setting a new benchmark for the industry and redefining what integrated supply chain logistics can achieve. Incubated by Midea Group, we possess a deep understanding of the evolving landscape and challenges faced by China’s manufacturing sector. Leveraging these insights, we provide lean production logistics solutions that closely align inventory planning with manufacturers’ production schedules, enabling just-in-time (“JIT”) delivery of components to manufacturing facilities with minute-level precision to support lean manufacturing.

Our omni-channel shared inventory and distribution solutions simplify the complex, multi-step in-and-out warehouse handling process, often involving layered manufacturer and distributor warehouses, into a single, streamlined step. This simplified model shortens the distribution chain from product origin to end customers, which we refer to as “short-chain” distribution. Furthermore, it enables customers to efficiently fulfill fragmented orders across multiple sales channels using an optimized level of shared inventory.

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Supported by our nationwide logistics network, we empower our customers to deliver not only products but also exceptional service experiences to consumers, which combines delivery, installation and other after-sales services into a single visit.

Our value propositions

Through our solutions, we deliver three core value propositions to our customers, fulfilling our mission:

- ***Operational efficiency and cost reduction:*** We improve efficiency and reduce operational costs across our customers’ supply chains through lean production logistics, “short-chain” distribution, and integrated last-mile delivery & installation. These solutions streamline logistics processes, eliminate redundancies, and enhance productivity across the value chain.
- ***Business model innovation:*** Our lean production logistics and “short-chain” distribution solutions minimize excess inventory and reduce handling times from suppliers to manufacturers and distributors. This supports lean manufacturing, and improves inventory turnover, which in turn enhances capital efficiency, and frees up working capital for higher-return investments. Additionally, our integrated last-mile delivery & installation solutions provide valuable consumer insights, helping customers deepen consumer engagement and refine their go-to-market strategies.
- ***Ecosystem enablement:*** Our solutions empower supply chain stakeholders by connecting them across the value chain to foster collaborative ecosystems within and across industries. This integrated approach allows our customers and partners to co-create and share value, unlocking new growth opportunities and driving industry-wide transformation.

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Below is an overview of our accomplishments and achievements:

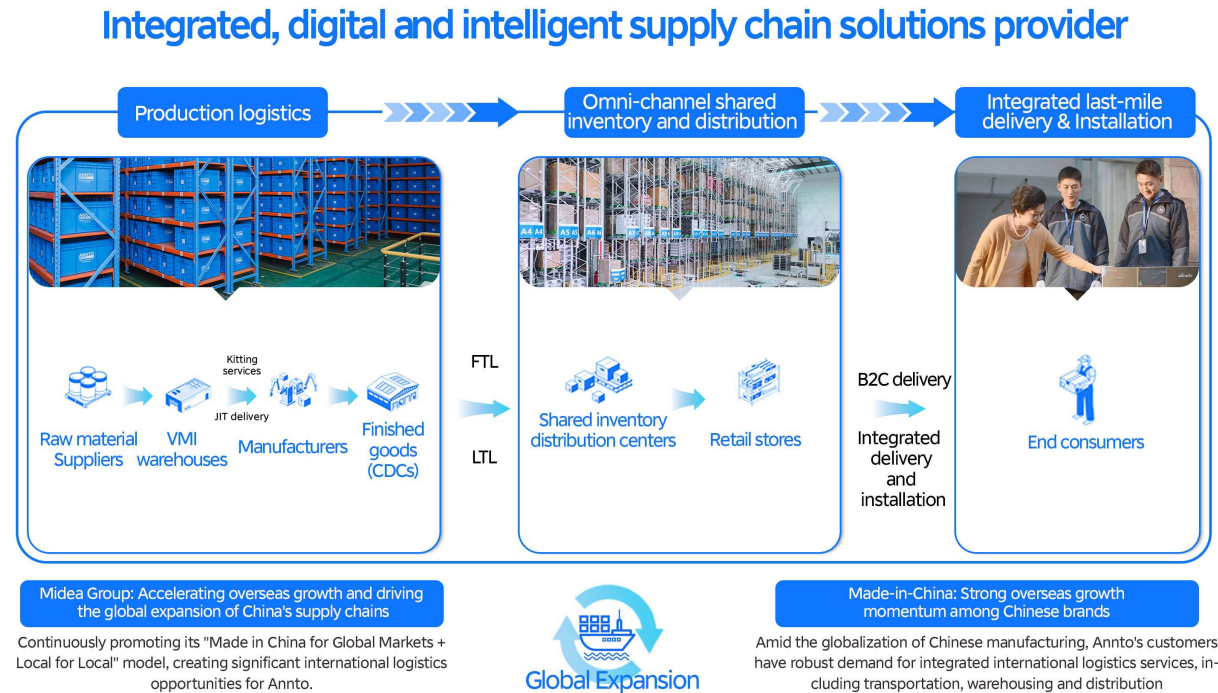
No. 1 Integrated supply chain logistics solutions for China’s home appliance industry⁽¹⁾ & No. 4 for China’s FMCG sector⁽¹⁾ No. 1 provider of production logistics solutions in China⁽²⁾	38 China’s influential leading enterprises⁽⁴⁾ 80 key customers⁽⁶⁾, annual revenue > RMB30.0 million	18.7 bn 2024 revenue (RMB) 14.8% CAGR since 2022
“1+3” Unique supply chain logistics model	7 Lighthouse factories⁽⁵⁾ served with production logistics solutions	~ 60% 2024 revenue from external customers and from key customers⁽⁶⁾, respectively⁽⁷⁾
5A Logistics Enterprise⁽³⁾ Top 50 Logistics Companies in China⁽³⁾	100% Fulfillment coverage of townships across China⁽⁵⁾ with integrated last-mile delivery & installation	380 mn 2024 net income (RMB) 33.0% CAGR since 2022, with an ROE of 24.3% in 2024⁽⁸⁾

Notes:

- (1) In terms of revenue in 2024
- (2) In terms of revenue in 2024, ranked first among comprehensive integrated supply chain logistics solutions providers in China
- (3) Awarded by China Federation of Logistics & Purchasing for the year of 2024
- (4) As of December 31, 2024, 38 of our customers were ranked in Xinhua News’s “China’s Industry-Leading Enterprises 2024”
- (5) As of December 31, 2024
- (6) Key customers are customers who used our integrated supply chain logistics solutions and contributed more than RMB30.0 million in annual revenue
- (7) In 2024, revenue from external customers and key customers amounted to RMB10,990.2 million and RMB11,049.4 million, respectively
- (8) Return on equity is calculated as net profit for the year divided by the average total equity and multiplied by 100%. Average total equity is the sum of the balance of total equity at the beginning and at the end of the year, divided by two

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Our business model



We create value by delivering integrated, intelligent solutions through our distinctive “1+3” model. The “1” represents our end-to-end logistics capability, allowing us to support our customers across their entire supply chain, from production, distribution to last-mile delivery. The “3” signifies our three solution pillars, tailored to optimize efficiency at each stage and empower businesses to transform their supply chain:

- production logistics solutions — providing efficient services covering the supply flow from inbound logistics to finished goods storage in CDCs;
- omni-channel shared inventory and distribution solutions — managing “short-chain” distribution of finished goods from factories/CDCs to distribution warehouses, and right up to last-mile delivery with omni-channel shared inventory model; and
- integrated last-mile delivery & installation solutions — providing seamless, nationwide last-mile delivery and professional installation services to end consumers.

To address growing demand for integrated supply chain management, driven by the manufacturing sector’s push for greater efficiency and agility across their supply chains to stay competitive, we break away from the traditional segmented and siloed approach to improve individual logistics segments by pioneering a new model of end-to-end supply chain planning

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across production, distribution and last-mile delivery. From inbound logistics optimization, distribution network planning, intelligent warehouse operations, and to integrated last-mile delivery & installation, our supply chain design aims to deliver holistic, end-to-end optimization. Our digitalized services span line-haul transportation, warehousing and inventory management, integrated last-mile delivery & installation, ensuring seamless supply chain fulfillment.

Our technology

We continuously collect real-time supply chain data, building a robust data foundation that enables deep operational insights into supply chain dynamics. This in turn empowers our customers to make more accurate decisions. Our digital platform, powered by proprietary algorithm-driven analytics, generates intelligent, data-based recommendations to enable agile, responsive, and efficient decision-making in real-world operations. This holistic approach addresses the inherent complexity of multi-node, multi-tier supply chains and enables intelligent management across inventory and warehouse management, transportation, integrated last-mile delivery & installation, empowering businesses to reduce costs, and improve operational efficiency.

With modular systems that connect every node of the supply chain, we unlock end-to-end supply chain visibility and deep, actionable insights across industries and scenarios with end-to-end services spanning the entire value chain. Managing logistics and fulfillment for non-standardized products in complex real-world environments has long been a persistent industry challenge. Drawing on years of operational experience with leading manufacturing partners and supported by a robust, full-stack service infrastructure, we have built a strong foundation of cross-industry, multi-scenario fulfillment data and domain-specific know-how, creating a competitive moat. As of June 30, 2025, we have accumulated vast supply chain data entries, spanning 21 industry sub-sectors.

Our self-developed Annto Link Traffic (ALT) (安得安鏈通), a modular and scalable intelligent supply chain platform, drives the digital and intelligent transformation of the entire logistics value chain, enabling customers to design, model and implement practical, end-to-end supply chain optimization strategies. Powered by advanced algorithmic techniques, including experience-driven modelling, heuristics, and mathematical optimization, ALT delivers highly tailored solutions for our customers’ diverse and evolving needs in functional modules, including intelligent planning, intelligent scheduling, and intelligent fulfillment.

- Intelligent planning module: Through address parsing, demand point clustering, and intelligent site selection, this module helps optimize warehouse locations, significantly improving fulfillment speed from warehouses to retail touchpoints or end consumers. It builds spatio-temporal network maps and uses intelligent network relationship

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optimization to strengthen the end-to-end supply chain structure. By categorizing products based on their attributes and analyzing demand patterns, it recommends the best inventory stocking strategies to meet fulfillment needs while boosting inventory turnover. We employ supply chain simulation technologies, enabling customers to test and evaluate solution performance in a digital environment.

- Intelligent scheduling module: This module offers a suite of forecasting algorithm models to meet the varying sales prediction needs of products with different demand characteristics. By combining forecasted sales volumes, available inventory and in-transit inventory, it performs rolling optimization of replenishment plans to ensure agile and responsive restocking.
- Intelligent fulfillment module: Through intelligent order consolidation and dispatch, warehouse picking optimization, scheduling algorithms for vehicle dispatch, route planning and geographic information analysis, this module enhances the efficiency and quality of end-to-end logistics fulfillment services and reduces costs across the supply chain.

Our evolution

Empowering Midea Group’s supply chain transformation

Over the past decade, we have played a key role in Midea Group’s operational transformation, supporting its supply chain logistics initiatives, while steadily building our capabilities in supply chain operations, digital and intelligent technologies, and industry-specific insights. This journey has led to the development of scalable and replicable supply chain logistics capabilities.

During the production stage, we enable end-to-end supply chain visibility and provide integrated inbound logistics solutions centered on a vendor-managed inventory (VMI) warehouse model. By considering supplier distribution, logistics characteristics, production models and freight volumes, we tailor solutions to enhance component supply efficiency and alignment with production demand, and provide manufacturing support services that improve warehousing, transportation efficiency, and sustainability. In the finished goods distribution stage, we supported Midea Group in modernizing its traditional multi-tier distributor approach by implementing an omni-channel shared inventory model, which streamlined distribution, enabled inventory sharing across channels, and aligned stocking with real-time consumer demand, thereby reducing inventory levels and accelerating turnover.

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As a result of our solutions, Midea Group’s residential air-conditioning division recorded sustained and notable improvements in key operating metrics domestically. From 2015 to 2021, the division’s warehouse floor area reduced by 45%, and annual inventory turnover increased by 15%. From 2021 to 2025, the proportion of direct shipments from production lines of the division for residential air conditioners increased by 40%, which reduced transit time and logistics costs and improved order fulfillment efficiency for customers.

Scaling across industries

Since 2019, in response to growing demand for more sophisticated supply chain management, driven by the manufacturing sector’s push for greater efficiency and agility to stay competitive, we began evolving from an internal logistics unit into a full-service supply chain logistics solutions provider. Building on the internal success and refinement of our “1+3” supply chain logistics model, we extend our capabilities to serve external customers, rapidly scaling our solutions across multiple industries and accumulating industry-specific expertise.

Our solutions have been successfully applied across multiple verticals, including home appliances and home furnishings, FMCG, such as personal care, beverages and alcohol, and new energy, establishing strong collaborations with major industry leaders such as Hsu Fu Chi, Tsingtao Brewery, Dongfeng Motor Corporation and SANY Group. Notably, the number of key customers, those who used our integrated supply chain logistics solutions and contributed more than RMB30.0 million in annual revenue, grew from 61 in 2022, to 64 in 2023, and further to 80 in 2024, reflecting the deepening of our customer relationships.

From China to the world

As Midea Group continues to expand its global production footprint, we plan to replicate our “1+3” model overseas in the future as part of our business strategy. This strategy aims to address key pain points faced by local factories, such as disconnect between local logistics and production planning, information silos, and limited visibility in fulfillment processes. By leveraging Midea Group’s global presence and our advanced production logistics solutions, we aim to empower overseas factories, enhancing efficiency, improving quality, and accelerating inventory turnover.

Looking ahead, we are committed to building a globally integrated, end-to-end supply chain service network that seamlessly connects domestic operations, cross-border trunk lines, and local overseas logistics businesses, delivering coordinated, high-efficiency support across the entire value chain.

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Our achievements

We have achieved multiple breakthroughs in supply chain innovation. Through our omni-channel shared inventory and distribution solutions, we have disrupted the traditional multi-tier distribution model, enabling “short-chain” distribution by reducing intermediate warehousing and transport to a single handling step.

For example, for Tsingtao Brewery, we provided omni-channel inventory and distribution services and operated shared inventory distribution centers. By extending upstream services to offer integrated line-haul transportation, warehousing and distribution services, we achieved end-to-end F2B (factory-to-business) supply chain integration. Downstream, we supported Tsingtao Brewery’s model of “separating business transactions from the logistics fulfillment”, thereby empowering its distributors. In one region, for instance, we consolidated the in-warehouse operations of 93 distributors for Tsingtao Brewery and established two shared inventory distribution centers, which led to a 98% reduction in the number of logistics warehouses in that area, a 15% decrease in end-to-end logistics costs, a 50% decrease in delivery time and a 30% improvement in product shelf life.

Additionally, we have established a deep partnership with China Feihe, a major infant formula brand, providing customized omni-channel supply chain services covering both online and offline channels. Leveraging our self-owned transportation network and intelligent scheduling system, the delivery time of Feihe’s products has decreased by 5%. In addition, through enhanced labor management and flexible allocation of end-to-end resources across the supply chain, we are able to offer Feihe scalable services with operational capacity up to three times Feihe’s normal daily product volume.

Furthermore, through our solutions, we have also built a robust platform that connects over 3,000 brands with millions of retail touchpoints as of June 30, 2025, empowering customers to achieve dual growth through precise market penetration and high-quality channel matchmaking. This, in turn, creates new growth opportunities for our solutions.

Drawing on our experience supporting seven world-class lighthouse factories, we pioneered a green, integrated “transport + packaging” inbound logistics model. By implementing high-efficiency inbound logistics, reusable standardized packaging, and low-carbon transportation, we helped manufacturers increase component kitting readiness, reduce packaging costs, and cut carbon emissions, delivering both economic and environmental value.

We have served 38 China’s influential leading enterprises (中國產業領軍企業) as of December 31, 2024. Furthermore, as of June 30, 2025, we have engaged with over 9,000 enterprise customers, and accumulated insights from vast supply chain data, and our solutions and services

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cover 21 vertical industries across the home appliance, FMCG, and automotive and auto parts sectors. Our model operates as a closed-loop system, where industry insights drive supply chain strategy, and real-time supply chain data informs business decision-making, achieving true alignment across information, product, and capital flows. This integrated approach enables seamless coordination from factories to end customers.

We have established a nationwide service network capable of supporting omni-channel, multi-industry distribution, both online and offline. As of June 30, 2025, we operated over 3,500 active delivery & installation service outlets nationwide. As of the same date, our deployable fleet capacity exceeded 586,000 vehicles, and we managed over 630,000 established transportation routes. Our last-mile delivery network covered 100% of townships across China, providing a robust foundation for supply chain fulfillment at national scale.

Awards and recognitions

As a leading integrated supply chain logistics solutions provider in China, we have been recognized for three consecutive years since 2022 by the China Federation of Logistics & Purchasing (CFLP) as a “Top 50 Chinese Logistics Enterprise,” and have received multiple certifications as a “5A Logistics Enterprise.”

Our innovations have garnered numerous accolades. We have been awarded the “First Prize of the Science and Technology Progress Award” by CFLP for three consecutive years since 2023. In 2024, our innovative omni-channel shared inventory model was recognized by the CFLP as one of the “First Batch of Typical Cases in Reducing Overall Social Logistics Costs.” Our “Digital Solutions for Lighthouse Factories” was recognized as an “2024 Outstanding Case in Digital Transformation/Application for Logistics and Supply Chain Enterprises” by the CFLP. Additionally, in 2025, our “Integrated Intelligent Supply Chain Solution Platform Construction and Application” was selected as a “Logistics Technology Innovation Case for 2025” by CFLP.

We are deeply committed to environmental protection and sustainable development, and are proud to receive the “2024 GOLOG-ESG Low-Carbon Supply Chain Innovation Award” and the “Typical Cases of Sustainable Consumption (2025) — Outstanding Case” awarded by Global Sustainable Consumption Initiative (GSCI) and *China Sustainable Tribune*, a journal supervised by the Ministry of Commerce of the People’s Republic of China, along with other industry recognitions.

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Market opportunities

Driven by demand for greater efficiency across production, distribution, and last-mile delivery, the penetration of integrated supply chain logistics solutions in China continues to deepen, creating significant growth opportunities for the sector. According to CIC, the market size for integrated supply chain logistics solutions in China is expected to grow from RMB3,100.7 billion in 2024 to RMB4,670.8 billion by 2029, representing a CAGR of 8.5%.

The FMCG sector has experienced growing demand for integrated supply chain logistics solutions that streamline supply chain structures and reduce redundant distribution layers. The market size for integrated supply chain logistics solutions in this sector is expected to reach approximately RMB818.6 billion by 2029 from RMB520.2 billion in 2024, representing a CAGR of 9.5%. The fast-moving nature of the sector renders it particularly sensitive to inventory turnover, where integrated supply chain logistics solutions can provide significant value.

Demand for integrated supply chain solutions, capable of providing efficient support across production logistics, distribution and integrated last-mile delivery & installation services, in the home appliance sector remains robust, with the market expected to expand from RMB41.5 billion in 2024 to RMB57.0 billion by 2029.

Additionally, the market for integrated supply chain logistics solutions in the home furnishings sector grew from RMB39.6 billion in 2019 to RMB65.1 billion in 2024, with a CAGR of 10.5%, and is further projected to grow from RMB65.1 billion in 2024 to RMB92.6 billion in 2029, with a CAGR of 7.3%. In China, consumers are increasingly seeking integrated home design solutions that combine both home appliances and home furnishings services. This trend drives demand growth for supply chain logistics solutions providers that are capable of managing the delivery and installation of both product categories. As the largest integrated supply chain logistics solutions provider for the home appliance industry in China, we believe we are well positioned to capture this cross-sector growth opportunity.

The automotive and auto parts sector is currently the largest market segment for integrated supply chain logistics solutions, driven by the increasing demand for delivery and installation services for new energy vehicle charging stations. According to CIC, the market size for integrated supply chain logistics solutions in this sector reached approximately RMB584.7 billion in 2024. As the supply chain and consumer demand in this sector continue to evolve, there is increasing demand for flexible production, distribution and after-sales services. The market size of integrated supply chain solutions in this sector is projected to grow further at a CAGR of 10.1%, reaching RMB946.9 billion by 2029. Notably, new energy vehicle manufacturers typically prefer to partner with supply chain solution providers to optimize channel management and enhance end customer

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satisfaction. We have formed long-term collaborative relationships with major automakers such as Dongfeng Motor Corporation. Looking ahead, we will continue to expand our presence in the automotive and auto parts supply chain market.

Amid the growing trend of Chinese enterprises expanding overseas, a large number of manufacturing companies are exploring opportunities to export both products and production capacity. Leveraging Midea Group’s global production footprint and our strong capabilities in production logistics, the overseas supply chain logistics solutions market for Chinese enterprises is positioned to become a new growth.

Compared to domestic logistics, cross-border logistics involves significantly more complexity, requiring the integration of multi-regional and multi-modal logistics resources. Chinese companies going overseas often face challenges such as information asymmetry, supply-demand mismatches, and low operational efficiency. Meanwhile, local logistics providers in overseas markets — particularly in developing regions — often lack mature digital capabilities, while those in developed markets face challenges such as data silos and system incompatibility. Across both developing and developed overseas markets, providers are typically unfamiliar with the operational models and specific requirements of Chinese manufacturing businesses. With our deep integration with customers, as well as inherent advantages in information sharing, collaborative planning, and system interoperability, we plan to replicate advanced domestic supply chain technologies and practices abroad in the future as part of our business strategy — delivering high-quality, tailored supply chain logistics solutions to our customers overseas.

Our financial performance

We have achieved significant growth and demonstrated robust profitability during the Track Record Period. In 2022, 2023, and 2024, we recorded revenue of RMB14.2 billion, RMB16.2 billion, and RMB18.7 billion, respectively, representing a CAGR of 14.8%. Our net income was RMB215.1 million, RMB288.0 million and RMB380.3 million in 2022, 2023, and 2024, respectively, with a CAGR of 33.0%, primarily driven by the continued expansion of our integrated supply chain logistics solutions. Our adjusted EBITDA (non-IFRS measure) for 2022, 2023, and 2024 was RMB990.3 million, RMB1,127.5 million and RMB1,314.4 million, respectively, with a CAGR of 15.2%.

For the six months ended June 30, 2024 and 2025, our revenue increased by 20.2% from RMB9.1 billion to RMB10.9 billion, our net income increased by 21.7% from RMB204.0 million to RMB248.3 million and our adjusted EBITDA (non-IFRS measure) increased by 6.7% from RMB705.8 million to RMB753.2 million.

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OUR STRENGTHS

Deep expertise in serving industry leaders and strong integrated supply chain logistics capabilities

With over a decade of experience supporting Midea Group’s operational transformation, we have built a scalable and replicable model of integrated supply chain logistics solutions. This model is rooted in the diverse and complex operational scenarios enabled by Midea Group’s role as an industry leader that drives and shapes its industry value chain. Midea Group’s strong influence across its industry allows us to engage with extensive logistics demands across upstream and downstream players in manufacturing and distribution. At the same time, our longstanding role in delivering integrated, end-to-end supply chain logistics solutions, spanning production, distribution, and last-mile delivery, has equipped us with deep industry-specific expertise and operational know-how.

In 2019, we began offering this intelligent, end-to-end supply chain logistics model to external customers. Drawing on our vast experience, we now provide tailored solutions to enterprise customers across a range of sectors, including home appliance and home furnishings, FMCG (such as personal care, beverages, and alcohol), automotive and auto parts, as well as new energy (photovoltaic products), helping to drive supply chain transformation across industries. Our external customer base for integrated supply chain logistics grew from over 3,000 as of December 31, 2022, to over 7,000 customers as of June 30, 2025.

Through our integrated solutions, we have continued to deepen strategic partnerships with industry leaders, especially in the home appliances and home furnishings and FMCG sectors. By addressing key challenges across the supply chain, from production and distribution to last-mile delivery, we have positioned ourselves as a long-term strategic partner, enabling our customers’ sustainable growth. This close collaboration has empowered us to scale alongside industry leaders, while building a distinct competitive edge by identifying and fulfilling supply chain needs across their value chains.

Leading integrated supply chain logistics solutions provider in China, delivering sustainable growth and profitability

We offer intelligent, end-to-end integrated supply chain logistics solutions. According to CIC:

- we are a leading integrated supply chain logistics solutions provider in China in terms of revenue in 2024;

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- we are the largest integrated supply chain logistics solutions provider for the home appliance industry in China, in terms of revenue in 2024;
- we ranked first in revenue from production logistics solutions in 2024 among comprehensive integrated supply chain logistics solutions providers in China; and
- we are the fourth largest integrated supply chain logistics solutions providers for the FMCG industry in China in terms of revenue in 2024. The number of our FMCG customers that utilized our integrated supply chain logistics solutions and contributed annual revenue of over RMB10.0 million each increased from 82 in 2022 to 110 in 2024.

We have built a comprehensive logistics infrastructure and network that supports our integrated supply chain logistics capabilities. Our infrastructure and network, comprising warehouses at strategic locations, flexible transportation resources, and integrated last-mile delivery & installation service outlets, covered 100% of townships across China as of June 30, 2025.

Driven by the success of our integrated supply chain logistics solutions, we have consistently delivered strong growth and sustained profitability:

- our revenue grew from RMB14.2 billion to RMB18.7 billion, representing a CAGR of 14.8% from 2022 to 2024;
- our net income grew from RMB215.1 million to RMB380.3 million, representing a CAGR of 33.0% from 2022 to 2024; and
- our adjusted EBITDA (non-IFRS measure) grew from RMB990.3 million to RMB1,314.4 million, representing a CAGR of 15.2% from 2022 to 2024.

Unique “1+3” supply chain logistics model, creating value across customers’ end-to-end supply chains

Drawing on our extensive experience serving Midea Group, we have developed a unique “1+3” model to deliver integrated, end-to-end supply chain logistics solutions. The “1” represents our end-to-end logistics capability, and the “3” signifies our three solution pillars, including production logistics, omni-channel shared inventory and distribution, and integrated last-mile delivery & installation.

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Production logistics solutions

Our production logistics solutions offer end-to-end services across the entire supply chain, encompassing every stage from inbound logistics to the preparation of finished goods. These are designed to support digital transformation to lean manufacturing, which are highly customizable to align with specific industry characteristics and customer requirements. Midea Group operates six world-class lighthouse factories, and we have worked closely to embed our logistics capabilities into their lighthouse factory operations. Building on this foundation, we have developed a replicable and deployable digital supply chain solution for lighthouse factories. Our solutions are built on a high-efficiency operational foundation and a smart decision-making system powered by our ATL platform, enabling seamless coordination across supply, production and distribution.

Incubated by Midea Group, we possess a deep understanding of the evolving landscape and challenges faced by China’s manufacturing sector. Leveraging our insights into the unique requirements of production logistics in the manufacturing sector, we offer lean production logistics solutions that closely align inventory planning with manufacturers’ production schedules to support lean manufacturing.

As of June 30, 2025, we have supported over 1,500 enterprises in achieving agile supply chain transformation. For example, we commenced providing production logistics solutions in 2021 at two of Midea Group’s lighthouse factories, namely a washing machine plant in Hefei and a heating, ventilation and air conditioning (HVAC) plant in Chongqing. The following improvements have been achieved compared to the relevant metrics prior to using our solutions: (i) at the washing machine plant in Hefei, the component kitting completion rate increased by 10%, the inspection pass rate increased by 15%, inventory turnover days decreased by 19%, the warehouse utilization rate increased by 74%, production capacity increased by 21% and labor costs decreased by 10.3%; and (ii) at the HVAC plant in Chongqing, obsolete inventory decreased by 27% and supplier-caused downtime decreased by 37%.

We have developed standardised lean production logistics solutions tailored to the unique characteristics of production logistics, covering nine core application scenarios, such as VMI services and in-production logistics. For example, we commenced VMI services for SANY Group in May 2023 at a newly leased warehouse. The following improvements have been achieved compared to the relevant metrics prior to using our solutions: the kit completion rate increased by 10%, on-time delivery rate has improved by 20%, in-plant storage area has been optimized by 30%, and labor costs have decreased by 10%. Additionally, we began pre-assembly services as part of in-production logistics for Hisense in February 2025, which has resulted in a 3% reduction in labor costs and a 60% decrease in downtime within four months.

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Omni-channel shared inventory and distribution solutions

Our solutions help businesses address the challenges faced by traditional sales models that rely on multi-tiered distributor inventory, such as capital inefficiency, limited inventory visibility, slow turnover and delayed responsiveness to consumer demand, especially in the face of increasingly fragmented orders and diversified sales channels.

We simplify the complex, multi-step in-and-out warehouse handling process, often involving layered manufacturer and distributor warehouses, into a single, streamlined step. This simplified model shortens the distribution chain from product origin to end customers, which we refer to as “short-chain” distribution. Our omni-channel shared inventory model manages inventory across all channels under a shared, centralized model. By establishing a shared inventory system across all sales channels, we enable our customers to fulfill fragmented orders across the channels with an optimized level of shared inventory and achieve seamless omni-channel fulfillment, leveraging our robust nationwide logistics network.

Furthermore, our solutions facilitate our customers’ strategic transition in distribution from a production-driven to a demand-driven approach and lay the foundation for advanced, data-driven inventory management across their distribution networks.

By way of illustration, in our engagements with Midea Group, we designed warehouse network layouts for the residential air-conditioning division and the washing machines division based on the locations of their respective plants in China and the distribution patterns of their respective orders to manage pooled inventory. We optimized the respective networks for delivery speed and cost efficiency, enabling each business division to unify its online and offline fulfillment processes. As a result, from 2015 to 2021, warehouse floor area in China decreased by 45% for the residential air-conditioning division and by 50% for the washing machines division.

Integrated last-mile delivery & installation

We operate a nationwide delivery and installation network comprising over 3,500 active service outlets and a team of over 77,000 experienced drivers and technicians as of June 30, 2025. Empowered by our algorithm-assisted dispatching system and user-friendly mobile devices, we deliver a seamless integrated last-mile service & installation experience, ensuring comprehensive coverage across the country.

In our last-mile operations, the closest point of interaction with end consumers, we uphold our “All Good in One Try” commitment to ensure efficient, accurate, and reliable service on the first attempt. By digitally modeling real-world delivery and installation scenarios, we proactively anticipate complexity, minimizing failed deliveries and repeat visits. Our system, powered by

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advanced algorithms, gives technicians pre-service visibility into the customer’s environment and specific requirements, enabling smarter, scenario-based route planning, more accurate preparation, and a more efficient and personalized consumer experience.

Full-stack technology infrastructure, empowering end-to-end supply chain digital intelligence transformation

Our “1+3” model serves over 7,000 customers across diverse industries, including home appliances and home furnishings, FMCG and new energy. By digitizing key production elements along the supply chain, such as personnel, vehicles, goods, facilities and routes, we connect critical nodes along the supply chain, eliminate information silos and transform fragmented data streams into a multi-scenario, cross-industry data infrastructure that spans the entire supply chain, from manufacturing to last-mile delivery.

Through the integration of artificial intelligence and IoT (AIoT) smart hardware, including vehicle sensors, smart warehouse devices, and RFID systems, we have established an intelligent sensing network capable of collecting data and providing precise data support to each link of the supply chain. This data is processed through our core digital systems (OMS, TMS, WMS and big data platform) on our intelligent supply chain platform. Enriched with industry-specific tags developed in-house, offering a level of usability and relevance that sets our data capabilities apart, these structured datasets form a multi-dimensional data backbone, enabling data-driven insights across a wide range of industry scenarios.

Building on this robust data foundation, we embed advanced algorithmic techniques throughout the entire supply chain, driving the automation and efficiency of intelligent decision-making processes. These capabilities are encapsulated in our proprietary ALT platform, a modular and extensible intelligent supply chain platform, which offer three core functional modules: intelligent planning, intelligent scheduling and intelligent fulfillment, in conjunction with our proprietary supply chain simulation engine. Together, they enable modular algorithm customization tailored to specific customer needs and supply chain stages. Key application scenarios include warehouse siting and network design, inventory distribution and optimization, demand forecasting and replenishment strategies, as well as intelligent route planning, driving significant operational efficiency across the value chain.

In urban delivery, where we distribute goods to retail touchpoints, we apply big data algorithms to optimize delivery operations under a variety of constraints, such as loading volume, number of delivery points, transportation distance, as well as real-time traffic information. When facing fragmented, high-frequency order patterns, our dispatching system leverages real-time data from OMS, TMS and other systems on our intelligent supply chain platform to predict demand

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across geographic regions and end customers. Utilizing smart dispatch algorithms and machine learning models, the system dynamically adjusts delivery routes and vehicle allocation, enhancing transportation efficiency and on-time performance.

In warehousing, we combine intelligent sensing hardware with our WMS to track and monitor data across the entire storage lifecycle, from inbound receiving, storage to outbound dispatch. Applying operations research algorithms, and big data analytics, we optimize key warehousing functions such as shelving strategy and path planning, while also enabling intelligent inventory forecasting and management. Additionally, we integrate AGVs, robots, automated loading/unloading systems, and smart sorting equipment to build autonomous, intelligent warehouse operations. These innovations significantly enhance efficiency across all warehousing and fulfillment stages, including inbound logistics, warehousing, line-haul transportation, distribution and last-mile delivery and installation.

Nationwide infrastructure, supporting an interconnected, green logistics network

We are committed to building a deeply interconnected logistics infrastructure that extends into China’s township and rural markets. By integrating warehousing resources with an extensive transportation network, we have established a comprehensive logistics network that enables seamless distribution and last-mile delivery & installation across the country.

- Warehousing: As of June 30, 2025, we have established a nationwide network of VMI warehouses, regional hubs, and tiered distribution centers, with a total warehousing footprint exceeding 11 million square meters across more than 140 cities in China.
- Transportation: As of June 30, 2025, our transportation capabilities are supported by a fleet of over 586,000 deployable vehicle capacity and more than 630,000 established transport routes. This enables our supply chain logistics solutions to reach 31 provinces, autonomous regions and municipalities, including approximately 2,800 districts and counties and over 38,000 towns, forming a nationwide transportation network.
- Integrated last-mile delivery & installation: As of June 30, 2025, leveraging over 3,500 active localized delivery and installation service outlets and a team of more than 77,000 experienced drivers and technicians, our integrated last-mile delivery & installation solutions have achieved coverage across 100% of China’s townships. Our capabilities extend to village-level delivery and installation, offering integrated fulfillment services to a broad consumer base.

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In parallel with expanding our physical infrastructure, we are actively building a green logistics network to support low-carbon, sustainable operations. By applying operations research algorithms, and big data analytics, we have developed advanced capabilities in warehouse network planning and transport network optimization. These solutions allow for coordinated resource utilization and are highly adaptable to customer-specific needs, maximizing efficiency while minimizing environmental impact.

We have embedded sustainability into key areas of our operations through a series of green supply chain logistics solutions. For example, as part of our production logistics solutions, we provide reusable, standardized packaging to optimize load efficiency for non-standard and irregular components. Our omni-channel shared inventory model enables faster delivery, lower inventory levels, and shorter transport distances, enhancing distribution efficiency. Our “All Good in One Try” commitment to integrated last-mile delivery & installation ensures high success rates on the first visit, optimizing time and energy usage for low-carbon last-mile execution. These solutions benefiting a wide range of industries, including industries advancing the green transition, such as photovoltaics and NEV charging stations.

Visionary veteran leadership team with proven execution capabilities, supported by a deep talent pool

Our company is led by a seasoned management team with deep industry expertise and proven execution capabilities. On average, our core leadership members bring over 20 years of industry experience, with backgrounds spanning supply chain planning, enterprise management, logistics operations, and information technology.

At the helm is our Chairman, Mr. Liang Pengfei, who brings more than two decades of leadership experience from Midea Group, where he played a pivotal role in advancing transformative supply chain strategies across multiple business units. With a well-rounded foundation in marketing, lean manufacturing, supply chain management, human resources, and corporate operations, Mr. Liang embodies the entrepreneurial drive and operational excellence that reflect the Midea Group heritage. Our broader executive team includes leaders with senior-level experience at top logistics and supply chain enterprises, combining deep operational knowledge with a forward-looking mindset rooted in digital innovation and global best practices.

We believe that talent is our most valuable asset. To support this belief, we have built a comprehensive talent development framework, including structured career progression paths, performance-driven incentive systems, and a company-wide culture that nurtures growth and innovation. Our team is composed of passionate, experienced professionals united by a shared

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commitment to excellence in supply chain logistics. The diverse, cross-disciplinary expertise of our workforce is a core driver of technological innovation and business model evolution, enabling us to stay strategically agile and operationally resilient in today’s dynamic market environment.

OUR STRATEGIES

Expand vertically by addressing supply chain demands around industry leaders while penetrating horizontally into more industry verticals

We are committed to addressing the end-to-end logistics needs of industry leaders while extending our services to their upstream and downstream partners. Our focus remains on delivering comprehensive, high-value supply chain solutions that help optimize inventory, improve logistics efficiency, and enhance service quality. Leveraging our deep industry insights and operational expertise, we are expanding our capabilities to solve increasingly complex supply chain scenarios.

As we build long-term partnerships with industry leaders, we also tap into their influence across the value chain: upstream, we will support component manufacturers with flexible, responsive supply chain solutions; and downstream, we will serve distributors and retailers with end-to-end solutions, from product display recommendations to warehousing and fulfillment. By fully leveraging the central role of industry leaders in their ecosystems, we will drive customer base expansion, deepen collaboration, and increase customer stickiness.

Building on our success in these sectors, we are replicating our model across other verticals such as automotive and auto parts, as well as new energy (photovoltaic products) sectors. In addition, we intend to deepen our solutions’ presence in sub-sectors within verticals where we have already achieved proven success, such as the food and beverage and personal care segments within the FMCG sector. Through close partnerships, we will continuously refine industry-specific capabilities and develop tailored, scalable supply chain logistics solutions to meet diverse market needs. This enables us to grow our presence in each vertical and strengthen our position as a multi-industry, end-to-end supply chain logistics solutions provider.

Capture opportunities for overseas supply chain expansion, supporting Midea Group’s growing global footprint and strengthening overseas supply chains

As China’s domestic market matures, emerging overseas markets are unlocking new growth opportunities for China’s manufacturing sector. In response, China’s industry leaders are placing greater emphasis on comprehensive, end-to-end global supply chain solutions to support their global expansion. To meet this growing demand and expand our global logistics capabilities, we are pursuing a phased international strategy that carefully balances an asset-light approach with strategic investments in critical infrastructure.

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In the first phase, we will establish VMI warehouses overseas and deploy local teams to support initial cross-border operations. In the second phase, we will invest in strategic, high-barrier resources such as self-owned warehouses abroad, tailored to the needs of the industrial value chain, thereby expanding our global logistics capacity. In the third phase, we will provide integrated, end-to-end outbound supply chain logistics solutions, covering pickup, customs declaration, line-haul transportation, clearance, deconsolidation, and final delivery, enabling seamless international fulfillment for our clients.

We will also continue to leverage our strategic partnership with Midea Group to support its growing global footprint. As Midea Group continues to expand its overseas manufacturing bases and R&D centers, we will progressively develop an integrated global supply chain network that connects domestic and international nodes. This foundation will allow us to build localized service capabilities tailored to regional markets. As our international logistics infrastructure matures, we aim to deliver a comprehensive suite of global supply chain solutions to more industry leaders. By replicating our proven “1+3” model across both domestic and overseas manufacturing sites, we will strengthen our global presence and drive the next phase of growth.

Advance end-to-end digitalization through digital and intelligent technologies

We will continue to invest in digital and intelligent technologies, driving end-to-end digitalization and intelligence upgrades across the supply chain to comprehensively enhance business efficiency and competitiveness. Our strategy centers on building three core technological capabilities.

- Further enhancing the capability to empower industrial chain with AI tools: Drawing on deep insights into distribution channels and end-consumer behavior, we will build dynamic customer profiles and apply algorithmic models to improve demand forecasting accuracy. On the supply side, we will employ a combination of traditional mathematical modeling and machine learning algorithms to conduct in-depth analysis of supply chain data, supporting intelligent load scheduling, warehouse network optimization, and route planning. At the operational level, we will utilize AI and algorithms to consolidate shipment flows, identify latent logistics demand, and empower the broader logistics ecosystem through our intelligent digital platform.
- Optimizing end-to-end global perspective capability: Through AI-driven multi-dimensional dynamic balancing algorithms, we will help brand owners break information silos across multi-layered distribution networks and optimize fulfillment efficiency in logistics. Meanwhile, we will build an efficient collaborative ecosystem among channels and suppliers, enabling brand owners to enhance consumer engagement through visualized and highly efficient end-to-end logistics. Centering on industrial

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chain demand, we will leverage big data insights to achieve human-goods matching, data-driven warehouse network layout and inventory management, providing brand owners with optimal fulfillment solutions, cost structure optimization and upgraded service experiences.

- AI-driven intelligent decision-making and execution: In the future, relying on our rich and diverse scenario information and large-scale, high quality, and wide-ranging data accumulation, we aim to transform our operational model from “human-driven AI tool usage” to “AI-driven intelligent decision-making and execution”, further strengthening our intelligent management of supply chain links including inventory and warehousing, transportation and integrated delivery and installation, as well as continuously improving operational efficiency.

OUR BUSINESS MODEL

We are a leading integrated supply chain logistics solutions provider in China. We serve industry leaders and other key stakeholders who drive and shape the value chains of various industries, particularly home appliances and home furnishings, FMCG, new energy, as well as automotive and parts, making us well-positioned to support not only these individual customers, but also all businesses across the entire value chains within these industries.

We operate under a distinctive “1+3” business model, drawn from years of proven success supporting Midea Group, a leader in the home appliance industry, and from deep, firsthand insights into the evolving needs of businesses across the industry’s value chain. At the core of our business model is a deep commitment to thinking from our customers’ perspective, anticipating their needs and aligning our solutions to drive real business impact, and our model is purpose-built to deliver fully integrated, end-to-end supply chain logistics solutions that go beyond traditional service offerings.

The “1” represents our end-to-end logistics capability, allowing us to support our customers across their entire supply chain — from inbound logistics and finished goods storage, finished goods distribution, to integrated last-mile delivery & installation services. The “3” signifies our three core sets of supply chain solutions, tailored to optimize end-to-end efficiency and empower businesses to transform their supply chain:

- Production logistics solutions: We provide efficient services covering the supply flow from inbound logistics to finished goods storage in CDCs, enhancing our customers’ production efficiency through standardised lean production logistics solutions tailored to the unique characteristics of production logistics, covering core application scenarios;

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- Omni-channel shared inventory and distribution solutions: We manage distribution of finished goods from factories/CDCs to distribution warehouses, and right up to last-mile delivery, enhancing our customers’ distribution efficiency through an omni-channel shared inventory and “short-chain” distribution model that better align stocking with consumer demand, driving lower inventory levels, faster inventory turnover and improved market responsiveness; and
- Integrated last-mile delivery & installation solutions: We provide seamless, nationwide integrated last-mile delivery and professional installation services to end consumers, enhancing efficiency by combining delivery, installation, and other services into a single visit.

We have accumulated deep vertical expertise in home appliances and home furnishings, FMCG, new energy, as well as automotive and parts and other industries, serving 7,371 customers with our integrated supply chain logistics solutions, as of June 30, 2025. Moreover, our clients include 38 China’s influential leading enterprises, as of December 31, 2024. As our customers look to expand to overseas markets, we believe we have the ability to replicate our model and support their local supply chains.

Leveraging our end-to-end logistics expertise, we also provide individual supply chain logistics services such as warehousing and transportation on a standalone basis to cater to the diverse needs of our customers.

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OUR SERVICE OFFERINGS

Overview

We mainly provide supply chain logistics solutions.

The following table sets forth our revenue breakdown by our main service category for the years indicated:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Integrated supply chain logistics solutions										
Production logistics	971,574	6.9	1,563,151	9.6	1,997,496	10.7	989,959	10.9	1,138,580	10.5
Omni-channel shared inventory and distribution	9,588,804	67.6	10,653,931	65.7	12,052,774	64.6	6,054,344	66.9	6,937,598	63.7
Integrated last-mile delivery & installation	1,604,084	11.3	1,880,999	11.6	2,292,403	12.3	983,836	10.9	1,209,566	11.1
Subtotal	12,164,462	85.8	14,098,081	86.9	16,342,673	87.6	8,028,139	88.7	9,285,744	85.3
Basic logistics services	2,008,356	14.2	2,125,951	13.1	2,320,667	12.4	1,025,045	11.3	1,598,971	14.7
Total	14,172,818	100.0	16,224,032	100.0	18,663,340	100.0	9,053,184	100.0	10,884,715	100.0

Integrated supply chain logistics solutions

We provide digitalized, integrated, end-to-end logistics solutions across our customers’ entire supply chain, from inbound logistics and finished goods storage in CDCs, finished goods distribution, to integrated last-mile delivery & installation services, with deep vertical expertise in home appliances and home furnishings, FMCG, new energy, as well as automotive and parts industries.

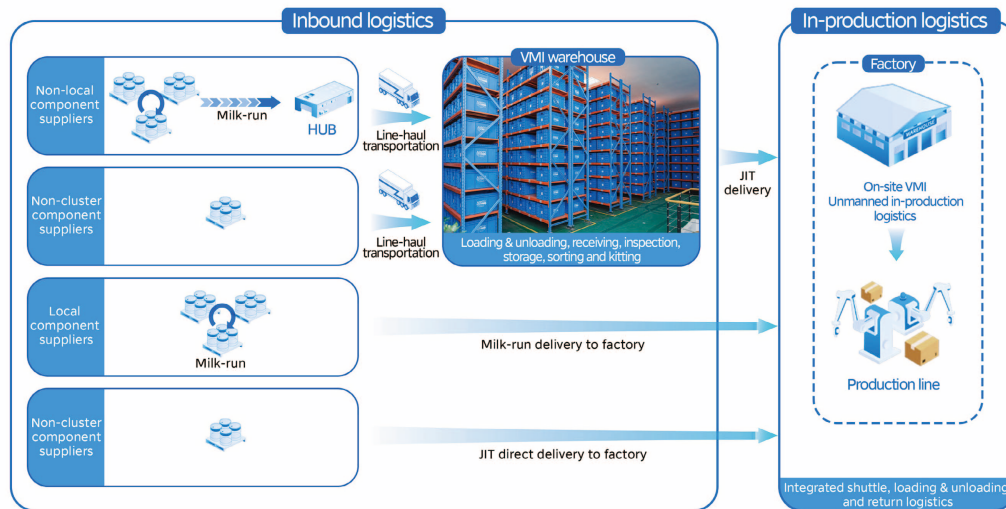
Production logistics solutions

Leveraging our deep expertise in the manufacturing sector, which originates from our heritage as part of Midea Group, and our proven capabilities in serving lighthouse factories, we have developed standardised lean production logistics solutions tailored to the unique characteristics of production logistics, covering nine core application scenarios, including: (i) VMI

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warehouses, (ii) in-production logistics, (iii) intelligent equipment, (iv) milk-run logistics, (v) HUB warehouses, (vi) CDCs for intermediate products, (vii) lean manufacturing, (viii) digitalisation, and (ix) industrial parks.

The following chart illustrates our services.



Anchored by these nine core application scenarios, our standardised lean production logistics solutions support our customers to achieve lean manufacturing. Our solutions can be replicated and adapted across industries.

As consumer demand increasingly shifts toward personalization and enhanced experiences, markets have evolved to become experience- and value-driven, requiring cost-effective products, faster product iterations, and accelerated time-to-market. Manufacturers not only need to improve their own production efficiency but also enhance supply chain efficiency to support more dynamic production cycles.

Unlike distribution logistics, production logistics has the following key characteristics:

- The need for efficient and precise production planning, as well as quick production line changeovers, requires suppliers to possess strong planning capabilities and the ability to deliver components to factories with minute-level accuracy;
- The complexity of a multi-tier supplier network calls for enhanced digital coordination, enabling suppliers to access real-time production schedules and improve supply planning;

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- The nature of production logistics, which involves consolidating components from multiple geographically dispersed suppliers, requires robust logistics capabilities to manage inbound flows effectively; and
- Lean manufacturing principles demand JIT delivery of components directly to production lines and workstations within the factory to support efficient operations and minimise inventory.

Traditional production supply chain management is not equipped to address these demands and often leads to significant inefficiencies, including: (i) excessive inventory stockpiling, resulting in high carrying costs; (ii) a mismatch between the need for agile production planning and the responsiveness of supply chain logistics; and (iii) limited visibility across the supply chain.

To address the foregoing challenges and inefficiencies, our solutions begin with supply chain design. We take a holistic approach to designing a customized, digitalized supply chain for each customer, factoring in the geographic locations of the customer’s factories and warehouses, component suppliers and their distribution hubs, as well as the customer’s production schedules. Our planning process encompasses multiple dimensions, including logistics digital systems, routes, warehouse space and infrastructure, transportation equipment, handling equipment, and product packaging solutions, all of which are continuously optimized as part of our design process to enhance performance.

Our designs help minimize inventory levels of components and finished goods across the entire production cycle. For example, in inbound logistics, our approach varies based on the geographic distribution of component suppliers:

- For suppliers located in other regions and relatively clustered, we typically adopt a milk run collection model to consolidate parts at a regional hub, which we refer to as HUB warehouse. From there, components are moved via line-haul transportation to a VMI warehouse for storage and finally delivered to the production plant using a JIT model.
- For suppliers in dispersed locations, we strike a balance between efficiency and cost by either delivering components directly to the customer’s factory using JIT or first transporting them via line-haul to the VMI warehouse, followed by final JIT delivery.
- For local suppliers, after milk run pickup, components are either delivered directly to the customer’s factory or temporarily stored in the VMI warehouse, depending on production schedules and inventory levels.

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VMI warehouses

We provide inbound logistics services centered on a VMI warehouse model, which combines milk run logistics and JIT/JIS fulfillment models with VMI warehouse management, optimizing inventory levels to better match production demand. Unlike the traditional supplier-to-factory model, where suppliers dispatch components directly to factories based on short-term demand signals, our VMI warehouse model allows for more proactive and coordinated supply chain planning and more closely and responsively aligns inventory level with actual demand.

Under this model, we operate dedicated VMI warehouses positioned closer to the point of use that hold optimally balanced level of components inventory. Our proprietary VMI WMS provides a streamlined, digitized process for suppliers to plan, dispatch and replenish component inventory to our VMI warehouses based on consumption data and pre-defined restocking rules, enhancing their planning accuracy in synchrony with factory demands. Supplier portal on this WMS shares real-time production schedules with component suppliers, giving them earlier visibility into factory production plans and longer lead times to respond to demand fluctuations, which enables suppliers to align their production schedules and shipment plans more effectively with factory demand dynamics. Replenishment decisions are driven by usage patterns, consumption trends, and predefined restocking strategies.

Within the VMI warehouses, we perform kitting, preparing sets of components for assembly, and conduct incoming quality inspections (tracing parts via one-code-per-part identification). This enables the direct delivery of complete, assembly-ready component sets to factories, streamlining in-factory operations, freeing up line-side floor space, reducing line-side inventory and in-plant material movements, supporting quicker changeovers and higher line utilization, and reducing lead times.

In-production logistics

Our in-production logistics solution enables lean and efficient operations throughout the entire production process, covering four key stages: in-factory warehousing, line-side delivery, and container management. Our services include production order tracking and fulfillment, quality inspection support, retrieval and return of empty containers, cleaning and sorting of packaging materials, preparation of shipping documents, kitting and delivery to production lines, packaging recovery, temporary storage and internal transfer, as well as outbound loading and dispatch.

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Packaging solutions and automation

We work closely with industry leaders and their component suppliers to replace fragmented, single-use component packaging with reusable, standardized green alternatives that can be recycled at factories and reused for component transportation. This approach delivers several operational benefits, including reducing the need for repackaging between warehouse and transport, enabling faster handling and unloading, increasing vehicle load efficiency, and improving warehouse space utilization.

In addition, our solutions enhance sustainability and support the green, low-carbon transformation of manufacturing supply chains.

By leveraging the standardized and modular design of packaging, we also integrate intelligent capabilities, such as packaging management, intelligent hardware and automation technologies, smart load optimization, and automated vehicle dispatching, into production logistics systems, further improving load utilization and reducing overall transportation costs.

For example, in our VMI warehouses, we achieve full visibility into inventory levels, process flows and quality metrics through the deployment of intelligent devices such as AGVs, telescopic belt conveyors, RFID/PDA scanning systems, and digital dashboards. Combined with our PLS module, these technologies enable rules-based automated intelligent planning and accelerated execution across all warehouse operations, from inbound receipt and storage to sorting and outbound dispatch. In addition, we can proactively detect and forecast potential risks such as stockouts, allowing for timely intervention and risk mitigation.

Milk-run logistics

We provide milk run logistics, coordinating with carriers to follow a predefined route and schedule to sequentially collect goods from multiple component suppliers. Along the route, carriers may also unload partial shipments or return reusable containers before delivering all collected goods to the manufacturing facility.

Compared to traditional point-to-point transportation, which often results in low load utilization, milk run logistics significantly improve overall performance. It reduces empty mileage, lowers component inventory levels at our customers’ sites, shortens supply chain response times, and increases vehicle load utilization. As a result, this model enhances supply chain stability, improves resource efficiency, and reduces overall logistics costs.

Our milk run logistics is supported by proprietary TMS system.

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HUB warehouses

To reduce logistics costs and improve efficiency, especially for component deliveries in sectors such as home appliances, we provide HUB warehouse consolidation and transportation services. By consolidating components from multiple suppliers at our HUB warehouses, we enable bulk shipments to VMI warehouses or directly to factories, avoiding the inefficiencies of frequent single-batch deliveries. Supported by our proprietary WMS, we maintain real-time visibility of inventory levels and ensure timely replenishment. Our services include unloading, storage, inventory control, sorting, outbound loading, and returnable packaging management.

CDC for intermediate products

We provide CDC services for intermediate products to equipment manufacturers, allowing for additional storage capacity. Through our WMS, we manage real-time inventory visibility. Products are delivered to final assembly plants via JIT or line-haul transportation models. Our services include handling, storage, preparation, loading, transportation, and returnable packaging recovery.

Lean manufacturing

Building on Midea Group’s supply chain transformation experience and our proven track record in supporting lighthouse factories, we provide comprehensive lean manufacturing enablement services aimed at enhancing operational efficiency and flexibility. Our approach is structured around five key transformation phases: (i) foundational and issue-specific improvements, targeting basic operational challenges and pain points; (ii) process optimisation, focused on improving system-level efficiency across the production workflow; (iii) flow optimisation, involving layout redesign and material flow enhancements to streamline operations; (iv) engineering improvements, aimed at increasing labour and equipment productivity through technical upgrades and process innovation; and (v) operational excellence, supporting long-term sustainability through continuous improvement and performance management systems.

Digitalization

We provide one-stop digital solutions featuring overall planning, one-click deployment, plug-and-play systems, rapid implementation, and ongoing system operation.

BUSINESS

Our digital services are designed to address two key aspects of modern production supply chain management to increase efficiency.

- Digitalization of production elements: We support customers in digitizing core production elements, so they can optimize operations across critical stages of the supply chain, including raw material sourcing and manufacturing. By enabling real-time data capture, predictive analytics, and process automation, digitalization helps reduce manual errors, eliminate bottlenecks, and support data-driven decision-making, ultimately driving faster, more efficient, and more responsive supply chain operations.
- End-to-end supply chain visibility: We provide customers and their component suppliers with full visibility into every stage of the supply chain. This transparency strengthens supply chain resilience and reduces the risk of disruption or “breakage” by enabling proactive monitoring and response.

Our services are delivered through a combination of intelligent hardware and our proprietary ALT platform intelligent supply chain system, a modular and extensible platform. Powered by advanced algorithmic techniques, including experience-driven modelling, heuristics and mathematical optimisation, ALT provides AI-enabled services for intelligent planning, intelligent scheduling and intelligent fulfillment to support end-to-end optimisation. See “— Our Technology — Technology capabilities.” Our solutions support one-click deployment and plug-and-play functionality, enabling rapid implementation and seamless integration into customer operations.

Specifically, our PLS and TMS modules integrate seamlessly with customers’ procurement, scheduling, and production systems, facilitating real-time data sharing and operational coordination. We continuously iterate and upgrade system functionalities to enable comprehensive data collection, analysis, application, and management, driving greater transparency, control and agility.

Industrial parks

We support manufacturers in building integrated logistics solution across their supply chains, including CDC setup, milk-run operations, HUB warehousing, and reusable packaging solutions, effectively reducing overall logistics costs.

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Omni-channel shared inventory and distribution solutions

We empower customers to manage their distribution supply chains with greater efficiency, from the delivery of finished goods from factories/CDCs to distribution warehouses, right up to last-mile delivery, through omni-channel shared inventory across online and offline channels.

In today’s omni-channel landscape, companies engage consumers through diverse platforms, ranging from e-commerce and social commerce platforms to physical touchpoints, such as retail stores. This expansion, coupled with consumers’ rising demand for personalized and cost-effective products, has led to fragmented customer orders, diversified inventories, and complex, multi-platform data. Consequently, effective inventory management during the distribution stage is critical to retail success.

Traditional distribution models often require that finished goods physically move through each layer of manufacturer and distributor warehouses whenever ownership or settlement occurs, which links logistics flows with commercial flows of finished goods. This approach results in multi-layered manufacturer/distributor warehouses to accommodate frequent inventory movements, siloed inventories at each distribution tier due to safety inventory levels required at different layers, and fragmented and asymmetric information flows between supply and demand. Together, these structural limitations inevitably cause inefficiencies, such as excess stock, prolonged lead times, increased handling costs, and missed market opportunities.

Our solutions address these challenges with an omni-channel shared inventory approach, enabling “short-chain” distribution. Our philosophy is to decouple the commercial flows, such as ownership and settlement, from the physical logistics flow of goods, which enables consolidating and synchronizing all inventory across both online and offline channels into a digital platform tailored to each customer’s business model and channel strategy. By integrating warehousing, coordinated distribution and real-time visibility, stocking is better aligned with consumer demand, leading to optimized inventory levels, increased inventory turnover, shorter delivery distance and time and reduced loss and waste. More importantly, an omni-channel shared inventory model establishes the foundation for advanced distribution capabilities, such as predictive analytics for demand forecasting and automated replenishment systems, ultimately enhancing supply chain agility and market responsiveness.

Our solutions are delivered in three parts: supply chain design, including warehouse network optimization and channel inventory integration, digitalization and operational services, such as warehouse management and line-haul services, all customized to our customers’ specific needs to ensure a more agile, responsive and cost-effective distribution supply chain.

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Supply chain design

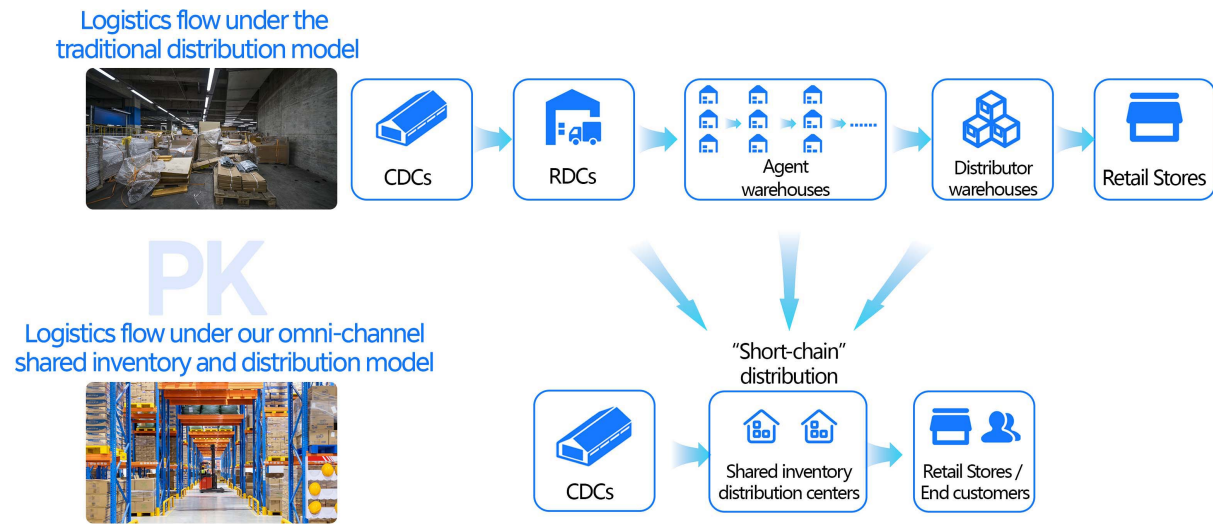
Traditional distribution networks typically consist of multiple layers: (i) factories and CDCs, (ii) multiple tiers of RDCs, as well as warehouses operated by agents, distributors, and sub-distributors, and (iii) retail stores or e-commerce fulfillment centers, before finally reaching end consumers. In this model, finished goods must be warehoused and transported twice before arriving at retail stores or e-commerce fulfillment centers, leading to increased handling costs and longer lead times.

Our approach aims to streamline this process by establishing an omni-channel shared inventory system between factories/their CDCs and retail stores/e-commerce fulfillment centers, reducing intermediate warehousing and transportation to a single handling step. This approach shortens the distribution chain from product origin to end customers, which we refer to as “short-chain” distribution.

We implement the omni-channel shared inventory model through three progressive phases: physical inventory pooling, online and offline inventory synchronization, and ultimately, the creation of an omni-channel shared inventory system.

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The following chart illustrates our shared inventory model.



Warehouse network optimization

We achieve physical inventory pooling, the first stage of shared inventory management, through warehouse network optimization.

Effective warehouse network design needs to strike a balance between enhancing the consumer experience and controlling logistics costs. Locating warehouses closer to consumer touchpoints can improve delivery speed and consumer satisfaction. However, an overly complex network, with too many layers or overly dispersed facilities, can lead to increased handling, reduced efficiency, and higher operational costs.

By analyzing consumer order patterns and transportation requirements, we help customers plan the type, function, size, location, and service radius of warehouses, such as their CDCs, RDCs and FDCs. Generally, CDCs serve as national or major regional inventory hubs primarily responsible for centralized storage, management, and bulk replenishment to lower-tier distribution centers; RDCs cover a specific geographic area, receiving bulk goods from CDCs, managing large-scale inventory storage, and performing efficient sorting and redistribution to multiple FDCs or their key account customers within that region; and FDCs are warehousing nodes closest to end consumers and retail stores, holding high-turnover or time-sensitive inventory to provide rapid response to local order demands and enable efficient last-mile delivery.

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We then optimize our customers’ existing network configuration and integrate inventory across downstream distributors, consolidating storage space, minimizing handling frequency, and reducing logistics costs. After designing an optimized warehouse network tailored to customer-specific needs, we offer warehouse resources and management services under two service models depending on our customers’ operational demands:

- Facility matching model: We recommend and allocate our warehouse network facilities for customers’ use and offer competitive quotations, leveraging our economies of scale achieved through the large volumes of goods managed in our network.
- Facility management model: Our customers entrust us to manage their existing warehouse facilities, where we optimize the facilities management efficiency and integrate them into our operational network to enhance inventory performance.

In both models, brand-owned and distributor-operated warehouses are jointly managed, with inventory across these facilities pooled together.

Omni-channel shared inventory

To address the challenges faced by traditional sales models that rely on multi-tiered distributor inventory, such as capital inefficiency, limited inventory visibility, slow turnover and delayed responsiveness to consumer demand, we help customers achieve online/offline inventory synchronization and omni-channel shared inventory.

Drawing on data insights into SKU-level sales data, demand frequency and replenishment cycles, we help our customers consolidate previously fragmented inventories across all distribution tiers, enabling centralized inventory management, inventory sharing, unified allocation and real-time visibility. At this stage, inventory held in brand-owned and distributor-operated warehouses for both offline and online channels is jointly managed. Customers are able to meet market demand with lower safety stock requirements, faster inventory turnover, and improved inventory efficiency, synchronizing online/offline inventory.

Building on this foundation, we further assist customers in establishing a shared inventory system across all sales channels, including inventory stored in e-commerce platform fulfillment centers. We support the management of this shared inventory and enable the direct delivery of products to consumer touchpoints, such as retail stores, and to end consumers directly, leveraging our robust nationwide logistics network.

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This omni-channel shared inventory model enables a strategic shift from a production-driven approach to a demand-driven model and establishes the foundation for advanced, data-driven distribution capabilities.

Digitalization

Our digital services focus on providing customers with real-time visibility across their fulfillment operations, while enabling data-driven decision-making to optimize performance.

We begin by integrating directly with our customers’ systems to capture comprehensive product and order data, including specifications, quantities, weights, packaging details, transport distances, and distribution flows. The logistics process is supported by a highly automated and interconnected infrastructure, leveraging technologies such as RFID-enabled scanning and palletizing, automated depalletizing and sorting systems, conveyor networks, stacker cranes, and AGVs, while transportation routes, transit nodes, service-level requirements and shipping documentation are fully digitalized through our TMS modules, delivering end-to-end traceability and operational transparency throughout the fulfillment process.

In addition, our proprietary ALT platform harnesses advanced algorithms and analytics, including sales forecasting, inventory placement, replenishment planning, intelligent transfer, and smart dispatching, to provide intelligent decision support. Leveraging customer-specific datasets, we enhance forecasting accuracy, enable capacity planning and replenishment strategy recommendations, optimize warehouse picking paths and streamline route planning. These capabilities significantly improve fulfillment efficiency and market responsiveness and strengthen alignment between supply chain operations and demand patterns.

Operational services

We provide integrated operational services that include warehouse management and line-haul services.

Warehouse management

We provide warehouse operations management and intelligent warehousing upgrade services, tailored to our customers’ business models and operational requirements, and offer customers flexibility to either use our warehouse facilities or manage our customers’ own facilities. Based on customized planning and design, we help our customers manage and optimize a three-tier warehouse network, comprising CDCs, RDCs and FDCs to support comprehensive inbound, outbound, and inventory management operations.

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Our operational optimization services includes:

- Warehouse layout optimization: Adopting a three-tiered (ABC) inventory classification based on sales movement (such as “fast moving”, “average-moving” and “slow-moving” goods), functional zoning, and streamlined operational flow designs to improve warehouse space utilization and reduce handling frequency.
- Inventory management optimization: Implementing dynamic safety stock management, inventory pooling, and monitoring and problem-solving systems, ensuring enhanced accuracy, turnover efficiency, and visibility across all inventory.
- Human resources and equipment management: Improving productivity and stability of warehouse personnel and equipment through skills training, visualized operational guidelines, standardized equipment and tool databases, and incentivized performance management.
- Lean operations and continuous improvement: Deploying systematic performance monitoring, daily operational reviews, and lean management tools (such as energy consumption optimization) to continually reduce waste, enhance efficiency, and lower operating costs.

To further enhance supply chain efficiency, we deliver a wide range of in-warehouse value-added services, including barcode scanning, inkjet/roller coding, shelf-life management, returns and defective goods processing, and customized packaging. These are complemented by equipment provisioning and support.

In addition, we help modernize our customers’ warehouse infrastructure through the deployment of automation technologies and digital services, enabling smarter, more scalable and efficient warehouse operations.

Line-haul services

We offer both full truckload (FTL) and less-than-truckload (LTL) services for line-haul transportation. Powered by our digital services, such as TMS module, our transportation services deliver high operational efficiency and real-time in-transit visibility. For LTL services in particular, we streamline routes and intermediate handling, through optimized transportation network between logistics hubs and deploy traceable and digitally managed processes to accommodate increasingly fragmented order profiles.

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Integrated last-mile delivery & installation

With growing demand for one-stop fulfillment solutions, we help customers deliver not just products, but also exceptional service experiences. We provide integrated last-mile delivery & installation services, enhancing efficiency by combining delivery, installation and other after-sales services into a single visit.

Our motto, “All Good in One Try,” reflects our commitment to completing delivery and installation in a single visit, which is enabled by end-to-end process visibility, deep operational experience, and algorithm-assisted technician management system.

Our dispatch algorithms are purpose-built and trained for urban distribution. By integrating real-world variables, such as product type, volume, delivery distance, and customer-specific requirements like order splitting and consolidation, our system intelligently matches these inputs with available transportation resources, including vehicle types, load capacities, and real-time navigation data. This enables automated, optimized route planning and vehicle assignment, delivering a more efficient, agile, and cost-effective urban distribution service.

By connecting multiple systems and devices through data interfaces, we provide end-to-end visibility across the entire delivery and installation process from order processing and appointment scheduling to technician dispatch, consumer signoffs, and final installation. Our technicians are trained to deliver a range of services beyond installation, including repairs and site survey. This multi-skilled capability allows technicians to complete multiple services in a single visit, improving operational efficiency and enhancing the end-consumer experience. For example, we provide delivery and installation services for appliances and home furnishings; site survey, delivery and installation services for new energy products, such as charging stations; and multi-category maintenance services.

Our algorithm-assisted technician management system intelligently matches the right delivery & installation technicians to each task, while an easy-to-use CSP mobile app enables technicians to manage their assignments on their smart phones at every stage. This seamless coordination, combined with our operational expertise, ensures accuracy, timeliness, and both customer and end-consumer satisfaction throughout the process. We successfully fulfilled 15.7 million, 19.0 million and 25.6 million delivery and installation orders in 2022, 2023, and 2024, respectively. Furthermore, according to the end-consumer feedback surveys we collected between January 1, 2024, and December 31, 2024, 97.78% of responding end consumers awarded our services a five-star rating.

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As of June 30, 2025, we collaborate with over 77,000 experienced drivers and technicians, of whom 52,000 are capable of providing multiple service types for a wide array of home appliances and home furnishings.

Our integrated services are currently focused on home appliances and home furnishings, where consumer expectations for convenience and speed are higher than ever. As consumer demands evolve, we are continuously expanding into new categories, now also supporting the delivery and installation of complex products such as NEV charging stations and photovoltaic systems.

The following charts illustrate our integrated last-mile delivery & installation services.



Industry-specific solutions

We create the greatest value by delivering integrated supply chain logistics solutions that combine different solutions into a seamless, industry-specific offering, customized to meet diverse customer needs in different industry verticals. Major industry verticals we specialize in include home appliances and home furnishings, FMCG and new energy.

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Home appliances and home furnishings

Companies in the home appliance industry face significant supply chain challenges across the entire value chain, from pre-production and manufacturing to last-mile delivery and installation. These challenges stem from the complexity of component sourcing, rapidly evolving consumer demand for personalized and cost-effective products, high warehousing and transportation costs, the need for specialized installation services, and the inefficiencies of traditional layered distribution networks.

To address these issues, companies can benefit from our end-to-end integrated supply chain logistics solutions, including production logistics, omni-channel shared inventory and distribution, and integrated last-mile delivery & installation services. Our solutions help companies increase efficiency across the value chain.

The home furnishings industry can similarly benefit from our integrated, end-to-end supply chain logistics solutions. Our nationwide fulfillment capabilities help drive industry consolidation and development. In addition, as consumer purchasing patterns increasingly shift toward an integrated home appliance and home furnishings shopping experience, our comprehensive delivery infrastructure is well-positioned to meet this consumption trend, providing seamless one-stop fulfillment services for both product categories.

Our integrated, end-to-end supply chain logistics solutions have served multiple brands in the home appliance industry and supported e-commerce clients with fulfillment for home appliances and home furnishings. In June 2025, we secured pre-[REDACTED] financing from Hisense, a leading enterprise in the home appliance industry. This not only signifies Hisense’s recognition of our solutions for this industry but also creates opportunities for us to expand our customer base in the home appliances and home furnishings markets and increase our market share.

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Customer: Midea Group

Solutions provided: integrated, end-to-end supply chain logistics solutions

- Production logistics solutions: We built VMI warehouse-centered inbound logistics model for Midea Group, establishing 52 VMI warehouses. This new model is significantly more efficient and agile than Midea Group’s previous suppliers-to-factories model.
 - Logistics model transformation: With these 52 VMI warehouses as central nodes, we have established a flexible fulfillment system between suppliers and factories that deploys line-haul transportation, milk-run, and JIT delivery on demand.
 - End-to-end digitalization: Our digital systems integrate critical information platforms including GSC, TMS, PLS, and OMS, ensuring transparency and real-time status sharing through digital systems at every step from supplier stocking to factory production. These systems allow Midea Group to achieve T+3 precision production-sales planning coordination from suppliers to production lines.
 - Integrated “transport + packaging” inbound logistics: We have seamlessly connected transportation with in-factory material handling and packaging processes, further enhancing the precision of JIT delivery to production lines.
- Omni-channel shared inventory and distribution solutions: Extending beyond inbound and production logistics to downstream fulfillment, we implemented omni-channel shared inventory and distribution solutions across Midea Group’s business divisions.
 - We consolidated customer inventories that had previously been dispersed across multi-tier distribution channels into a limited number of strategically located central warehouses, enabling shared inventory management for business-unit customers across all online and offline channels.
 - This efficient warehousing and distribution network shifted the distribution pathway from the traditional “Midea Group Business Divisions — Agents — Distributors — Sub-distributors/Retailers — Consumers” model to a “Midea Group Business Divisions — Online and Offline Sales Outlets — Consumers” model.
- Integrated last-mile delivery & installation: We provide integrated last-mile delivery & installation solutions for Midea Group’s full range of home appliances, delivering finished products to end consumers’ homes, enhancing the overall end-consumer experience.

Operational Efficiency Achievements (2014–2025)

Using the residential air-conditioning division’s domestic performance as an illustrative case:

- During 2014–2025, overall warehousing and warehouse operating costs decreased materially; the total number of warehouses decreased by 94%; and, specifically for 2015–2021, warehouse floor area decreased by 45%; during the same period, annual inventory turnover increased by 15%.

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- Through continuous optimization from 2017 to 2024, the division’s distribution inventory network was streamlined from 2,244 distinct storage sites to an efficient network of 103 shared inventory distribution centers.
- Fulfillment model enhancements: From 2021–2025, the division’s direct-from-line shipment ratio increased by 40%.
- Production logistics efficiency improvements: At a Guangzhou lighthouse plant of the division, we launched our production logistics solutions in 2021. As of June 30, 2025, the plant achieved improvements including a 14% increase in the component kitting completion rate, a 20% increase in the inspection pass rate, a 24% decrease in inventory turnover days, an 81% increase in warehouse utilization, a 27% increase in production capacity, and a 16.1% decrease in labor costs.
- Delivery timeliness remained consistently high: As of June 30, 2025, within a 200 km warehouse radius, 95% of orders are delivered within 24–48 hours.

Customers: TCL & AUX Group

Solutions provided: in-production logistics

- For TCL, we assumed warehousing and distribution services as part of in-production logistics in 2024, and we have helped reduce downtime by 20% over an eleven-month period.
- For AUX Group, after taking on distribution services as part of our in-production logistics in November 2024, we have helped them achieve a 33% reduction in labor costs and a 79% decrease in packaging costs through returnable packaging, while downtime from January to May 2025 declined by 80% year-on-year compared to the same period in 2024.

FMCG

The FMCG industry in China spans a wide range of categories, such as food, beverages, alcoholic drinks, and beauty and personal care products. It is characterized by high sales volumes, low unit prices, rapid product turnover, and a long, multi-layered distribution network that often involves numerous intermediaries across diverse geographic regions.

Companies operating in the FMCG industry face significant distribution challenges. These include inefficient and fragmented distribution networks, limited visibility into inventory levels across channels, slow inventory turnover, and difficulties in ensuring product freshness and availability, particularly in lower-tier cities and rural areas. The growing need to serve both

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traditional retail outlets and fast-expanding e-commerce platforms adds further complexity to inventory and distribution management. Thus, efficiently scaling operations while controlling logistics expenditure is paramount for success in the FMCG industry.

To address these challenges, companies can benefit from our integrated logistics solutions, including finished goods distribution through an omni-channel shared inventory model and efficient last-mile delivery services. Our solutions help streamline distribution networks, enhance inventory visibility, accelerate turnover, and enable seamless fulfillment across both online and offline channels.

Customer: Hsu Fu Chi

Solutions provided: integrated supply chain solutions

We support Hsu Fu Chi, a leading FMCG brand company, in the implementation and rollout of a multi-year, nationwide integrated supply-chain optimization solution focusing on warehousing and distribution. The objective of this solution was to reconstruct their distribution network to significantly enhance quality and efficiency.

Our key contributions include:

- Strategic distribution network reconstruction: We contributed to the comprehensive restructuring and strategic consolidation of Hsu Fu Chi’s nationwide RDC network. This decisive overhaul effectively balanced costs and service quality, significantly optimized the number of RDCs, enhanced integrated warehouse and distribution operations, improved agility in responding to channel and market changes, and strengthened order fulfillment capabilities. It ultimately enabled robust distribution growth even in challenging market conditions.
- Enhancement of RDC operational excellence: Over recent years, we have progressively undertaken the operation of approximately one-third of Hsu Fu Chi’s RDCs. Our focus has been on ensuring safe operations, cost reduction, and efficiency improvement. Collaboratively with our client, we streamlined processes, leveraged data-driven insights, enhanced operational performance during peak seasons, and strengthened the ability to manage contingencies, thus creating profitable growth.
- Green logistics and ecological collaboration: We achieved logistics and commercial flow integration in some of Hsu Fu Chi’s RDCs, fostering supplier-retailer collaboration to simplify complex logistics processes, shorten delivery cycles, and rapidly reach consumers. Additionally, by integrating other food brands within the same industrial park, we boosted vehicle utilization rates. We also increasingly adopted new-energy vehicles for urban distribution, laying a solid foundation for sustainable development.

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New energy vehicles

Similar to the home appliances and home furnishings industries, companies in the new energy vehicle sector face significant supply chain challenges across the entire value chain and can greatly benefit from our end-to-end integrated supply chain logistics solutions. For example, our production logistics solutions are designed to streamline the supply process of components and enhance the production efficiency of manufacturers. In addition, due to the unique characteristics of their products, such as charging stations and energy storage systems, companies in the new energy industry require site survey and specialized installation services capabilities, both of which we are well positioned to deliver.

Customers: New energy vehicle (NEV) charging network operators, and NEV home charger users across China

Solutions provided: production supply chain logistics and integrated last-mile delivery & installation solutions

- We provide three types of services for NEV charging stations:
 - (1) Production supply chain logistics solutions, namely warehousing and logistics solutions from suppliers to factories.
 - (2) Integrated last-mile delivery and installation solutions, including integrated delivery and installation solutions where engineers bring charging stations from service points to customers’ locations, as well as installation-only services where end consumers receive charging stations via express delivery and engineers provide on-site installation only.
 - (3) Operational management services for charging station spare parts warehouses.
- Site survey and installation: Our solutions include:
 - Site survey and assessment: Our installation service solution includes on-site engineer surveys within 48 hours of order receipt to evaluate installation conditions and ensure feasibility and safety compliance.
 - Professional installation services: We provide professional installation services for both home charging and fast charging stations with certified electrical technicians.
 - Post-installation support: Our services include providing post-installation user guidance and equipment handover supported by our after-sales network.
- Comprehensive after-sales network:
 - We have established an extensive service network, achieving over 95% coverage of cities nationwide. The service network includes over 700 contracted and authorized professional charging outlets and over 2,200 certified professional charging engineers.

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- Maintenance and repair: Our scope includes charging station maintenance and repair, station construction, and station inspection services.
- Service response: We commit to responding to service requests within 2 hours and providing survey reports within 24 hours post-survey.

Operational efficiency achieved:

- Enhanced service quality: We have maintained an enhanced level of service quality and high customer and end-consumer satisfaction rates through standardized processes, professional installation, timely response, and a focus on “All Good in One Try”.
- Broadened service reach: We have leveraged our extensive and growing national service network to support various customers in expanding their NEV charging businesses across China.
- Streamlined operations: We have ensured efficient execution of installation and maintenance tasks through digitally enabled smart service dispatch, monitoring, and management.

Basic logistics services

Leveraging our end-to-end logistics expertise, we also provide individual logistics services on a standalone basis to cater to the diverse needs of our customers.

For basic logistics services, we mainly offer general freight, and warehousing services. We deliver general freight services through a network of long-term, reliable transportation partners to meet customer needs across FTL, LTL, and last-mile delivery services. We enhance operational efficiency with digital tools such as our TMS module.

We use both owned and leased facilities to provide warehouse services, including inbound processing, inspection, storage management, and outbound operations.

In addition, we offer equipment leasing service and consulting services.

Our equipment leasing service was developed to complement our production logistics solutions. We lease standard logistics equipment, such as plastic crates, pallets, and collapsible containers, as well as customized items like lean racks and specialized packaging to manufacturing customers.

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Our standalone consulting services focus on solving our customers’ supply chain issues. Through these services, our experienced team provides diagnostic analyses for customers on various aspects of their supply chain and logistics management, including omni-channel shared inventory strategies, warehouse management optimization strategies, manufacturing processes, and overall logistics efficiency. These standalone consulting services focus on providing analytical insights.

Pricing

As our supply chain solutions are customized, we offer flexible pricing models based on the specific services selected, such as storage, processing, delivery, and a range of value-added services. Pricing is tailored to each customer’s needs, taking into account factors such as the type of service, level of customization, solution complexity, associated downstream resource costs (including warehouses, vehicles, and labor) and competition.

Seasonality

Our business is not subject to significant seasonal fluctuations, with no significant quarterly revenue fluctuations observed during each year of the Track Record Period.

Historically, revenue contribution from the first quarter was slightly lower, reflecting reduced consumer activity during the Chinese New Year holiday. The fourth quarter usually saw a slightly higher contribution, primarily driven by promotional events such as the 11.11 Global Shopping Festival and increased purchasing by customers preparing for New Year and Chinese New Year holidays.

OUR INFRASTRUCTURE AND NETWORK

We have established an extensive infrastructure network in China, comprising warehouses, service outlets and a flexible transportation capacity enabled primarily by third-party transportation providers.

Warehouse network

Our warehouse network is strategically designed around the locations of key industry clusters in China, where manufacturing facilities are concentrated in a few major regions, with regional coverage optimized based on goods volume and sales data.

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We operate through a diversified warehouse model comprising self-owned, leased and managed facilities. Self-owned facilities refer to warehouses for which we hold legal ownership of the properties. Leased facilities refer to warehouses leased by us, where we provide comprehensive warehouse management services for our customers, including goods storage, sorting, distribution, loading and unloading, and other logistics services. Managed facilities refer to warehouses where we solely provide operational management services on behalf of our customers without holding ownership or leasing the premises. Self-owned warehouses are positioned in critical hubs to ensure efficient and responsive distribution, while our layered network of leased and managed warehouses expands our coverage and enhances flexibility. As of June 30, 2025, our network included 47 self-owned facilities, 436 leased facilities, and 17 managed facilities, and our total warehousing footprint exceeded 11 million sq.m.. These facilities are used for VMI warehouses, regional hubs, CDCs, RDCs and FDCs.

Leveraging our integrated warehousing and distribution network planning system, we combine operations optimization, advanced algorithms, and big data analytics to unify business data and build a strong foundation for intelligent warehouse planning. Our self-developed WMS enables end-to-end digitalization across the entire warehouse network, covering all key aspects of warehousing, including network planning, facility management, workforce, inventory, warehouses, equipment and inbound/outbound processes. Through smart warehousing technologies, we enhance data accuracy and operational efficiency in key areas such as inbound/outbound logistics, in-warehouse workflows, and handover operations. See “— Our Technology.”

Service outlets

We leverage a nationwide network of service outlets, which are local operational hubs operated by our contracted service partners. These service outlets are strategically located to support our integrated last-mile delivery & installation services, ensuring fast, reliable, and professional fulfillment. Apart from providing integrated delivery and installation, these service outlets offer bundled delivery of product sets, and “deliver-new, collect-old” services. This model aims to reduce end consumer touchpoints and improve their satisfaction.

Furthermore, relying on this service outlet network and the proprietary city service platform (CSP) system for our integrated delivery & installation platform, we exercise direct management over delivery and installation technicians engaged by our service outlet partners. Our CSP system enables us to directly manage key aspects of the delivery and installation services, including direct dispatch of work orders to technicians via the respective service outlets, real-time monitoring of service status, and tracking of work order completion. While our service outlet partners are responsible for the employment, day-to-day management, and payment of the technicians, this CSP

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system-enabled oversight and management of the service process allows us to maintain a standardized, digitized, and visualized operational process across our service outlet network. This model optimizes our service costs and enhances our service capacity and competitive edge.

As of June 30, 2025, we had established an extensive nationwide network of over 3,500 service outlets and a team of over 77,000 experienced drivers and installation technicians, providing direct-to-consumer (2C) coverage to 100% of districts and counties in China, primarily through a “one outlet per county/district” strategy. We dynamically adjust the allocation of service outlets based on business volume.

Transportation capacity

We primarily rely on ground transportation, supported by a network of trusted third-party transportation providers, to manage line-haul, short-haul and last-mile deliveries with flexibility and scale. As of June 30, 2025, we operated an extensive urban distribution network of more than 630,000 established transportation routes, including over 365,000 inter-provincial trunk lines and over 265,000 intra-provincial city distribution routes that cover approximately 2,800 districts and counties and over 38,000 towns nationwide, capable of achieving a geographical coverage rate of 100%.

To service this transportation network, we have built a fleet of over 586,000 deployable vehicle capacity from our owned assets, individually contracted vehicles, and third-party transportation providers. All our third-party partners are rigorously vetted to ensure they meet our qualification and insurance requirements. Furthermore, we have established nationwide, strategic partnerships with major express logistics providers to enhance our capacity and reach, particularly for specialized or high-volume needs. We maintain strict vehicle entry requirements, including a maximum vehicle age of 8 years and minimum insurance coverage of RMB1 million per vehicle.

Our self-developed TMS integrates third-party transportation resources, enhances vehicle efficiency and provides end-to-end visibility across the transportation process. It enables real-time tracking, cost transparency and streamlined fulfillment, ensuring a seamless and optimized delivery experience for our customers. See “— Our Technology.” We further enhance in-transit visibility and our control over the transportation network through our self-developed mobile app, Zhitongbao (直通寶), which provides real-time en-route tracking and deviation alerts for our shipments.

Furthermore, our digital dispatch capabilities further optimize our transportation efficiency. In a pilot program in Fujian, relative to the pre-pilot baseline, our proprietary intelligent load planning and vehicle scheduling system improved vehicle load capacity by approximately 8.8% and increased delivery points per trip by approximately 41.0%. To manage demand fluctuations, particularly during peak seasons, we enhance vehicle turnover rates through this intelligent

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dispatching system, effectively source vehicles via our self-built network platform and partner suppliers, and procure temporary transportation resources as needed, ensuring consistent service delivery and operational resilience.

OUR TECHNOLOGY

Innovation is at the heart of our business.

How we innovate

Our research and development efforts are centered on advancing digital and intelligent supply chain operations and deliver smarter, more efficient solutions for customers in various industries, leveraging algorithms, big data, and mobile technologies. We have established a dedicated research center to drive innovation and, as of June 30, 2025, our R&D team comprised 413 specialized professionals.

We have developed a suite of proprietary technologies that power our operations, including algorithm-powered intelligent supply chain system and automation. These innovations form the technological backbone of our core services, enabling seamless operations of warehousing, distribution, transportation, and integrated last-mile delivery & installation.

We focus our research and development efforts on continuously enhancing our technological capabilities. Our technology architecture is built on two core pillars: Annto Link Traffic (ALT) (安得安鏈通) and our End-to-end Digital Operations Platform, supported by a foundational data platform:

- ALT: Our intelligent decision engine that focuses on strategic supply chain planning and optimization, with core functionalities in warehouse network design, intelligent demand forecasting and automated replenishment.
- End-to-end Digital Operations Platform: An integrated execution backbone that enables the seamless execution of warehousing, transportation, distribution, and specialized services like production logistics and installation across the entire supply chain.
- Foundational Technologies: The foundational technologies supporting the above two core pillars include a big data platform and business intelligence system, which provides essential data processing and analytical capabilities for our algorithm-powered applications.

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To further accelerate innovation, we actively collaborate with leading universities, combining academic research with real-world application to stay ahead in the evolving logistics landscape.

Technology capabilities

Our technologies are developed to enhance integration efficiency, improve supply chain visibility, and enable data-driven decision-making.

Annto Link Traffic (ALT) (安得安鏈通)

ALT is an integrated intelligent supply chain platform, developed by leveraging our industry experience from serving thousands of customers and incorporating supply chain management strategies from Midea Group. It is a modular and extensible intelligent supply chain platform that integrates a stable core infrastructure with plug-and-play functional modules, forming a dynamic, iterative architecture. Annto Link Traffic is designed to support enterprise development and contribute to cost reduction and efficiency improvement for our customers.

ALT is powered by advanced algorithmic techniques, including machine learning models, agent-based simulation, experience-driven modelling, heuristics, mathematical optimization, and big data analytics. These intelligent algorithms are deeply integrated into the problem-solving process of supply chain decision-making and are continuously refined to deliver highly tailored solutions for our customers’ diverse and evolving needs. This supports businesses in diagnosing supply chain optimization opportunities and quantifying the potential benefits of a proposed solution, contributing to enhanced decision-making efficiency.

ALT’s core functionalities are mainly delivered through a suite of intelligent modules. They collectively address seven core scenarios: warehouse site selection, warehouse network planning, product layout, inventory optimization, sales demand forecasting, intelligent replenishment and transfer, and vehicle routing planning, providing customers with various supply chain solutions.

Intelligent planning module

This module is a highly productized systems of integrated algorithm tools designed to solve complex end-to-end supply chain planning problems. It strategically decouples core planning scenarios into three distinct optimization dimensions: warehouse site selection, network planning and product layout.

- Warehouse site selection: This functionality addresses the fundamental challenge of optimizing facility locations. Through address parsing, demand point clustering and advanced algorithms, it helps determine the optimal sites for warehouses. Our system is

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designed to solve large-scale and complex site selection problems. For instance, our warehouse site selection algorithms can deliver optimized solutions for scenarios involving up to 40,000 by 40,000 potential site pairings within approximately 15 minutes.

- Network planning: This functionality focuses on designing the most resilient and cost-effective supply chain structure. It builds spatio-temporal network maps and uses intelligent network relationship optimization to define the optimal network hierarchy and pathways. This data-driven approach to network design enables businesses to reduce overall logistics costs and enhance operational efficiency.
- Product layout: This functionality determines the optimal inventory stocking strategies across the designed network. By categorizing products based on their attributes and analyzing demand patterns, it integrates the decision-making for “which warehouse to stock products in” and “how much inventory to stock.” This helps business improve inventory turnover while ensuring high levels of fulfillment service.

To validate the solutions derived from these modules, we utilize supply chain simulation technology. Leveraging digital twin concepts and agent-based modeling, this enables customers to test and evaluate solution performance in a virtual digital environment and assess what-if scenarios, contributing to enhanced reliability of solution deployment.

Intelligent scheduling module

This module offers a suite of forecasting algorithm models powered by our proprietary “prediction algorithm engine,” which integrates advanced algorithms, time-series analysis, and regression techniques, to meet the varying sales prediction needs of products with different demand characteristics. This engine analyzes historical sales data to identify product demand patterns and selects an appropriate forecasting algorithm accordingly, incorporating advanced algorithmic concepts to improve the matching accuracy between product types and prediction methods. By combining forecasted sales volumes, available inventory and in-transit inventory, it performs rolling optimization of replenishment plans to ensure agile and responsive restocking. This is designed to help customers improve demand planning accuracy and facilitate end-to-end supply chain coordination between production and sales.

Intelligent fulfillment module

This module generates vehicle routing plans for dispatch tasks by aggregating order information, applying dispatch optimization algorithms, and leveraging geographic information analysis, thereby continuously optimizing fulfillment costs across warehousing and distribution

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operations. The module is supported by our self-developed intelligent dispatch algorithms, which consolidate various classic vehicle routing problems (e.g., CVRP, VRPTW) and leverage heuristic and advanced algorithmic techniques to address large-scale and complex urban distribution dispatch problems. As the cornerstone of our urban distribution solutions, this module is fundamental to fulfilling customer delivery requirements while maximizing vehicle utilization, thus reducing our operational costs and enhancing our core competitiveness.

End-to-end Digital Operations Platform

While ALT formulates strategy, our End-to-end Digital Operations Platform executes it with precision and efficiency. This platform is an integrated suite of proprietary systems that digitalizes and automates every stage of the supply chain, from warehousing and transportation to last-mile delivery. It ensures that the strategic plans developed in ALT are translated into seamless, visible, and controllable real-world operations. This platform integrates the following key systems.

TMS

Our TMS empowers end-to-end digital management of transportation across FTL and LTL line-haul, as well as last-mile delivery, delivering real-time visibility, precise control, and complete traceability throughout the entire logistics journey. This comprehensive management is achieved through real-time transportation data collection via our driver mobile app, Zhitongbao, which supports functionalities such as vehicle-cargo matching and electronic proof of delivery, and through integrated GPS and IoT devices that enable real-time tracking of vehicle location, speed, and operational status, including alerts for abnormal events. The operational data gathered through these app and IoT devices is processed with the support of our big data capabilities to achieve end-to-end visual monitoring of operations. This further supports digitized operational workflows covering dispatch management, electronic fence verification, in-transit monitoring, arrival confirmation, and electronic proof of delivery upload. Such data and visibility also form a crucial basis for subsequent intelligent dispatch optimization.

OTP

Our order transport platform (“**OTP**”) dispatch system supports order interfacing and parsing, as well as task assignment and management, serving as the data backbone for fulfillment operations and enabling unified, integrated order management. The system allows users to efficiently manage their orders through online functionalities such as classification, filtering and modification. It also features visualization tools for tracking our resource pool and transportation tasks, enabling users to quickly query available capacity and review the fulfillment status of historical tasks.

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WMS

Our WMS achieves digital management of the entire warehouse operations through the development of an intelligent warehouse system. It covers all key aspects of warehousing, including network planning, facility management, workforce, inventory, warehouses, equipment and inbound/outbound processes, to ensure seamless coordination across the entire network.

PLS

Our PLS integrates with ERP, MES and APS systems to enable efficient coordination across production logistics and the supply chain, while delivering granular management of VMI warehouse operations and seamless integration with automated equipment. The system is available as a scalable SaaS solution, supporting rapid customer onboarding and adoption.

CSP

Our CSP is a standardized and intelligent platform for managing large-scale delivery and installation services. It enables efficient service coverage across a broad consumer base by supporting digital and mobile-enabled service outlet operations across all delivery and installation scenarios. The platform provides end-to-end management of delivery and installation workflows, including scheduling, billing, reconciliation, and invoicing. It also streamlines network partner onboarding and approval, enforces a unified national evaluation framework for service providers, and implements tiered performance management to effectively meet diverse customer demands.

Foundational Technologies

Our two core platforms are powered by robust, centralized technology foundations that provide data and analytical capabilities across our entire ecosystem.

Big data platform

Our big data platform is an essential component of our technology ecosystem, enabling the collection, storage, processing, and analysis of large-scale and multi-dimensional data from various supply chain links, including orders, inventory, transportation, and customer interactions. This platform provides data foundations and computational support for our algorithmic applications, algorithm model training, and business intelligence analytics, providing support for data-driven decision-making across the supply chain.

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Business intelligence system

Our business intelligence (BI) system provides users with insights through data analysis and visualization. It incorporates BI tools and visual operation modules that enable users to process and analyze operational data, track KPIs such as costs, efficiency, and service levels, and compare the performance of different planning scenarios. This facilitates data-driven decision-making by helping users identify potential issues, discover optimization opportunities, and understand the potential impact of various strategies through dashboards and reports.

Automation

We utilize intelligent hardware and automation technologies to enhance operational efficiency and reduce manual labor in warehousing and logistics processes. Our automation capabilities include the deployment of AGVs, stacker cranes for automated storage and retrieval systems (AS/RS), rail guided vehicles (RGVs), robotic arms for tasks such as palletizing and film wrapping, automated conveyor systems, telescopic belt conveyors, RFID/PDA scanning systems for automated identification and data capture, and digital dashboards for real-time operational monitoring.

To illustrate our automation capabilities, we highlight the integrated automation solutions implemented at our Malong warehouse (馬龍倉), a facility designed for end-to-end automated processes primarily for medium- to large-sized goods.



AGVs



AS&RS

Key Automation Areas in the Malong Warehouse

Automated inbound and yard management

The Malong facility utilizes intelligent systems for vehicle appointment and dispatching, smart park management, and automated gate access, streamlining vehicles' entry and exit. For palletized goods, this includes automated code scanning for pallet binding, automated conveying

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and de-palletizing, and automated detection of cargo profile and weight to identify non-conforming items. For loose cartons, processes such as automated film wrapping and cargo profile/weight checks are implemented prior to storage.

Automated storage and retrieval systems (AS/RS)

The core of our automated storage solution at Malong warehouse is a high-bay racking system, approximately 22 meters in height, significantly optimizing vertical space utilization. A fleet of 25 stacker cranes operates within this system, performing automated put-away and retrieval of goods, which enhances storage density and operational speed.

Automated picking and internal conveyance

We employ “Goods-to-Person” picking systems in the Malong warehouse, facilitated by 21 AGVs that deliver goods directly to picking stations. Pallet conveyor lines further support the movement of goods to and from these stations. Ergonomic aids, such as vacuum assisted arms, are integrated at picking stations to reduce manual labor intensity.

For internal goods transfer, we have a network of 41 RGVs, featuring automatic track switching and designated parking zones for enhanced flexibility and energy conservation. They manage the automated transfer of goods throughout the warehouse, connecting different operational areas such as storage, picking, and dispatch.

Automated outbound processes

For outbound handling, we utilize 23 intelligent AGVs, equipped with smart path planning capabilities, to autonomously move goods from storage or picking areas to the designated dispatch docks.

Malong warehouse also has an industry leading “parking-triggered automated outbound” system. Upon a vehicle’s arrival and parking confirmation (identified by HD cameras and electronic fence technology), the warehouse management system automatically initiates the retrieval and dispatch of the required goods. This system orchestrates the coordinated operation of stacker cranes, RGVs, and AGV to achieve a largely unmanned outbound flow from storage to the vehicle.

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Smart park features and data-driven operations

Malong warehouse utilizes a series of digital systems to enable smart parking and data-driven operations, including digital dock management, centralized data dashboard, and automated sensing and information feedback.

- Digital dock management: The warehouse’s digital dock management system provides real-time visibility of dock status, automated vehicle queuing and guidance to appropriate docks. It is directly integrated with the WMS to automatically trigger outbound flows upon vehicle docking.
- Centralized data dashboard: A central “data dashboard” control dashboard offers comprehensive, real-time visibility across the entire warehouse workflow. This includes order status, vehicle movements, park management, internal operational progress, and transit monitoring where applicable. It displays key performance indicators, operational anomalies, and safety alerts to enable proactive management.
- Automated sensing and information feedback: Various sensors, including forklift sensors and photoelectric sensors at pallet positions, provide automated feedback on task completion and material flow. For challenging outdoor environments, ultrasonic sensors are used for robust detection capabilities.

These integrated automation solutions deployed at pioneering facilities like Malong warehouse are designed to improve operational accuracy, enhance throughput, optimize space utilization, and create a safer working environment. Collectively, these advancements contribute to building a more efficient, responsive, and resilient supply chain for our customers.

INTELLECTUAL PROPERTIES

Our research and development efforts have produced 74 registered trademarks, 45 patents, 38 copyrights and 5 domain names as of June 30, 2025. See “Appendix IV — Statutory and General Information — Further Information about Our Business — Intellectual Property.”

We rely on a combination of intellectual property protections laws in the jurisdictions in which we operate and contractual arrangements (including confidentiality provisions) to establish and protect our proprietary technologies, know-how and other intellectual property rights. Our legal department is primarily responsible for protecting our intellectual properties. We proactively manage and expand our intellectual property portfolio and use confidentiality and non-compete agreements to protect our intellectual properties and trade secrets. Despite our efforts, we may be

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subject to risks associated with alleged infringement of third parties’ intellectual property rights, or infringement of our intellectual property rights by third parties. See “Risk Factors — Risks Relating to Our Business Operations — We may not be able to protect our intellectual property rights.”

During the Track Record Period, we did not experience any material infringement of our intellectual property rights. Neither our Group nor any of our intellectual properties was the subject of, or to the best of the Directors’ knowledge, is expected to be subject to, any disputes or litigation in relation to the infringement of any intellectual property rights during the Track Record Period.

SALES AND MARKETING

We believe that consistently delivering high-quality services on time that meet and exceed our customers’ expectations is the most efficient sales and marketing approach for us. As such, our sales and marketing activities are focused on maintaining and expanding the scope of our strategic relationships with our customers since we aim to become and remain the strategic long-term partner of our customers. In addition to maintaining and strengthening relationships with our existing customers, our sales team also proactively explore new partnerships with potential customers, especially as we expand our offering of products and services.

Our customers

We serve leading companies in the industry chains of home appliances, home furnishings, FMCG, as well as automotive and parts, making us well-positioned to support not only individual customers, but also entire value chains within these sectors. As of December 31, 2022, 2023, 2024 and June 30, 2025, we had 3,531, 3,962, 5,399 and 7,371 customers for our integrated supply chain logistics solutions.

The following table presents the number of our key customers, those who used our integrated supply chain logistics solutions and contributed more than RMB30.0 million in annual revenue during the Track Record Period, the aggregate revenue contributed by such key customers.

	For the year ended December 31		
	2022	2023	2024
Number of key customers	61	64	80
Aggregated revenue (<i>in thousands of RMB</i>).	8,682,281	9,238,235	11,049,408

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Major customers

For each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, revenue from our five largest customers amounted to RMB7,059.3 million, RMB7,879.9 million, RMB9,731.7 million and RMB5,407.8 million, accounting for 49.8%, 48.6%, 52.1% and 49.7% of our total revenue in the respective periods. For these same periods, revenue from our largest customer amounted to RMB5,341.9 million, RMB5,937.7 million, RMB7,675.2 million and RMB4,398.4 million, accounting for 37.7%, 36.6%, 41.1% and 40.4% of our total revenue in the respective periods. As we aim to serve end-to-end supply chains in various industries, we collaborate with other logistics companies to extend our service coverage and operational reach. For example, during the Track Record Period, we collaborated with the logistics arms of certain e-commerce platforms to address the logistics and fulfillment needs arising from those channels.

During the Track Record Period, save as disclosed below in “Appendix IV — Statutory and General Information — Disclosure of Interests”, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest customers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

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The following tables set forth certain information relating to our top five customers for the periods indicated.

For the year ended December 31, 2022

Customer	Transaction amount (RMB, in thousands)	Percentage of revenue	Years of Commencement of business relationship	Main service provided	Credit terms	Background
Customer A (Midea Group Co., Ltd.) . . .	5,341,926	37.7%	2000	Supply chain logistics solutions and basic logistics services	20 days	Customer A is a global technology company across smart home and commercial and industrial solutions headquartered in Foshan, Guangdong.
Customer B . . .	685,757	4.8%	2018	Supply chain logistics solutions and basic logistics services	45 days	Customer B is a logistics and supply chain company headquartered in Hangzhou, China focusing on smart e-commerce logistics solutions.
Customer C . . .	640,424	4.5%	2017	Supply chain logistics solutions and basic logistics services	30 days	Customer C is a logistics and supply chain company headquartered in Beijing, China.
Customer D . . .	203,308	1.4%	2011	Supply chain logistics solutions and basic logistics services	30 days	Customer D is a brewery company headquartered in Qingdao, Shandong.
Customer E . . .	187,904	1.3%	2007	Supply chain logistics solutions and basic logistics services	30 days	Customer E is a food and beverage company headquartered in Shanghai, China.

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For the year ended December 31, 2023

Customer	Transaction amount (RMB, in thousands)	Percentage of revenue	Years of Commencement of business relationship	Main service provided	Credit terms	Background
Customer A (Midea Group Co., Ltd.) . . .	5,937,717	36.6%	2000	Supply chain logistics solutions and basic logistics services	20 days	Customer A is a global technology company across smart home and commercial and industrial solutions headquartered in Foshan, Guangdong.
Customer B . . .	934,120	5.8%	2018	Supply chain logistics solutions and basic logistics services	45 days	Customer B is a logistics and supply chain company headquartered in Hangzhou, China focusing on smart e-commerce logistics solutions.
Customer C . . .	534,574	3.3%	2017	Supply chain logistics solutions and basic logistics services	30 days	Customer C is a logistics and supply chain company headquartered in Beijing, China.
Customer E . . .	245,324	1.5%	2007	Supply chain logistics solutions and basic logistics services	30 days	Customer E is a food and beverage company headquartered in Shanghai, China.
Customer F . . .	228,194	1.4%	2013	Supply chain logistics solutions and basic logistics services	60 days	Customer F is a consumer goods company headquartered in Guangzhou, Guangdong specializing in household cleaning products.

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For the year ended December 31, 2024

Customer	Transaction amount (RMB, in thousands)	Percentage of revenue	Years of Commencement of business relationship	Main service provided	Credit terms	Background
Customer A (Midea Group Co., Ltd.) . . .	7,675,154	41.1%	2000	Supply chain logistics solutions and basic logistics services	20 days	Customer A is an a global technology company across smart home and commercial and industrial solutions headquartered in Foshan, Guangdong.
Customer B . . .	976,437	5.2%	2018	Supply chain logistics solutions and basic logistics services	45 days	Customer B is a logistics and supply chain company headquartered in Hangzhou, China focusing on smart e-commerce logistics solutions.
Customer C . . .	539,793	2.9%	2017	Supply chain logistics solutions and basic logistics services	30 days	Customer C is a logistics and supply chain company headquartered in Beijing, China.
Customer F . . .	283,998	1.5%	2013	Supply chain logistics solutions and basic logistics services	60 days	Customer F is a consumer goods company headquartered in Guangzhou, Guangdong specializing in household cleaning products.
Customer E . . .	256,367	1.4%	2007	Supply chain logistics solutions and basic logistics services	30 days	Customer E is a food and beverage company headquartered in Shanghai, China.

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For the six months ended June 30, 2025

Customer	Transaction amount (RMB, in thousands)	Percentage of revenue	Years of Commencement of business relationship	Main service provided	Credit terms	Background
Customer A (Midea Group Co., Ltd.) . . .	4,398,418	40.4%	2000	Supply chain logistics solutions and basic logistics services	20 days	Customer A is a global technology company across smart home and commercial and industrial solutions headquartered in Foshan, Guangdong.
Customer B . . .	462,156	4.3%	2018	Supply chain logistics solutions and basic logistics services	45 days	Customer B is a logistics and supply chain company headquartered in Hangzhou, China focusing on smart e-commerce logistics solutions.
Customer C . . .	290,442	2.7%	2017	Supply chain logistics solutions and basic logistics services	30 days	Customer C is a logistics and supply chain company headquartered in Beijing, China.
Customer E . . .	142,781	1.3%	2007	Supply chain logistics solutions and basic logistics services	30 days	Customer E is a food and beverage company headquartered in Shanghai, China.
Customer G . . .	113,976	1.1%	2017	Supply chain logistics solutions and basic logistics services	N/A	Customer G is a company specializing in automotive logistics and transportation services headquartered in Hefei, China.

We believe that the likelihood of any material adverse change in or termination of our business relationship with our top five customers is low, considering that (i) we have partnered with all of these customers for long periods of time and have established mutually beneficial relationships with them; and (ii) we have gained a unique and deep understanding of their demands and preferences for supply chain solutions, giving us competitive advantages as compared to our competitors.

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Major terms of contract with our customers

We typically enter into service agreements with our customers, the specific terms of which vary depending on the nature and scope of the solutions selected. A summary of the typical terms of such agreements is set out below.

Duration	:	The term of the agreement is typically two years and may vary on a case-by-case basis.
Service type	:	Supply chain logistics solutions, including but not limited to transportation services, warehousing services, and delivery services.
Pricing	:	With reference to standardized pricing for the relevant services or fee rates otherwise agreed between the parties, subject to material changes of national policies and material market changes.
Payment term	:	Generally monthly settlement.
Liability/indemnity	:	Typically, for damages and losses caused by the Company, losses should be reimbursed to the customer at fee rates as agreed between the parties.
Termination	:	The agreement can be terminated upon mutual consent. In addition, the customer is generally entitled to terminate the agreement upon the occurrence of certain events, such as the Company’s material breach of the agreement.

Customer services

As a customer-oriented logistics provider, we are committed to delivering high-quality service that fosters customer loyalty and strengthens our brand reputation. To meet the diverse needs of our clients, we offer a range of differentiated service levels, ensuring tailored services that align with varying expectations for speed, complexity and value.

Third-Party Payment Arrangements

Background

During the Track Record Period, certain of our customers (the “**Relevant Customer(s)**”) engaged in Third-Party Payment Arrangement(s) with us, settling their payments through third-party payors for services we provided to such Relevant Customer(s). As of December 31,

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2022, 2023 and 2024 and June 30, 2025, the aggregate amounts of third-party payments were approximately RMB37.4 million, RMB47.0 million, RMB34.8 million and RMB8.0 million, respectively, representing 0.3%, 0.3%, 0.2%, and 0.1% of the Company’s revenue for the respective periods. No individual Relevant Customer made a material contribution to our revenue through third-party payments during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, other than accepting such payments, we have not proactively initiated any Third-Party Payment Arrangements, nor have we participated in any other forms of such arrangements. In addition, during the Track Record Period and up to the Latest Practicable Date, we have not provided any discounts, commissions, rebates, or other benefits to any of the Relevant Customers or the third-party payors to facilitate or encourage the Third-Party Payment Arrangements.

The Relevant Customers involved in such Third-Party Settlement Arrangements during the Track Record Period primarily consisted of our customers in the form of sole proprietorships (or individual businesses) and corporate entities. During the Track Record Period, the third-party payors making payments under these Arrangements on behalf of such Relevant Customers primarily included: (i) for our sole proprietorship customers, employees or other third parties (such as relatives of the business operators) designated by the sole proprietors to make payments on their behalf; and (ii) for our corporate entity customers, third parties designated by such customers without signing a tripartite agreement.

During the Track Record Period, of the aggregate RMB127.3 million in Third-Party Settlement Arrangements:

- approximately RMB21.4 million was attributable to payments made by employees or other third parties designated by, and on behalf of, our sole proprietorship customers; and
- approximately RMB105.9 million was attributable to payments by third parties designated by our corporate entity customers without signing a tripartite agreement.

Our Directors have confirmed that, to the best of their knowledge, the Relevant Customers and third-party payors involved in the third-party payment arrangements were Independent Third Parties during the Track Record Period and did not have any past or current relationship (including, without limitation, family, business, financing, employment, or otherwise) with us, our subsidiaries, our shareholders, Directors, senior management, or any of their respective associates.

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Reasons for Utilizing Third-Party Payment Arrangements

During the Track Record Period, these Third-Party Payment Arrangements were primarily utilized due to customer requests for operational convenience and payment flexibility. According to CIC, it is a common commercial practice in the integrated supply chain logistics industry in China for customers to utilize third-party payors for payment.

Mitigation Measures

To safeguard us against risks associated with Third-Party Payment Arrangements and address the increasing scale of such payments, we have implemented a comprehensive rectification plan. Key measures include:

- Revised accounts receivable management policy: We have revised and implemented our Accounts Receivable Management Policy, which now clearly defines the permissible scope of third-party payors. Any third-party payor must typically be a co-obligor confirmed via a Tripartite Supplementary Agreement.
- Implementation of tripartite supplementary agreements: For permissible third-party payments, particularly involving corporate customers, we now utilize Tripartite Supplementary Agreements. These agreements formalize the arrangement by clearly identifying all parties, confirming payment obligations, allocating risks, and including representations regarding the genuineness of transactions and legality of funds to mitigate risks, including those related to anti-money laundering.
- Systemic and procedural enhancements: We have reinforced our Know Your Customer (“KYC”) procedures to ensure we have a comprehensive understanding of our Relevant Customers’ identities, business or employment, and sources of funds, as well as to prevent fraud or money laundering and terrorism financing offences. Before accepting any third-party payment, key controls in our system will require the payor’s full name to match the customer’s name for payment reconciliation. If a mismatch occurs, our system requires a Tripartite Supplementary Agreement to be provided and systematically verified before the payment is accepted and applied.

As of the Latest Practicable Date, our revised accounts receivable management policy has been finalized and implemented.

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Enhanced Internal Control Measures and Cessation of Non-Complying Third-Party Payment Arrangements

Our Directors are responsible for formulating and overseeing the implementation of our internal control measures and the effectiveness of our quality management system. We have also established an audit committee comprising three independent non-executive Directors, dedicated to ensuring the adequacy and effectiveness of regulatory compliance procedures and internal control systems. See “Directors and Senior Management.”

To prevent the recurrence of, and potential risks from, the Third-Party Payment Arrangements, we have implemented enhanced internal control measures. Following the mitigation measures as stipulated under our revised policy, as of the Latest Practicable Date, we have ceased accepting Third-Party Payment Arrangements that do not comply with our revised policy. We consider that the cessation of non-complying arrangements did not have, nor will have, any material adverse effect on the business, operations and financial results of our Group.

Our PRC Legal Advisor is of the view that, based on the information and explanations we have provided, (i) the payment form adopted under our Third-Party Payment Arrangements during the Track Record Period did not violate the mandatory provisions of PRC laws and administrative regulations, (ii) the likelihood that we would, as a result of such arrangements, be found to constitute unjust enrichment under the Civil Code of the PRC and be required to return amounts already paid is low, and (iii) the risk that our mere receipt of payments for goods under such arrangements would be deemed to constitute money laundering under the PRC Criminal Law is low. In addition, we were not subject to any material administrative penalties by the PRC tax authorities in respect of such arrangements during the Track Record Period.

Based on the implementation of the above measures, our Directors are of the view that the above measures are effective and adequate in preventing unauthorized Arrangements and their associated risks, and our Directors are committed to overseeing the continued effectiveness of these measures.

PROCUREMENT

We primarily adopt a centralized procurement strategy that encompasses supplier screening, tendering, and bidding processes to efficiently source infrastructure assets and services essential to our operations, such as warehouse space, transportation, and service outlet facilities.

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Our suppliers

Our suppliers primarily consist of (i) owners and operators of warehouse facilities, (ii) transportation service providers for line-haul and short-haul delivery, and (iii) contracted service partners who operate service outlets to provide integrated last-mile delivery & installation services.

Major suppliers

For each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, purchases from our five largest suppliers amounted to RMB2,624.6 million, RMB1,754.0 million, RMB2,286.4 million and RMB1,698.6 million, accounting for 19.9%, 11.7%, 13.2% and 16.9% of our total purchases in the respective periods. For these same periods, purchases from our largest supplier amounted to RMB1,408.1 million, RMB731.8 million, RMB849.1 million and RMB1,142.0 million, accounting for 10.7%, 4.9%, 4.9% and 11.3% of our total purchases in the respective periods. During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest suppliers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

Major terms of contract with our suppliers

Set forth below is a summary of the key terms of typical transportation service agreement between us and our transportation service provider:

Duration	:	The term of the agreement is typically 12 months and may vary on a case-by-case basis.
Payment and credit terms	:	Typically, monthly settlement and may vary on a case-by-case basis (e.g., rolling two-month settlement).
Price	:	Fixed fee based on the distance, weight, dimension and time sensitivity of the shipment and other adjustments as agreed upon by the parties, subject to adjustments to material changes of national policies and material market changes.

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- Liability/indemnity** : Typically, for damages and losses caused by the transportation service provider, losses should be reimbursed at the fee rates agreed upon by the parties, unless otherwise covered by the Company’s insurance as agreed upon by the parties. The transportation service provider is also typically subject to liabilities and penalties for overdue delays and unauthorized assignment to third parties.
- Termination** : The agreement can be terminated upon mutual consent. Additionally, the Company is entitled to terminate the agreement upon the occurrence of certain events, such as and the transportation service provider’s material breach of the agreement.

Overlapping customers and suppliers

All of our five largest customers in 2022, 2023, 2024 and the first half of 2025 were also our suppliers in the corresponding periods. Our revenue from them amounted to RMB7,059.3 million, RMB7,879.9 million, RMB9,731.7 million and RMB5,407.8 million in 2022, 2023, 2024 and the first half of 2025, respectively, accounting for 49.8%, 48.6%, 52.1% and 49.7% of our total revenue in the same periods, respectively, and our procurement from them amounted to RMB870.7 million, RMB542.7 million, RMB508.3 million and RMB358.2 million in the same periods, respectively, accounting for 6.6%, 3.6%, 2.9% and 3.6% of our total procurement amount in the same periods, respectively.

Three, four, three and four of our five largest suppliers in 2022, 2023, 2024 and the first half of 2025 were also our customers in the corresponding periods. Our procurement from them amounted to RMB2,624.6 million, RMB1,754.0 million, RMB2,286.4 million and RMB1,698.6 million in 2022, 2023, 2024 and the first half of 2025, respectively, accounting for 19.9%, 11.7%, 13.2% and 16.9% of our total procurement amount in the same periods, respectively, and our revenue from them amounted to RMB882.7 million, RMB832.4 million, RMB813.6 million and RMB551.8 million in the same periods, respectively, accounting for 6.2%, 5.1%, 4.4% and 5.1% of our total revenue in the same periods, respectively.

The relevant transactions with the entities mentioned above are conducted on an arm’s length basis.

We own selected infrastructure assets while relying on third-party providers for the remainder of our operational needs. For example, for ground transportation, we primarily engage third-party providers. See “Our Infrastructure and Network” for further details.

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As a result of this operating model, there was an overlap between our customers and suppliers during the Track Record Period. Specifically, some of our major customers had line-haul transportation capacity, which we engaged during the Track Record Period at commercially negotiated rates. While we provided supply chain logistics solutions to these customers, we also leveraged their transportation resources to deliver our services. These arrangements enabled us to improve operational efficiency, and support our flexible and scalable infrastructure strategy.

COMPETITION

We are a leading integrated supply chain logistics solutions provider in China. The market in which we operate is highly competitive and continuously evolving. We primarily face competition from companies offering supply chain solutions, logistics technologies, and logistics infrastructure services. We compete based on a number of factors, including industry insights, technology capabilities, network coverage, innovation in business models, collaborative relationships with industry leaders and operating efficiency. We believe our ability to provide tailored, technology-driven solutions through a unique “1+3” model enables us to differentiate ourselves from competitors and deliver greater value to our customers.

We also compete across the various industries we serve. We are the largest integrated supply chain logistics provider for the home appliance industry in China by revenue in 2024. This market is characterized by a high level of industry concentration, with the top five integrated supply chain logistics providers collectively accounting for approximately 80.7% of the total market. Our scale, domain expertise, and relationships with key customers contribute significantly to our leadership in this sector.

We are the fourth largest integrated supply chain logistics solutions provider for the FMCG industry in China by revenue in 2024. Unlike the home appliance sector, the FMCG supply chain market remains fragmented, with the top five integrated supply chain logistics solutions providers accounting for only 9.1% of total market share. This fragmentation presents growth opportunities for leading providers like us to capture additional market share through service expansion, technological innovation, and customer acquisition.

There can be no assurance that we will be able to compete effectively with current or future competitors, or that increased competition will not materially and adversely affect our business, financial condition, or results of operations. For a discussion of risks relating to competition, see “Risk Factors — Risks Relating to Our Business Operations — If we are unable to compete effectively, our business, financial condition and results of operations would be materially and adversely affected.”

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Environmental, Social and Governance

The Board of Directors of the Company participates in the supervision and decision-making of the Company’s ESG efforts through diversified approaches. Based on business impact analysis, combined with global sustainable development trends and fully considering the expectations of internal and external stakeholders, the Company systematically evaluates and identifies economic, environmental, social, and governance-related issues of strategic importance. The results of this materiality assessment serve as a critical basis for identifying corporate risks and opportunities and for formulating sustainable development strategies. The Board also reviews the results of material ESG issues identification and continuously enhances the Company’s ESG governance level by improving the ESG governance framework. From 2022 to 2024, the Company established a systematic ESG target and performance evaluation mechanism focused on high-priority ESG issues. Through regular information collection, feedback, and tracking management, the Company ensures the effective implementation of various ESG indicators across departments, regions, and business units, thereby deeply embedding the concept of sustainable development into the Company’s long-term development values and cultural system.

The Company consistently integrates the concept of green development and environmental protection throughout its entire production, operation, and management process. Guided by Midea Group’s principle of “comply with regulations, preventing pollution, conduct a green environment, and co-build a beautiful Midea home” (“遵守法規，實現污染預防、營造綠色環境，共建美的家園”), the Company ensures the robust operation of its environmental management system through a systematic top-down EHS management system, a comprehensive ESG governance structure, the construction of intelligent platforms, and regular system reviews and certifications across multiple dimensions.

By integrating green warehousing, green transportation, and green packaging into its end-to-end solutions, the Company has established a comprehensive green supply chain service system. In the production logistics scenario, the Company has consolidated Midea Group’s decades of lean manufacturing experience into the “Digital Lighthouse Factory Solution” (“燈塔工廠數字化解決方案”), which is continuously iterated and innovated, further promoting the deep integration of manufacturing and logistics industries. Through multi-scenario green measures such as integrated packaging and transportation (“運包一體”), integrated delivery and installation (“送裝一體”), and reverse logistics (“逆向回收”), the Company is committed to optimizing the circulation efficiency of the whole supply chain. By doing so, it promotes quality improvement, efficiency enhancement, cost reduction, and carbon reduction across the entire value chain, accelerating the decarbonization process of the supply chain, and addressing challenges of global climate change.

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ESG Governance Structure

The Company has established a comprehensive ESG governance system, providing a solid foundation for the formulation, regular evaluation, and related risk management of its ESG programs. This system effectively manages non-financial risks, such as environmental, social, and corporate governance risks, while maintaining good communication with stakeholders, including regulatory authorities, investors, customers, employees, communities, and the public. It continuously enhances governance standards and reinforces the corporate mission of “to deliver greater value to our partners through supply chain logistics excellence” (“以卓越的供應鏈物流為合作夥伴創造多一份價值”), ensuring stable business operations and sustainable development. The Board of Directors strictly adheres to the Hong Kong Stock Exchange’s “Environmental, Social and Governance Reporting Code” (《環境、社會及管治報告守則》) requirements, continuously improving the ESG management system and strengthening the Board’s supervision and involvement in ESG issues.

The Company’s ESG governance structure consists of four levels: the decision-making level, the management level, the execution level, and internal and external resources.

Decision-making level: The Company’s Board of Directors, as the highest decision-making body, plays an active role in formulating the ESG strategic framework, setting ESG goals and performance indicators, and making key decisions related to climate change. The Board regularly reviews ESG risks and opportunities to ensure that the Company’s overall business strategy integrate sustainable development principles and climate-related considerations. The Chief Executive Officer supports ESG-related decision-making by establishing relevant management indicators and mechanisms, supervising the implementation of ESG measures, and conducting daily supervision and reporting on ESG risk management and goal achievement.

Management level: The Company’s Board of Directors has established an ESG Management Committee, which includes the management of climate change-related functions within its scope of responsibilities. The ESG Management Committee is chaired by the chairman of the Board and president of our Company and includes heads of key business and functional departments as Committee members. These members report to the Committee Chair and support the Board in supervising and making decisions on ESG-related matters, while also facilitating business decision-making and development. The ESG Management Committee reports quarterly to the Board on the progress of ESG management, enhancing the transparency and execution efficiency of internal ESG management. Additionally, the ESG Management Committee is responsible for reviewing climate change-related policies and action plans, as well as monitoring the progress of the Company’s global climate response measures.

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Execution level: The ESG Task Working Group Force is led by the Human Resources Business Partner (HRBP) Department and works in collaboration with relevant departments from the headquarter, including Finance Department, Branding Department, Central Operation Department, Regional Operation Department, and Public Affairs & Corporate Cooperation Department. It is responsible for the daily management of ESG-related work and coordinates closely with EHS leaders from various departments and business units. Each business unit and department strictly adheres to the established ESG goals, performance indicators, and collaborative participation mechanisms, ensuring the comprehensive implementation of ESG initiatives. They regularly submit work reports to the ESG Management Committee and are also responsible for promoting and supervising the implementation of specific climate change management measures within the company.

Internal and external resources: The Company has appointed a Chief Sustainability Officer, who works in collaboration with the ESG Task Force and engages external think tanks and partners to integrate internal and external expert resources. By incorporating their expectations and recommendations regarding the Company’s ESG-related work, the Company aims to further enhance its ESG governance capabilities.

ESG-related Metrics and Targets

During the Company’s operational processes, the primary resources consumed are energy-related, including electricity, diesel, gasoline, natural gas, and water. A detailed breakdown of the consumption of these major resources encompassing the offices, self-built parks, and company-owned vehicles of the Company and its subsidiaries for the years 2022 to 2024 is provided in Table 1, while Table 2 presents the Company’s energy consumption intensity data for the same period covering the same scope.

In terms of emissions, Table 3 outlines the total volume and intensity of air emissions and greenhouse gas emissions for the years 2022 to 2024. Air emissions are primarily generated by the Company’s own transportation vehicles. Regarding greenhouse gas emissions, Scope 1 emissions mainly result from the operation of Company-owned vehicles, as well as the use of natural gas and refrigerants. Scope 2 emissions are largely driven by purchased electricity, while Scope 3 emissions arise from the transportation and distribution activities within the upstream supply chain.

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The Company’s environmental indicators for the period 2022 to 2024 are as follows:

Table 1: Use of resources in 2022, 2023, and 2024

Use of resources	KPIs	Energy Type	Unit	Year ended December 31		
				2022	2023	2024
Energy	Petrol	Direct	Litre	0.00	15,557.00	15,109.00
	Diesel oil	Direct	Litre	146.00	1,245.00	1,575.00
	Natural gas	Direct	m ³	0.00	0.00	100,000.00
	Electricity	Indirect	kWh	11,810,814.11	22,723,042.37	36,863,087.23
Water.	Water consumption		tonnes	393,190.17	468,911.96	415,080.90

Note: The Company had no self-owned vehicles in 2022.

Table 2: Resource consumption intensity in 2022, 2023, and 2024

Use of resources	KPIs	Unit	Year ended December 31		
			2022	2023	2024
Energy	Petrol	Litre/RMB million	0.00	0.96	0.81
	Diesel oil	Litre/RMB million	0.01	0.08	0.08
	Natural gas	m ³ /RMB million	0.00	0.00	5.38
	Electricity	kWh/RMB million	833.47	1,407.80	1,981.79
Water.	Water consumption intensity	Tones/RMB million	27.75	29.05	22.32

Note: The Company had no self-owned vehicles in 2022.

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Table 3: Total air and greenhouse gas emissions in 2022, 2023, and 2024

Emission Category	KPIs	Unit	Year ended December 31		
			2022	2023	2024
Air Emission	Nitrogen oxides (NO _x)	Kg	0.00	29.53	37.36
	Sulphur oxides (SO _x)	Kg	0.00	0.02	0.03
	Particulate Matters (PM)	Kg	0.00	2.12	2.69
	Total air emission	Kg	0.00	31.67	40.07
	Air emission intensity	Kg/RMB million	0.000	0.002	0.002
GHG Emission	Direct GHG emission (Scope 1)	tCO ₂ e	252.02	325.89	584.00
	Indirect GHG emission (Scope 2)	tCO ₂ e	7,204.60	13,861.06	19,829.13
	Other indirect GHG emission (Scope 3)	tCO ₂ e	1,088,863.87	1,291,832.65	1,340,856.07
	Total GHG emission	tCO ₂ e	1,096,320.49	1,306,019.60	1,361,269.20
	GHG emission intensity	tCO ₂ e/ RMB million	77.37	80.91	73.18

Note: All diesel consumption in 2022 was attributable to diesel generators.

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Table 4: Waste Emissions in 2022, 2023, and 2024

Waste type	Unit	Year ended December 31		
		2022	2023	2024
Hazardous waste	tonnes	4.95	5.26	8.13
Non-hazardous waste	tonnes	20,597.82	21,354.10	28,428.13
Total waste emissions	tonnes	20,602.77	21,359.36	28,436.26
Waste emission intensity	tonnes/RMB million	1.45	1.32	1.53

The Company has established clear ESG strategic goals and is committed to advancing a green and low-carbon transition. According to the plan, the company aims to reduce its carbon emission intensity by 45% by 2030 compared to that of 2023 and achieve carbon neutrality no later than 2050. To realize this goal, the Company has set specific sub-targets:

In warehouse management, the company plans to ensure that over 10% of its self-built warehouses meet the “zero-carbon” (“零碳”) park standard by 2030.

In transportation emissions, the Company will deploy new energy vehicles on a large scale, with a goal of expanding the new energy fleet to over 80,000 vehicles by 2030.

In waste management, a systematic recycling network will be established by 2030 to achieve a recycling rate of over 90% for discarded packaging materials. In addition, the Company will accelerate the digital operations transformation, aiming to achieve a 90% paperless rate in office scenarios by 2030.

To achieve these goals, the Company upholds the principle of long-term sustainable development, leveraging innovations in the digitalization and intelligence of supply chain practices to continuously optimize resource utilization efficiency. The Company has developed three major carbon reduction scenarios: “integrated transportation and packaging”, “integrated delivery and installation”, and “reverse logistics”. Through core initiatives such as green warehousing, green transportation, and green packaging, the Company not only reduces operational carbon emissions but also achieves a unified synergy of economic, social, and ecological values across the entire value chain.

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Three Major Carbon Reduction Scenarios:

The “Integrated Transportation and Packaging” (“運包一體”) optimizes packaging as a unified system: Traditional manufacturing supply chains often face issues such as disorganized packaging and fragmented delivery from suppliers. The Company has innovatively introduced the “Integrated Transportation and Packaging” solution, which standardizes and reuses packaging, establishing a modular packaging system and enabling the three-way circulation of tools between suppliers, VMI warehouses, and factories. In the transportation scenario, the Company adopts the Milk-Run Circular Collection and Delivery (循環取送) model for centralized cargo collection and delivery, replacing the original fragmented delivery approach and simultaneously improving packaging circulation and transportation efficiency.

The “Integrated Delivery and Installation” (“送裝一體”) model reduces unnecessary reverse logistics: To minimize resource consumption and carbon emissions from reverse logistics, the Company has innovatively developed the “Integrated Delivery and Installation” model, which lowers return rates by delivering products directly to end consumers. This model relies on a nationwide network of front-line warehouses to provide precise “direct-to-user” services and ensures all in once installation of products such as home appliances and furniture through multi-skilled engineers. Currently, the Company has a professional service team capable of providing efficient services over 100% townships nationwide, thereby reducing resource waste from the source.

The “Reverse Logistics” (“逆向回收”) promotes resource recycling and reuse rate: The Company is a key participant in Midea Group’s establishment of a full-cycle green recycling system for used household appliances, building a comprehensive “User–Midea Group–Dismantling–Recycling” closed-loop recycling framework. Specifically, the Company is responsible for the reverse logistics of Midea Group products from the consumer end to factories and dismantling plants. It has established a nationwide recycling network covering most provincial cities and key towns, with over 5,000 partner service providers. All recycled household appliances are processed in full compliance by certified dismantling companies accredited by the government. In 2024, through over 8,500 trade-in events, the Company’s used appliance recycling services have covered more than 40,000 communities and villages nationwide, benefiting 4 million users, contributing to Midea Group’s successful recycling of 4.6 million used appliances.

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Identification and Assessment of Climate-related Risks and Opportunities

The Company, referencing the “Recommendations of the Task Force on Climate-related Financial Disclosures” (“氣候相關財務信息披露工作組建議報告”), incorporates climate change into its governance and strategic framework, establishing the ESG Management Committee to specifically manage the climate change governance structure. The Company employs scientific methods to monitor and assess the impact of climate change risks on the business, actively exploring climate risk management approaches and tools, and continuously enhancing its climate risk management capabilities to ensure sustainable business development. Through a series of innovative practices, such as promoting a comprehensive green transformation of the energy structure, increasing the adoption rate of energy-saving equipment, improving energy-saving and low-carbon management mechanisms, and building digital and intelligent business operation models, the Company enhances its sustainability potential and development resilience, collaborating with upstream and downstream partners to advance high-quality and sustainable development strategic goals.

The Company, referencing climate-related financial disclosure sources, conducts a comprehensive assessment of the likelihood and potential scope of risks and opportunities. Through systematic literature reviews and stakeholder surveys, the Company identifies climate-related physical and transition risks, as well as potential opportunities, that could materially impact its business. These risks and opportunities are integrated into the ESG management system and key issues framework, with the ESG Task Force responsible for coordinating and implementing related actions.

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The table below sets forth climate related physical risks, their potential influence and countermeasures.

<u>ESG related risks</u>	<u>Potential influence</u>	<u>Countermeasures</u>
Acute risk — floods	• Goods damage in storage areas, equipment maintenance, transportation interruptions, and reduced employee efficiency • Increased operational costs and equipment depreciation	• Enhancing flood warning and emergency response mechanisms, establishing an efficient drainage system, and reserving disaster prevention materials and relevant insurance coverage
Acute risk — typhoon	• Disruption of transportation timeliness, delivery delays, and increased supply chain fulfillment risks • Increased operational costs	• Establishing a real-time meteorological monitoring and early warning system, developing a typhoon emergency plan, reinforcing infrastructure, building a wind protection system, and securing relevant insurance coverage
Chronic risk — extreme heat and cold wave	• Reduced outdoor work efficiency, increased employee health risks, and higher energy consumption and carbon emissions • Increased operational costs, including transportation equipment maintenance and employee welfare	• Building an extreme weather monitoring and early warning system, utilizing intelligent scheduling and warehouse optimization, and enhancing the use of renewable energy and carbon emissions management

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The table below sets forth transition risks, their potential influence and countermeasures.

ESG related risks	Potential influence	Countermeasures
Policy risk — trend of green transformation in the logistics industry	The policy framework related to the “dual carbon” (“雙碳”) goals continuously evolving, key industries and regions accelerating toward localized and industrialized green transformation	Advancing carbon reduction initiatives in green warehousing, green transportation, green packaging, and green office operations, optimizing energy management, setting carbon reduction targets, and steadily progressing the green transformation to align with the national “dual carbon” policy
Technological risk — low-carbon technology R&D and transformation	In the context of policy promotion and the integration of information and energy technologies, key industries facing increased pressure on R&D and operational costs as a result of investments in new energy applications and low-carbon technologies	Collaborating with universities, think tanks, and supply chain partners on low-carbon technology development to share R&D costs and risks, reducing transition and environmental costs through policy applications
Reputational risk — pressure transmission from stakeholders’ carbon reduction targets	Rising customer demand for low-carbon logistics under the “dual control” (“雙控”) policy and carbon neutrality targets	Establishing a digital carbon accounting system from 2025 onward, collaborating with clients on carbon reduction, building core competitive advantage in green supply chain
Consumption preference for green and low-carbon logistics solutions	Green and low-carbon mindset driving increased demand for sustainable logistics	Focusing on green warehousing, green transportation, and green packaging, building a full-link green supply chain system, creating diversified carbon reduction scenarios and advancing coordinated sustainability across the entire value chain

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Environmental Protection

Core Carbon Reduction Measures

Green Warehousing: The Company’s six logistics parks have been certified as national “First-Class (Three-Star) Green Warehouses” (“一級(三星)綠色倉庫”), demonstrating green operations through the implementation of photovoltaic projects and waste recycling systems. Between 2015 and 2017, the Company completed the installation of photovoltaic panels across 317,000 square meters of self-built warehouses nationwide, with a total installed capacity of 19.8 MW, significantly enhancing energy efficiency. At the Company’s Weite Park (威特園區) in Shunde, Foshan, 17,166 square meters of rooftop photovoltaic panels were installed, generating an annual electricity output of 4.091 million kWh. Additionally, nine solar-powered charging stations were installed in the park’s parking area, and the carport achieved an installed photovoltaic capacity of 311.2 kW. This site is the first in the Company’s network to implement an integrated photovoltaic energy-storage-charging (光儲充一體化) model. Furthermore, the Company’s Zhengzhou Meian (美安) Park has established a systematic waste classification and recycling mechanism, ensuring non-hazardous treatment and promoting resource recycling. The park saves approximately 2,000 pallets and 140,000 cartons annually, effectively reducing operational costs and minimizing environmental impact.

Green Transportation: The Company has progressively deployed new energy vehicles across various locations nationwide. By the end of 2024, the total number of new energy vehicles in operation reached approximately 50,000 (including electric, hydrogen, LNG and hybrid vehicle types). Additionally, the Company has implemented a bulk material access control system at its logistics parks, prohibiting vehicles with non-compliant exhaust emissions from entering the parks. This measure effectively drives the transition of transportation vehicles from traditional models to new energy vehicles.

Green Packaging: Leveraging its experience in serving Midea Group’s six world-class lighthouse factories, the Company has developed a green logistics solution that spans the entire industry chain. In the upstream segment, the “Integrated Delivery and Packaging” model combines component transportation with recyclable packaging, replacing approximately 350,000 single-use cartons annually. After applying this model in the Company’s Weite Intelligent (威特智能) VMI warehouse, packaging costs were reduced by 10%, and logistics labor hours were saved by 25%. In the downstream segment, the Company has established a closed-loop terminal green recycling system through its “Reverse Recycling” framework and green carton recycling initiative, thereby creating a fully integrated, sustainable development ecosystem across the entire value chain.

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Green Office: The Company has fully implemented 100% paperless electronic receipt operations with its key clients, extending the adoption of digital receipts across 152 warehouses while reducing the printing of 22 categories of documents, thereby achieving a 70% reduction in document printing costs. Furthermore, the Company has comprehensively enforced paperless office and reimbursement systems across its headquarters and regional offices, leveraging an electronic filing system to save approximately 500,000 sheets of paper annually, with electronic invoices issued exceeding one million per year. In 2024, the Company organized a total of 38,627 low-carbon virtual meetings, reflecting a 10% year-over-year decrease, with participant attendance reaching 328,688, marking an 18% decline, and total meeting duration amounting to 55,561 hours, representing a 17% reduction. These measures collectively establish a comprehensive green operations management system encompassing warehousing, office operations, and recycling processes.

Waste Management

The Company strictly complies with relevant laws and regulations, including the “Environmental Protection Law of the People’s Republic of China” (《中華人民共和國環境保護法》) and the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste” (《中華人民共和國固體廢物污染環境防治法》), to strengthen the management of waste and emissions, ensuring the compliant discharge of the “three wastes” (“三廢”). As of the end of 2024, the Company has obtained ISO 14001 Environmental Management System certification, and no significant environmental incidents occurred during the 2022–2024 fiscal years. For non-hazardous waste, such as general waste and household garbage, the company implements a classification and recycling system, subsequently entrusting qualified third parties or local sanitation departments for disposal. For recyclable waste within the park, the company has established a corresponding recycling system. For hazardous waste, such as toner cartridges and ink cartridges, the company strictly adheres to hazardous waste management regulations, requiring suppliers to delegate the disposal to professional agencies for compliant processing.

Energy Management

The Company strictly implements the “Energy Management Measures of Midea Group” (《美的集團能源管理辦法》) and continuously advances the construction of the ISO 50001 energy management system, maximizing energy efficiency through an intelligent monitoring platform. In terms of green operations, all six of the Company’s logistics parks have been certified as national-level “First-Class (Three-Star) Green Warehouses”. Additionally, the Company has fully

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implemented an office energy-saving management system, incorporating intelligent control of lighting, air conditioning, and elevator systems, establishing efficient meeting mechanisms, and ensuring the effective implementation of energy-saving measures through a strict inspection system.

Water Resource Management

The Company considers water resource management a key component of its sustainable development strategy, strictly adhering to four principles: “sustainable water intake and water resources protection in watersheds, water resources recycling, water footprint tracking on products, and promotion of healthy water in communities” (“可持續取水 and 流域水資源保護、水資源循環利用、產品水足跡跟踪、促進社區健康用水”). By optimizing water use efficiency in areas such as warehousing and office operations, the Company has implemented water-saving renovation projects and fully adopted water-efficient equipment that meets the “Water-Saving Household Appliances Standard” (《節水型生活用水器具標準》), including sensor-operated faucets and dual-flush toilets, significantly improving water resource utilization. The Company’s water usage primarily comes from the municipal water supply, thereby eliminating concerns related to water sources.

Social Responsibility

Employee Health and Security

On July 2, 2020, Midea Group released the “EHS Management Control Framework Manual” (《EHS管理控制框架手冊》), upholding the principle of “employees first” and committing to strict compliance with occupational health and safety laws and regulations in all business activities. The Group is dedicated to continuously improving the working environment for employees and preventing occupational injuries and diseases. It has established a comprehensive health and safety management system, requiring management to strengthen employee EHS awareness and drive continuous improvement by setting challenging goals. As a subsidiary of the Group, the Company has implemented the “Quality, Environmental, Occupational Health and Safety Management Manual” (《質量環境職業健康安全管理手冊》) since 2015, adhering to the management philosophy of “people-oriented, resource conservation and recycling, compliance with regulations, prevention and treatment combined, continuous improvement, and providing a safe and environmentally friendly work environment that meets social and customer expectations” (“以人為本、節約循環、遵守法規、防治結合、持續改善，提供安全、環保的作業環境和符合社會、客戶期望的服務”). The Company has defined territorial responsibilities for each level of the safety committee and incorporated EHS metrics into its annual performance evaluation system. Through a

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tiered management structure, including the company-level and subsidiary-level safety committees, the Company ensures the effective implementation of health and safety objectives and the proper functioning of the employee environment and occupational health and safety management system.

Community Investment

University-Enterprise Collaboration: Joint Establishment of the “SJTU-ANNTTO Joint Research Center for Intelligent Logistics and Supply Chain” (“上海交大-美的安得智联智慧物流與供應鏈聯合研究中心”)

In 2021, the Company partnered with Shanghai Jiao Tong University to establish the “SJTU-ANNTTO Joint Research Center for Intelligent Logistics and Supply Chain”, with an annual investment of RMB3 million from the Company. The center focuses on key technologies in smart logistics, industry standard development, and the cultivation of high-end talent. Operating under a campus and enterprise dual-bases (校企雙基地) model, the center is dedicated to tackling critical technologies such as logistics optimization algorithms and supply chain management systems. It also collaborates on national research project applications and conducts industry standard research and customized talent training, including graduate education and specialized training. This partnership aims to enhance the Company’s technological competitiveness while supporting the transformation of Jiao Tong University’s research outcomes and talent development initiatives.

Industry Ecosystem: Strategic Partnership with the Green Logistics Branch of China Federation of Logistics & Purchasing for Sustainable Talent Development of Logistics Industry

To embed green and sustainable principles throughout the entire modern logistics value chain and enhance the sector’s capacity for sustainable development, the Company signed a strategic cooperation agreement with the Green Logistics Branch of the China Federation of Logistics & Purchasing (CFLP) during the 2024 Green Logistics and Supply Chain Development Conference. Both parties committed to in-depth collaboration in areas such as the formulation of green logistics standards, the development of “carbon peak and carbon neutrality” (“碳達峰碳中和”) initiatives and project implementations, and the cultivation of carbon management professionals within the logistics industry. Through this partnership with CFLP, the Company aims to further promote the digital transformation and green advancement of logistics and supply chains, setting pioneering examples and development models for the industry. In 2025, the Company’s Chief Sustainability Officer, appointed by CFLP, actively contributed to the logistics industry’s “Carbon Emissions Manager Professional Certification” (“碳排放管理師職業能力等級認證”) program, participated in the development and revision of several state level green standards, such as *Green Logistics Indicators and Accounting Methods* and *Low-Carbon Operation Guidelines for Logistics Parks*, and engaged in the compilation of carbon management training materials of logistics industry, making significant contributions to talent development in logistics carbon management.

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DATA PRIVACY AND CYBERSECURITY

In recent years, data privacy and cybersecurity have emerged as critical governance priorities for companies worldwide. In particular, the PRC legislative and government authorities regularly introduce new cybersecurity, data security and privacy laws and regulations. Consequently, our practices regarding the collection, processing and transfer of various types of data may come under increased administrative scrutiny. See “Risk Factors — Risk Relating to Our Business Operations — Our business and technologies collect and process data, and the improper use or disclosure of data could result in regulatory investigations and penalties, and harm our reputation and have a material adverse effect on the trading prices of our Shares, our business and prospects.”

We collect and store business data and management data generated during or in connection with our business operations, including data related to our business and transactions with our customers, suppliers and other relevant parties. We also collect and store personal information for delivery & installation services, including, for example, consumers’ names, phone numbers and addresses.

We have established a comprehensive data compliance system that consists of organizational structure and internal policies. Specifically, we have established our Information Security and Privacy Protection Management System and have set up data security operational platforms covering multiple areas of our business operations, from terminals, network, application, computers to data security. Our platforms and procedures, including our Emergency Management Measures for Data Security Incidents (《數據安全事件應急管理辦法》), ensure that we have a comprehensive set of systems covering the prevention of data breaches, immediate action and response in case of data incidents and post-incident assessment and analysis. In addition, we conduct annual trial runs of data breach incidents to test our data protection mechanism and provide various data security trainings to our employees (including trainings during their on-boarding process) to ensure that our employees are well aware of our data security policies and their responsibilities in terms of data protection. We require our employees to complete our data security training before they can commence working for us.

We have developed and implemented comprehensive policies and procedures related to cybersecurity and data security.

During the Track Record Period, we had complied with applicable laws and regulations related to cybersecurity and data protection in all material aspects.

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INSURANCE

We maintain insurance policies to cover product transport liability and employer liability. In addition, we have purchased property insurance for our warehouse current assets, including warehouse premises, logistics facilities, electronic equipment and others, and warehouse inventories, cargo transportation insurance for goods in transit, and motor vehicle third-party liability insurance for our transportation vehicles.

We review our insurance policies from time to time to assess the adequacy and breadth of coverage. We believe that our existing insurance coverage is adequate for our business operations and is in line with industry standards in the countries in which we operate. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See “Risk Factors — Risks Relating to our Business Operations — Our insurance coverage may not cover all losses” for details.

During the Track Record Period, we had not made, and were not the subject of, any insurance claims which are material to our business or financial condition.

PROPERTIES

As of June 30, 2025, we operated our business through 57 owned properties and 251 leased properties that each has a gross floor area of 10,000 sq.m. or above, in China. We also have leased properties with smaller floor area. We primarily use our owned and leased properties as our office premises and warehouses.

As of June 30, 2025, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include any valuation report in this document. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

Owned properties

As of June 30, 2025, we owned 57 properties with a gross floor area of approximately 1.4 million sq.m. in China. We mainly use these properties as our office premises and warehouses. All of these properties have obtained proper property ownership certificates, and none are subject to any mortgage.

BUSINESS

In addition, as of June 30, 2025, we were using self-owned properties with an aggregate gross floor area of approximately 9,827.6 sq.m in China for which we have not yet obtained property ownership certificates. These properties, which account for approximately 0.7% of our total self-owned property area, are primarily ancillary rooms such as guardrooms, electrical rooms, canteens and utility rooms. According to our PRC Legal Advisor, during the Track Record Period, we have not been subject to any administrative penalties in connection with these properties, and the absence of property ownership certificates for these properties is not expected to have a material adverse impact on our operations.

Leased properties

As of June 30, 2025, we leased 251 properties in China that each has a gross floor area of 10,000 sq.m. or above (as stipulated in their respective lease agreements), totaling 7.3 million sq.m. These properties are primarily used as our warehouses, with some used as office and other ancillary areas. Of these leased properties, approximately 6.0 million sq.m. have landlords who have provided property ownership certificates or other supporting documents, and the related leases are legal and valid. For the remaining approximately 1.3 million sq.m. of the leased properties (accounting for approximately 18% of this total leased area), the landlords have not provided property ownership certificates.

As confirmed by our PRC Legal Advisor, during the Track Record Period, we have not been subject to any material litigation or administrative penalties arising from the title defects of the leased properties discussed above. The absence of property ownership certificates for a portion of our leased properties has not affected our use of such properties. Moreover, these properties are primarily used as offices and logistics warehouses. In the event that we are unable to continue using these leased properties due to such title defects, we would be able to secure alternative properties in a timely manner. Accordingly, such title defects are not expected to have a material adverse impact on our operations.

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EMPLOYEES

As of June 30, 2025, we had 8,300 full-time employees, all located in China. The following table sets forth a breakdown of our full-time employees by function as of June 30, 2025.

Function	As of June 30, 2025	
	Number	%
Operations.	5,889	71.0
Sales and marketing	632	7.5
Research and development	413	5.0
Administration	1,366	16.5
Total.	8,300	100.0

We provide our employees with certain benefits including social insurance coverage and retirement benefits. We enter into individual employment contracts with our employees to cover matters such as wages, employee benefits, confidentiality and grounds for termination. Our employees’ compensation is determined with reference to their job positions, technical skills, job performance and competition.

As required by laws and regulations in mainland China, we participate in various employee social security plans, including pension, medical insurance, unemployment insurance, maternity insurance, on-the-job injury insurance and housing fund plans.

We have various employee training programs that aim to enhance our employees’ technical skills and innovation capability.

None of our employees are represented by collective bargaining agreements. We believe that we have good employment relationships with our employees. During the Track Record Period, we did not experience any strikes, work stoppages, labor disputes or actions which had a material adverse effect on our business and operations.

RISK MANAGEMENT AND INTERNAL CONTROL

Our future operating performance may be affected by risks relating to our business. Some of these risks are specific to us while others relate to economic conditions and the general industry in which we operate. See “Risk Factors” for a discussion of these risks.

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The Board of Directors, supported by our senior management, is responsible for establishing and maintaining adequate risk management and internal control systems, and overseeing their overall effectiveness. Risk management is the process designed to identify potential events that may affect us and to manage risks to be within our risk appetite. Internal control is the process designed to provide reasonable assurance regarding achievement of objectives related to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

Risk Management and Internal Control Policies

We have implemented or will adopt upon [REDACTED] a number of policies and measures to manage our risks and set up proper internal controls. These policies cover areas such as (i) the duties and roles of the Directors, the Board and our senior management; (ii) social and environmental matters, including policies on diversity; (iii) financial reporting; (iv) whistleblowing; (v) prevention of market misconduct and (vi) compliance with the Listing Rules.

To support the effective implementation of our overall risk management and internal control policies, and to specifically manage the various risks in our business operations, we have established a range of detailed policies and procedures in key operational and compliance areas. The following examples describe some of these key measures, which are intended to be illustrative rather than exhaustive, as they apply to critical aspects of our operations.

Logistics safety management

We are committed to upholding high safety standards in our logistics operations. Our logistics safety management is guided by internal policies such as the *Supplier Introduction and Exit Management Measures* (《供應商引入與退出管理辦法》) and *Transportation Safety Management Measures* (《運輸安全管理辦法》). Key aspects of our logistics safety management include:

- Driver and vehicle qualification requirements: We conduct assessments of the safety management capabilities of our transportation suppliers and long-term cooperative vehicles and driver qualifications, in accordance with our *Supplier Introduction and Exit Management Measures*.
- Transportation process quality control: We implement measures such as “one vehicle, one inspection,” clearly define loading requirements and ensure proper cargo safety protection. We also utilize the Zhitongbao app for real-time en-route tracking and arrival inspections.

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- Abnormal event management: If any abnormality occurs at any stage from cargo pick-up to sign-off, drivers are required to report the problematic consignments through the Zhitongbao app. Our branch operations personnel are responsible for following up and ensuring a closed-loop resolution of such issues.

Transportation and delivery risk management

We have established procedures to manage risks associated with transportation and delivery, focusing on minimizing cargo loss and damage and ensuring service quality. Our *Quality Loss Management Measures* (《質量損失管理辦法》) and *Transportation Safety Management Measures* (《運輸安全管理辦法》) primarily govern these procedures.

- Cargo loss and damage claims management: We have implemented a comprehensive damage claims management system to handle losses and damages throughout our supply chain. Our system is built upon end-to-end handover standards, enabling clear allocation of responsibilities across the entire supply chain. For supplier-related liabilities, we utilize our automatic management system (AMS), which combines automated data capture with manual reporting to record supplier penalties. Following confirmation of responsibility by the supplier or through appeals, cases are automatically or manually submitted for tiered approval, after which the system automatically pushes data to our billing and settlement management system (BMS) for execution. For net quality losses, our business operations teams are required to complete internal accountability assessments within 30 days of system entry. Customer claims are processed in accordance with contractual agreements, covering lost items, damages, delivery delays and KPI assessments. All claim data related to quality losses is fully recorded in our AMS system and, following hierarchical approval, automatically synchronized to our BMS system for execution.
- Third-party transportation supplier selection standards: We utilize a *Distribution Supplier Assessment Form* (《配送供應商評審表》) to evaluate potential suppliers based on criteria including qualification conditions, operational capabilities, service quality, and financial risks. A supplier will not be introduced as a qualified supplier if it fails to meet any of the qualification conditions, or if its total score in operational capabilities, service quality, or financial risks falls below 80% of the total possible score for that respective category.

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Operational risk management and IT security

We recognize the importance of managing operational risks, particularly those related to IT systems and data security, to ensure the continuity and integrity of our operations.

- Customer data security management and encryption measures: We strictly manage sensitive customer information in accordance with applicable law and regulations such as the Cybersecurity Law (《網絡安全法》) and the Personal Information Protection Law (《個人信息保護法》) and follow *Midea Group Data Security Management Regulations* (《美的集團數據安全管理辦法》) in our daily practices. We employ key management center (KMC) cryptographic keys to rigorously control the entire lifecycle of data, including collection, transmission, and storage.
- Data backup and disaster recovery plan: We have implemented a tiered backup strategy, categorizing our systems into core levels and others with differentiated backup protocols. This involves regular full and incremental backups for all systems, with higher frequency and longer retention periods applied to critical data, particularly for our core systems, which includes synchronization to an off-site disaster recovery data center for enhanced protection and long-term retention.
- Management and drills: Our technology center’s infrastructure operations team includes a designated backup administrator. We have established an annual data recovery drill mechanism for all key systems. This process is managed by a dedicated team responsible for planning, execution, and verification of recovery effectiveness, ensuring the reliability of our backup systems.

Human resources risk management

We have implemented policies and procedures to manage risks related to our human resources, fostering a culture of integrity and compliance.

- Anti-corruption and anti-bribery training: We have in place the *Integrity Reporting Management Measures* (《廉正舉報管理辦法》) to provide clear guidelines for ethical conduct. Our training programs include compliance learning, an “Integrity Classroom” as part of new employee onboarding, and specific integrity presentations for new Annto employees.

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- Employee code of conduct: Our *Employee Code of Conduct* (《員工行為規範》) incorporates comprehensive behavioral standards addressing anti-bribery, anti-fraud and professional ethics requirements. These standards establish clear expectations for ethical behavior and provide guidance on avoiding conflicts of interest and maintaining professional integrity.

Regulatory compliance and legal risk management

We are committed to ensuring that our business operations comply with relevant laws, regulations, rules, and guidelines, and to manage legal risks effectively. Our internal control framework in this area is supported by documents such as our *Audit Charter*, *Internal Control Management Measures* (《內部控制管理辦法》), and *Comprehensive Risk Management Measures* (《全面風險管理辦法》).

- Anti-bribery and conflict of interest management: We have instituted specific measures to prevent bribery, corruption, and conflicts of interest, including special governance initiatives addressing familial relationship conflicts of interest. We require our suppliers to acknowledge and comply with the *Media Supplier Code of Conduct* (《美的供應商準則》), which incorporates anti-corruption provisions.
- Compliance monitoring and investigation: We maintain systematic procedures for self-inspection, reporting and investigation of compliance violations, as detailed in our *Audit Charter*. Our compliance review and legal risk identification processes are governed by our *Internal Control Management Measures* and *Comprehensive Risk Management Measures*, ensuring systematic identification and mitigation of compliance risks. These comprehensive risk management and internal control measures help us maintain effective oversight of risks across our integrated supply chain operations.

Board oversight

To support the Board in effectively overseeing our risk management and internal control systems, we have established an audit committee specifically tasked with evaluating the adequacy and effectiveness of these systems, regularly reviewing operational risk management measures, and reporting its findings to the Board. The audit committee comprises three independent non-executive Directors, namely Ms. Yi Song (宋屹), Dr. Zhong Lin (林忠), and Dr. Weiru Li (陳威如). Ms. Yi Song, who possesses appropriate professional accounting or related financial management expertise required under Rule 3.10(2) of the Listing Rules, serves as the chairperson. For detailed qualifications and experience of our audit committee members, please refer to the section headed “Directors and Senior Management — Directors” in this document.

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LICENSES, PERMITS AND APPROVALS

We are required to obtain or maintain various licenses, permits and approvals in order to operate our business.

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, permits and approvals from relevant authorities that are material to our operations, and such licenses, permits and approvals are still valid and in force. We renew all such material permits and licenses from time to time to comply in all material aspects with the relevant laws and regulations. We believe there is no material legal impediment to renewing such permits, licenses or approvals.

The following table sets out a list of licenses, permits and approvals that are material to our operations as of the Latest Practicable Date.

Permits and Licenses	Holders	Grant Dates	Expiration Dates
Road Transportation Operation Permit (道路運輸經營許可證)	Foshan Annto Logistics Supply Chain Technology Co., Ltd.	March 7, 2024	July 19, 2026
Road Transportation Operation Permit	Hainan Annto Logistics Supply Chain Technology Co., Ltd.	July 17, 2025	July 16, 2029
Road Transportation Operation Permit	Hefei Annto Logistics Supply Chain Technology Co., Ltd.	July 25, 2025	July 24, 2029
Road Transportation Operation Permit	Ningbo Annto Logistics Supply Chain Technology Co., Ltd.	August 21, 2024	August 20, 2034
Road Transportation Operation Permit	Wuhan Annto Logistics Supply Chain Technology Co., Ltd.	May 29, 2024	May 28, 2028
Road Transportation Operation Permit	Wuhu Annto Logistics Supply Chain Technology Co., Ltd.	September 23, 2024	September 29, 2028

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Permits and Licenses	Holders	Grant Dates	Expiration Dates
Road Transportation Operation Permit	Tianjin Annto Network Technology Co., Ltd. (天津安得網絡科技有 限公司)	January 30, 2024	December 31, 2025
Labor Dispatch Operation Permit (勞務派遣經營許 可證)	Ningbo Annto Logistics Supply Chain Technology Co., Ltd.	December 16, 2024	August 4, 2027
Hazardous Chemicals Operation Permit (危險化 學品經營許可證)	Tianjin Antu Supply Chain Management Co., Ltd. (天津安途供 應鏈管理有限公司)	September 5, 2022	September 4, 2025
Hazardous Chemicals Operation Permit	Lianyungang Antu Supply Chain Management Co., Ltd. (連雲港安途 供應鏈管理有限公司)	December 27, 2024	December 26, 2027
Registration of Customs Declaration Entities (報關 單位備案證明)	Ningbo Annto Logistics Supply Chain Technology Co., Ltd.	December 31, 2024	—
International Freight Forwarding Agencies (國 際貨運代理備案)	Ningbo Annto Logistics Supply Chain Technology Co., Ltd.	June 2, 2017	—
Registration of Non-Vessel Operating Common Carriers (無船承運業務經 營資格登記證)	Ningbo Annto Logistics Supply Chain Technology Co., Ltd.	June 21, 2017	—
Construction Enterprise Qualification Certificate (建築業企業資質證書) . . .	Ningbo Annto Logistics Supply Chain Technology Co., Ltd.	November 24, 2022	November 23, 2027

BUSINESS

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. As of the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings pending or threatened against us or any of our Directors which could have a material and adverse effect on our financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, there were no material breaches or violations of laws or regulations applicable to us which are expected to have a material adverse effect on our business, financial condition or results of operations.

AWARDS AND RECOGNITION

The following table sets out a summary of the major awards and recognitions we have received.

Year of Award	Awards and Recognition	Issuing Authority
2025	Typical Cases of Sustainable Consumption (2025) — Outstanding Case (可持續消費典型案例(2025) — 優秀案例)	Global Sustainable Consumption Initiative (GSCI) (全球可持續消費倡議) and <i>China Sustainable Tribune</i> (《可持續發展經濟導刊》), a journal supervised by the Ministry of Commerce of the People’s Republic of China (MOFCOM) (中華人民共和國商務部主管期刊)
2025	Anhui Provincial Excellent Innovative Enterprise (安徽省優秀創新型企業)	The CPC Anhui Provincial Committee and Anhui Provincial People’s Government (中共安徽省委安徽省人民政府)
2025	First Prize of the Science and Technology Progress Award (科技進步一等獎)	China Federation of Logistics & Purchasing (CFLP) (中國物流與採購聯合會)

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Year of Award	Awards and Recognition	Issuing Authority
2025	Integrated Intelligent Supply Chain Solution Platform Construction and Application (一體化智慧供應鏈解決方案平台的建設及應用) — Logistics Technology Innovation Case for 2025 (2025年物流技術創新案例)	China Federation of Logistics & Purchasing (CFLP) (中國物流與採購聯合會)
2025	2025 Cooperative Brand Award (2025年度合作品牌)	China Federation of Logistics & Purchasing (CFLP) (中國物流與採購聯合會)
2025	Annual Best Service Provider (年度最佳服務供應商)	Little Dream Garden (半畝花田)
2024	First Prize of the Science and Technology Progress Award (科技進步一等獎)	China Federation of Logistics & Purchasing (CFLP) (中國物流與採購聯合會)
2024	2024 Outstanding Case in Digital Transformation/Application for Logistics and Supply Chain Enterprises (2024年度物流與供應鏈企業數字化轉型／應用優秀案例)	China Federation of Logistics & Purchasing (CFLP) (中國物流與採購聯合會)
2024	2024 5A-Level Logistics Enterprise (Ningbo Annto, valid until 2027) (5A物流企業(有效期至2027年) — 寧波安得)	China Federation of Logistics & Purchasing (CFLP) (中國物流與採購聯合會)
2024	2024 Annual Best Carrier (2024年度最佳承運商)	Zhejiang Xingxing Refrigeration Co., Ltd. (星星冷鏈集成股份有限公司)
2024	Best Delivery & Project Team Award (最佳交付&項目團隊獎)	Shirui Electronic Technology Logistics Center (視睿電子科技整機物流中心)
2024	Best E-commerce Trunk Line Delivery Award (電商幹線最佳交付獎)	Ningbo FOTILE Kitchen Ware Co., Ltd. (寧波方太廚具有限公司)

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Year of Award	Awards and Recognition	Issuing Authority
2024	Warehouse Operational Excellence Award 2024; Fleet Operational Excellence Award (倉儲/運輸卓越運營獎)	Chevron (雪佛龍)
2024	First Batch of Typical Cases in Reducing Overall Social Logistics Costs (首批降低全社會物流成本典型案例)	China Federation of Logistics & Purchasing (CFLP) (中國物流與採購聯合會)
2024	Peak Season Dispatch Champion Award (高峰發運冠軍獎)	Blue Moon (China) Co., Ltd. (藍月亮(中國)有限公司)
2024	Outstanding Partner; Outstanding Trunk Line Service Provider (優秀合作夥伴；幹線優秀服務商)	Xiaomi Project Logistics Service Center (小米項目物流服務中心)
2024	Outstanding Logistics Provider of the Year (年度優秀物流商)	Braisun Food (白象食品)
2024	Outstanding Service Provider of the Year (年度優秀服務商)	Chacha Food Co., Ltd. (洽洽食品股份有限公司)
2024	Performance Grade-A Transportation Supplier (績效A級運輸供應商)	Zhuhai Hengqin LONGi China Logistics Department (珠海橫琴隆基中國物流部)
2023	First Prize of the Science and Technology Progress Award (科技進步一等獎)	China Federation of Logistics & Purchasing (CFLP) (中國物流與採購聯合會)
2023	Best Warehouse & Distribution Assurance Award (最佳倉配保障獎)	Mengniu Dairy Ambient Temperature Logistics Planning Center (蒙牛乳業常溫計劃物流中心)
2023	Excellent Carrier (優秀承運商)	Hisense Guangzhou Marketing Center (海信廣州營銷中心)
2023	Project Service Award (項目服務獎)	Danone China Beverage (達能中國飲料)

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Year of Award	Awards and Recognition	Issuing Authority
2023	Excellent Supplier (優秀供應商)	Shede Spirits (捨得酒業)
2023	Excellent Supplier Progress Award (優秀供應商進步獎)	Fujian Shenhuida Logistics Co., Ltd. (福建申匯達物流有限公司)
2023	Outstanding Ambient Logistics Partner (常溫業務優秀合作商)	Inner Mongolia Yishun Supply Chain Management Co., Ltd. (內蒙古伊順 供應鏈管理有限公司)
2023	Outstanding Carrier of the Year (年度 優秀承運商)	Braisun Food (白象食品)
2023	Outstanding Logistics Supplier of the Year (年度優秀物流供應商)	Panasonic Appliances (China) Co., Ltd., PEX-CNA Logistics Center (松下電器(中國)有限公司， PEX-CNA物流中心)
2023	Peak Season Dispatch Champion Award (高峰發運冠軍獎)	Blue Moon (China) Co., Ltd. (藍月亮 (中國) 有限公司)
2022	2022 5A-Level Logistics Enterprise (Wuhu Annto, valid until 2025) (5A 物流企業(有效期至2025)— 蕪湖安 得)	China Federation of Logistics & Purchasing (CFLP) (中國物流與採 購聯合會)
2022	Best Logistics Contribution Award (最 佳物流貢獻獎)	Zhengzhou President Enterprises Co., Ltd. (鄭州統一企業有限公司)
2022	Best Large-Item Carrier (最優大件承 運商)	Xiaomi China Region Service Department Logistics Service Center (小米中國區服務部物流服務中心)
2022	Best Quality Supplier (最佳質量供應 商)	Guangzhou Shiyuan Electronic Technology Co., Ltd. (視源股份)
2022	Most Professional Logistics Team (最 專業物流團隊)	Panasonic Appliances (China) Co., Ltd., PEX-CNA Logistics Center (松下電器(中國)有限公司， PEX-CNA物流中心)

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Year of Award	Awards and Recognition	Issuing Authority
2022	Outstanding Carrier of the Year (年度優秀承運商)	Yashili International Group Co., Ltd. (雅士利國際集團有限公司)
2021	Recognition as a “Typical Case of Deep Integration, Innovation, and Development between Logistics and Manufacturing industries” for the “Omni-channel Shared Inventory” Supply Chain Transformation and Innovation Case (“一盤貨”供應鏈變革創新案例入選“物流業製造業深度融合創新發展典型案例”)	Department of Economic and Trade, National Development and Reform Commission (NDRC) (國家發展改革委經濟貿易司)

FINANCIAL INFORMATION

You should read the following discussion and analysis with our audited consolidated financial information, including the notes thereto, included in the Accountants’ Report in Appendix I to this document. Our consolidated financial information has been prepared in accordance with the IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed “Risk Factors” and “Business.”

For the purpose of this section, unless the context otherwise requires, references to 2022, 2023 and 2024 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a leading integrated supply chain logistics solutions provider in China. According to CIC, we achieved the fastest revenue CAGR from 2022 to 2024 among the top five comprehensive integrated supply chain logistics solutions providers in China. Furthermore, we ranked first in revenue from production logistics solutions in 2024 among comprehensive integrated supply chain logistics solutions providers in China; and we are the largest integrated supply chain logistics solutions provider for China’s home appliance industry by revenue in 2024, according to CIC.

We have achieved significant growth and demonstrated robust profitability during the Track Record Period. In 2022, 2023 and 2024, we recorded revenue of RMB14.2 billion, RMB16.2 billion, and RMB18.7 billion, respectively, representing a CAGR of 14.8%. Our net income was RMB215.1 million, RMB288.0 million and RMB380.3 million in 2022, 2023 and 2024, respectively, with a CAGR of 33.0%, primarily driven by the continued expansion of our integrated supply chain logistics solutions. Our adjusted EBITDA (non-IFRS measure) for 2022, 2023 and 2024 was RMB990.3 million, RMB1,127.5 million and RMB1,314.4 million, respectively, with a CAGR of 15.2%.

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For the six months ended June 30, 2024 and 2025, our revenue increased by 20.2% from RMB9.1 billion to RMB10.9 billion, our net income increased by 21.7% from RMB204.0 million to RMB248.3 million and our adjusted EBITDA (non-IFRS measure) increased by 6.7% from RMB705.8 million to RMB753.2 million.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, including but not limited to the following:

Macroeconomic conditions and demand for integrated supply chain logistics solutions

Our results of operations are significantly influenced by macroeconomic conditions, including government policies relating to the logistics industry, and the overall demand for integrated supply chain logistics solutions in China. In particular, demand for our solutions is affected by consumer demand for products manufactured, distributed or sold by our enterprise customers, which is, in turn, affected by a range of macroeconomic and industry-specific factors, including levels of per capita disposable income, consumer spending trends and overall business activity in China.

Among end markets, the FMCG sector is projected to be one of the fastest-growing market segment for integrated supply chain logistics solutions. Meanwhile, the automotive and auto parts sector, the FMCG sector, as well as the home appliances and home furnishings sectors are currently some of the largest market segments for integrated supply chain logistics solutions.

In addition, amid the growing trend of Chinese enterprises expanding overseas, a large number of manufacturing companies are exploring opportunities to export both products and production capacity. The overseas supply chain logistics market for Chinese enterprises is positioned to become a new growth area.

As supply chain operations become increasingly complex, and as enterprises customers continue to seek solutions to improve operational efficiency, end-to-end visibility, agility and responsiveness across their supply chains, we expect a continued shift toward outsourcing logistics functions to third-party providers capable of delivering integrated supply chain logistics solutions.

The rate of demand growth across key industry verticals, as well as the pace at which enterprises adopt integrated supply chain logistics solutions, will be important factors influencing our performance and results of operations.

FINANCIAL INFORMATION

Our ability to continually build and advance our integrated solutions

Our digitalized, integrated supply chain logistics solutions enable customers to focus on their core business activities while leveraging our solutions to manage complex supply chain operations, from inbound logistics and finished goods storage in CDCs, finished goods distribution, to integrated last-mile delivery & installation. Through our solutions, our customers are able to integrate resources, enhance supply chain efficiency, accelerate production and distribution cycles, better align supply with production and production with customer demand, and optimize both operational and logistics costs.

We have consistently invested in infrastructure, technology, and service capabilities to enhance our offerings and expand our solutions across additional industry verticals and to overseas markets. Domestically, we have established an extensive infrastructure network in China, comprising warehouses, service centers and a flexible transportation capacity. We have also developed a suite of proprietary technologies that power our operations, including algorithm-powered intelligent supply chain platform and automation. Our infrastructure and innovations enable seamless operations of warehousing, distribution, transportation, and integrated last-mile delivery & installation. For example, in our engagements with Midea Group, we designed warehouse network layouts for the residential air-conditioning division and the residential air-conditioning division based on the locations of their respective plants and the distribution patterns of their respective orders to manage pooled inventory. We optimized the respective networks for delivery speed and cost efficiency, enabling each business unit to unify its online and offline fulfillment processes.

Our solutions have been successfully applied across multiple verticals, including home appliances and home furnishings, FMCG, such as personal care, beverages and alcohol, and new energy. Building on this foundation, we are actively replicating our service model to address the needs of additional sectors, such as automotive and auto parts and new energy (photovoltaic products) sectors. We are also preparing to extend our advanced domestic supply chain technologies and operational capabilities to overseas markets, with the goal of delivering high-quality, tailored supply chain logistics solutions to Chinese enterprises operating overseas.

Our ability to continuously innovate and expand our integrated solutions to meet evolving customer needs across different industries and geographies will affect our future growth and results of operations.

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Our ability to attract new customers and deepen relationships with existing customers

During the Track Record Period, our business experienced significant growth. Our total revenue increased by 14.5% from RMB14.2 billion in 2022 to RMB16.2 billion in 2023 and further increased by 15.0% to RMB18.7 billion in 2024 and increased by 20.2% from RMB9.1 billion for the six months ended June 30, 2024 to RMB10.9 billion for the six months ended June 30, 2025. Such growth was in part driven by our success in both acquiring new customers and deepening relationships with existing customers through the expansion of our service offerings. The number of customers who have engaged with us for over three years, has increased from 1,149 in 2022 to 1,677 in 2023, and further to 2,388 in 2024.

Through our integrated supply chain logistics solutions, we seek and deepen strategic partnerships with industry leaders, especially in the home appliances, home furnishings and FMCG sectors. By addressing key challenges across the supply chain, from production and distribution to last-mile delivery, we have positioned ourselves as a long-term strategic partner, enabling our customers’ sustainable growth and continue to expand our service scope with our existing customers. This close collaboration has empowered us to scale alongside industry leaders, while building a distinct competitive edge by identifying and fulfilling supply chain needs of businesses across their value chains. As a result, our customer base for integrated supply chain logistics solutions increased from 3,531 in 2022 to 3,962 in 2023 and to 5,399 in 2024, and further to 7,371 for the six months ended June 30, 2025. In addition, the number of key customers, those who used our integrated supply chain logistics solutions and contributed more than RMB30.0 million in annual revenue, amounted to 61 customers, 64 customers and 80 customers in 2022, 2023 and 2024, respectively.

Our continued growth will depend, in part, on our ability to attract new customers across industries and to broaden the scope of services provided to existing customers, reinforcing long-term partnerships.

Our ability to manage costs and optimize operating leverage and efficiency to stay competitive

Our results of operations are significantly influenced by our ability to effectively manage costs and optimize operating leverage and efficiency, which are important to maintaining the competitiveness of our solutions. Our cost of services, including direct labor expenses and outsourced service costs, is affected by various market factors, such as fluctuations in wage/salary levels, and competition for logistics resources, such as warehousing facilities and transportation capacity.

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We compete on the overall value of our solutions. We price our services with consideration of key resource costs, including labor, vehicles and warehouses. Our ability to manage these costs directly impacts the competitiveness of our pricing and, in turn, our market position. As our business continues to grow, we expect to benefit from economies of scale, which could enhance our bargaining power with suppliers and improve cost efficiency.

In addition, we anticipate more operational synergies as we expand the scale and scope of our network and infrastructure, including broader utilization of warehousing facilities and transportation routes. For example, increased scale enables us to systematically integrate and optimize operations across different customers and service solutions, shifting from fragmented, project-based management to industry- and scenario-oriented standardized operations. This allows us to enhance the resource utilization of key logistics elements such as workforce, vehicles, goods, and warehouses, thereby improving labor productivity and warehouse throughput. Our integrated supply chain logistics solutions, spanning multiple stages of the supply chain, provide us with stronger resource integration capabilities, reduce logistics handover points, strengthen service coordination and enable us to deliver higher-value, end to end solutions to our customers. These synergies enhance the overall value proposition of our service offerings and support our ability to price solutions competitively.

Our results of operations are also influenced by our ability to improve operating leverage, such as through higher utilization of our existing infrastructure and workforce, and by increasing the level of automation and data-driven decision-making across our operations. These efforts are intended to drive greater efficiency and support scalable, sustainable growth.

BASIS OF PRESENTATION

Our financial information during the Track Record Period has been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board. Our financial information during the Track Record Period has been prepared on the historical cost basis at the end of each reporting period. See note 3 to Appendix I — Accountants’ Report.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Note 3 to Appendix I — Accountants’ Report to this document sets forth certain material accounting policies, which are important for understanding our financial condition and results of operations.

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Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on past experiences and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. During the Track Record Period, there was no material deviation between our management’s estimates or assumptions and actual results, and we did not make any material changes to these estimates or assumptions. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

RESULTS OF OPERATIONS

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
(in thousands, except for percentages)										
							(unaudited)			
Revenue	14,172,818	100.0	16,224,032	100.0	18,663,340	100.0	9,053,184	100.0	10,884,715	100.0
Cost of services	(13,204,161)	(93.2)	(15,038,846)	(92.7)	(17,307,880)	(92.7)	(8,355,309)	(92.3)	(10,079,483)	(92.6)
Gross profit	968,657	6.8	1,185,186	7.3	1,355,460	7.3	697,875	7.7	805,232	7.4
Other income	41,230	0.3	80,086	0.5	120,902	0.5	69,112	0.8	65,319	0.6
Other gains and losses, net . .	(5,687)	—	(50,483)	(0.3)	703	—	2,468	—	(2,191)	—
Net impairment losses on										
financial assets	(34,411)	(0.2)	(10,813)	(0.1)	(27,773)	(0.1)	(29,566)	(0.3)	(8,714)	(0.1)
Distribution and selling										
expenses	(111,031)	(0.8)	(160,702)	(1.0)	(194,898)	(1.0)	(85,316)	(0.9)	(119,064)	(1.1)
Research and development										
expenses	(103,902)	(0.7)	(170,675)	(1.1)	(199,042)	(1.1)	(105,708)	(1.2)	(124,339)	(1.1)
Administrative expenses . . .	(423,845)	(3.1)	(447,535)	(2.7)	(499,408)	(2.7)	(238,524)	(2.7)	(248,428)	(2.3)
Finance costs	(55,865)	(0.4)	(67,856)	(0.4)	(83,433)	(0.4)	(48,507)	(0.5)	(35,268)	(0.3)
[REDACTED] expenses . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Profit before taxation	275,146	1.9	357,208	2.2	472,511	2.5	261,834	2.9	321,362	3.0
Income tax expense	(60,011)	(0.4)	(69,253)	(0.4)	(92,183)	(0.5)	(57,875)	(0.6)	(73,042)	(0.7)
Profit and total										
comprehensive income for										
the year	215,135	1.5	287,955	1.8	380,328	2.0	203,959	2.3	248,320	2.3

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NON-IFRS MEASURE

To supplement our consolidated financial statements that are presented in accordance with IFRS Accounting Standards, we also use adjusted profit for the year/period (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit for the year/period (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS Accounting Standards. We define adjusted profit for the year/period (a non-IFRS measure) as profit for the year/period adjusted for share-based compensations (a non-cash item) and [REDACTED] expenses. We define adjusted net margin (a non-IFRS measure) as adjusted profit for the year/period (a non-IFRS measure) as a percentage of our total revenue.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	<i>(in RMB thousands, except for percentages)</i>				
	<i>(unaudited)</i>				
Profit for the year/period	215,135	287,955	380,328	203,959	248,320
Add:					
Share-based compensation					
expenses	15,205	11,104	7,780	4,728	8,344
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted profit for the year/period (a non- IFRS measure)	<u>230,340</u>	<u>299,059</u>	<u>388,108</u>	<u>208,687</u>	<u>267,849</u>
Adjusted net margin (a non-IFRS measure)	1.6%	1.8%	2.1%	2.3%	2.5%

Our adjusted profit (a non-IFRS measure) in the first half of 2025 was RMB267.8 million with an adjusted net margin (a non-IFRS measure) of 2.5%, compared with an adjusted profit (a non-IFRS measure) of RMB208.7 million and an adjusted net margin (a non-IFRS measure) of

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2.3% in the first half of 2024. The increase in adjusted profit and adjusted net margin in the first half of 2025 was primarily due to better profit for the period on a stable net profit margin, with [REDACTED] expenses added back as part of the adjustment.

In 2024, we recorded an adjusted profit (a non-IFRS measure) of RMB388.1 million and an adjusted net margin (a non-IFRS measure) of 2.1%, as compared with an adjusted profit (a non-IFRS measure) of RMB299.1 million and an adjusted net margin (a non-IFRS measure) of 1.8% in 2023, primarily due to growth in gross profit on stable gross profit margin, and the absence of other losses in 2024.

Our adjusted profit (a non-IFRS measure) in 2022 was RMB230.3 million with an adjusted net margin (a non-IFRS measure) of 1.6%. The increase in adjusted profit and adjusted net margin in 2023 was primarily attributable to higher gross profit on improved gross profit margin, as well as better operating leverage on administrative expenses, partially offset by recognition of other losses, and lower operating leverage in distribution and selling expenses and research and development expenses.

PRINCIPAL COMPONENTS OF RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we mainly generated revenue from our integrated supply chain logistics solutions, and, to a lesser extent, from basic logistics services. We expect integrated supply chain logistics solutions to continue to be a major contributor to our total revenue going forward. For more details about these services, see “Business — Our Service Offerings.”

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By service offerings

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)									
	(unaudited)									
Integrated supply chain logistics solutions										
Production logistics	971,574	6.9	1,563,151	9.6	1,997,496	10.7	989,959	10.9	1,138,580	10.5
Omni-channel shared inventory and distribution	9,588,804	67.6	10,653,931	65.7	12,052,774	64.6	6,054,344	66.9	6,937,598	63.7
Integrated last-mile delivery & installation	1,604,084	11.3	1,880,999	11.6	2,292,403	12.3	983,836	10.9	1,209,566	11.1
Subtotal	12,164,462	85.8	14,098,081	86.9	16,342,673	87.6	8,028,139	88.7	9,285,744	85.3
Basic logistics services	2,008,356	14.2	2,125,951	13.1	2,320,667	12.4	1,025,045	11.3	1,598,971	14.7
Total	14,172,818	100.0	16,224,032	100.0	18,663,340	100.0	9,053,184	100.0	10,884,715	100.0

Our revenue increased by 20.2% from RMB9,053.2 million in the first half of 2024 to RMB10,884.7 million in the first half of 2025. We continued to strengthen our relationships with existing customers and broadened the scope of collaboration, and we actively expanded our customer base. Our revenue from integrated supply chain logistics solutions increased by 15.7% from RMB8,028.1 million in the first half of 2024 to RMB9,285.7 million in the first half of 2025. Our revenue from basic logistics services increased by 56.0% from RMB1,025.0 million in the first half of 2024 to RMB1,599.0 million in the first half of 2025, primarily driven by growth of our freight services. We discontinued digital freight services in June 2025, which will impact revenue from basic logistics services.

Our revenue increased by 15.0% from RMB16,224.0 million in 2023 to RMB18,663.3 million in 2024 primarily due to increased revenue across our service offerings. Our revenue from integrated supply chain logistics solutions increased by 15.9% from RMB14,098.1 million to RMB16,342.7 million, as we offered more service offerings to existing customers, converted certain customers from basic logistics services to our integrated supply chain logistics solutions and attracted new customers. Our revenue from basic logistics services increased by 9.2% from RMB2,126.0 million in 2023 to RMB2,320.7 million primarily because we acquired new customers.

Our revenue increased by 14.5% from RMB14,172.8 million in 2022 to RMB16,224.0 million in 2023, primarily due to increased revenue across our integrated supply chain logistics solutions. Our revenue from integrated supply chain logistics solutions increased by 15.9% from

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RMB12,164.5 million in 2022 to RMB14,098.1 million in 2023, as we offered more service offerings to existing customers, converted certain customers from basic logistics services to our integrated supply chain logistics solutions and attracted new customers. Our revenue from basic logistics services increased by 5.9% from RMB2,008.4 million in 2022 to RMB2,126.0 million in 2023 primarily because we optimized our business portfolio by discontinuing certain underperforming operations.

Cost of services

Our cost of services primarily consists of (i) procurement for logistics capacity, (ii) procurement for warehousing resources, (iii) direct labor expenses, (iv) depreciation and amortizations and (v) other operating costs.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>									
	<i>(unaudited)</i>									
Procurement for logistics capacity	10,267,279	77.8	11,611,262	77.2	13,384,345	77.3	6,413,113	76.8	7,749,100	76.9
Procurement for warehousing resources	1,987,029	15.0	2,207,359	14.7	2,599,308	15.0	1,321,572	15.8	1,655,766	16.4
Direct labor expenses	629,830	4.8	648,911	4.3	720,674	4.2	345,969	4.1	377,120	3.7
Depreciation and amortizations	101,390	0.8	106,418	0.7	112,562	0.7	55,720	0.7	58,006	0.6
Others	218,633	1.6	464,896	3.1	490,991	2.8	218,935	2.6	239,491	2.4
Total	13,204,161	100.0	15,038,846	100.0	17,307,880	100.0	8,355,309	100.0	10,079,483	100.0

Our cost of services increased by 20.6% from RMB8,355.3 million in the first half of 2024 to RMB10,079.5 million in the first half of 2025. Our cost of services increased by 15.1% from RMB15,038.8 million in 2023 to RMB17,307.9 million in 2024. Our cost of services increased by 13.9% from RMB13,204.2 million in 2022 to RMB15,038.8 million in 2023.

The increase in cost of services during the Track Record Period is in line with our revenue growth, reflecting higher business volumes during the periods.

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Gross profit and gross profit margin

By service offerings

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	<i>Gross profit</i>		<i>Gross profit</i>		<i>Gross profit</i>		<i>Gross profit</i>		<i>Gross profit</i>	
	<i>Gross profit</i>	<i>margin %</i>	<i>Gross profit</i>	<i>margin %</i>	<i>Gross profit</i>	<i>margin %</i>	<i>Gross profit</i>	<i>margin %</i>	<i>Gross profit</i>	<i>margin %</i>
<i>(in RMB thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Integrated supply chain logistics solutions										
Production logistics	69,101	7.1	116,283	7.4	138,185	6.9	66,625	6.7	77,984	6.8
Omni-channel shared inventory and distribution	624,972	6.5	749,083	7.0	811,329	6.7	440,444	7.3	494,852	7.1
Integrated last-mile delivery & installation	245,942	15.3	273,581	14.5	340,257	14.8	144,790	14.7	174,127	14.4
Subtotal	940,015	7.7	1,138,947	8.1	1,289,771	7.9	651,859	8.1	746,963	8.0
Basic logistics services	28,642	1.4	46,239	2.2	65,689	2.8	46,016	4.5	58,269	3.6
Total/Overall	968,657	6.8	1,185,186	7.3	1,355,460	7.3	697,875	7.7	805,232	7.4

Our overall gross profit margin decreased from 7.7% to 7.4% period-over-period in the first half of 2025, primarily due to changes in our business mix, including a higher contribution from freight services as part of basic logistics services, which carried lower margins.

Our overall gross profit margin remained stable at 7.3% in both 2023 and 2024. Gross profit margins for integrated last-mile delivery & installation remained stable. Our gross profit margins for production logistics and omni-channel shared inventory and distribution decreased in 2024, as we adopted more competitive pricing strategies. Our gross profit margin for basic logistics services increased from 2.2% in 2023 to 2.8% in 2024, primarily due to business mix optimization, including streamlining of lower-efficiency operations and higher average margins on new business in 2024 relative to our 2023 basic logistics portfolio.

Our overall gross profit margin increased from 6.8% in 2022 to 7.3% in 2023. Gross profit margins for production logistics and omni-channel shared inventory and distribution remained stable. Our gross profit margin for integrated last-mile delivery & installation slightly decreased from 15.3% in 2022 to 14.5% in 2023, primarily as we adopted a more competitive pricing strategy. Our gross profit margin for basic logistics services increased from 1.4% in 2022 to 2.2% in 2023, primarily because we optimized our business portfolio by discontinuing certain underperforming operations.

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Other income

Our other income during the Track Record Period primarily consisted of (i) government grants, (ii) interest income and (iii) others.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Government grants	30,867	74.9	52,134	65.1	61,360	50.8	34,369	49.7	35,015	53.6
Interest income	7,833	19.0	24,805	31.0	55,632	46.0	33,106	47.9	29,187	44.7
Others	2,530	6.1	3,147	3.9	3,910	3.2	1,637	2.4	1,117	1.7
Total	41,230	100.0	80,086	100.0	120,902	100.0	69,112	100.0	65,319	100.0
<i>as % of total revenue</i>		0.3		0.5		0.5		0.8		0.6

Our other income decreased by 5.5% from RMB69.1 million in the first half of 2024 to RMB65.3 million in the first half of 2025, primarily due to lower market interest rates.

Our other income increased by 94.2% from RMB41.2 million in 2022 to RMB80.1 million in 2023 and further increased by 51.0% to RMB120.9 million in 2024, primarily due to increased government grants and interest income.

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Distribution and selling expenses

Our selling expenses primarily include (i) employee compensation, (ii) business development expenses, (iii) travel expenses, (iv) advertising expenses and (v) others.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Employee compensation	87,044	78.4	129,971	80.9	157,617	80.8	68,606	80.4	97,284	81.8
Business development expenses . .	7,524	6.8	8,354	5.2	8,887	4.6	4,186	4.9	3,846	3.2
Travel expenses	5,646	5.1	8,652	5.4	12,131	6.2	4,910	5.8	6,647	5.6
Advertising expenses	2,241	2.0	2,279	1.4	3,139	1.6	1,286	1.5	2,792	2.3
Others	8,576	7.7	11,446	7.1	13,124	6.8	6,328	7.4	8,495	7.1
Total	111,031	100.0	160,702	100.0	194,898	100.0	85,316	100.0	119,064	100.0
<i>as % of total revenue</i>		<i>0.8</i>		<i>1.0</i>		<i>1.0</i>		<i>0.9</i>		<i>1.1</i>

Our distribution and selling expenses increased by 39.6% from RMB85.3 million in the first half of 2024 to RMB119.1 million in the first half of 2025, primarily due to higher staff costs for sales and marketing personnel.

Our distribution and selling expenses increased by 44.7% from RMB111.0 million in 2022 to RMB160.7 million in 2023, and further increased by 21.3% to RMB194.9 million in 2024, mainly reflecting our increased compensation to our sales and marketing personnel, commensurate with our business growth.

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Research and development expenses

Our research and development expenses primarily include (i) employee compensation, (ii) outsourced IT expenses for system development, (iii) lease and depreciation expenses, and (iv) others.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Employee compensation	72,989	70.2	108,427	63.5	130,478	65.6	78,955	74.7	84,378	67.9
Outsourced IT expenses for system development	28,626	27.6	53,924	31.6	54,844	27.5	21,331	20.1	31,101	25.0
Lease and depreciation expenses . .	1,459	1.4	5,553	3.3	12,407	6.2	4,715	4.5	8,313	6.7
Others	828	0.8	2,771	1.6	1,313	0.7	707	0.7	547	0.4
Total	103,902	100.0	170,675	100.0	199,042	100.0	105,708	100.0	124,339	100.0
<i>as % of total revenue</i>		<i>0.7</i>		<i>1.1</i>		<i>1.1</i>		<i>1.2</i>		<i>1.1</i>

Our research and development expenses increased by 17.6% from RMB105.7 million in the first half of 2024 to RMB124.3 million in the first half of 2025, primarily due to an increase in outsourced IT expenses for system development.

Our research and development expenses increased by 16.6% from RMB170.7 million in 2023 to RMB199.0 million in 2024, as we increased our compensation to R&D personnel to support our research and development efforts.

Our research and development expenses increased by 64.3% from RMB103.9 million in 2022 to RMB170.7 million in 2023, due to (i) an increase in compensation to R&D personnel and (ii) an increase in outsourced IT expenses for system development.

Administrative expenses

Our administrative expenses primarily include (i) employee compensation, (ii) depreciation and amortization, (iii) travel expenses, (iv) business development expenses, (v) third party service and IT maintenance expenses, (vi) lease and property management and (vii) others.

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	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)						(unaudited)			
Employee compensation	310,819	73.4	317,883	71.0	361,522	72.4	177,600	74.4	187,407	75.4
Depreciation and amortization . . .	19,906	4.7	17,562	3.9	22,731	4.6	8,994	3.8	12,415	5.0
Travel expenses	17,986	4.2	23,553	5.3	24,170	4.8	12,313	5.2	9,666	3.9
Business development expenses . .	17,972	4.2	24,089	5.4	19,853	4.0	8,256	3.5	9,886	4.0
Third party service and IT maintenance expenses	9,772	2.3	19,909	4.4	9,279	1.9	4,516	1.9	4,217	1.7
Lease and property management . .	6,864	1.6	9,319	2.1	14,211	2.8	4,137	1.7	7,781	3.1
Others	40,526	9.6	35,220	7.9	47,642	9.5	22,708	9.5	17,056	6.9
Total	423,845	100.0	447,535	100.0	499,408	100.0	238,524	100.0	248,428	100.0
as % of total revenue		3.1		2.7		2.7		2.7		2.3

Our administrative expenses increased by 4.2% from RMB238.5 million in the first half of 2024 to RMB248.4 million in the first half of 2025, primarily due to increased employee compensation.

Our administrative expenses increased by 5.6% from RMB423.8 million in 2022 to RMB447.5 million in 2023, and further increased by 11.6% to RMB499.4 million in 2024, as we incurred more compensation expenses associated with administrative personnel to support our business growth.

Finance costs

Our finance costs include interest expense on lease liabilities and bank borrowings.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)						(unaudited)			
Interest expense on lease liabilities .	49,394	88.4	59,269	87.3	58,396	70.0	29,789	61.4	26,680	75.6
Interest expense on bank borrowings	6,471	11.6	8,587	12.7	25,037	30.0	18,718	38.6	8,588	24.4
Total	55,865	100.0	67,856	100.0	83,433	100.0	48,507	100.0	35,268	100.0
as % of total revenue		0.4		0.4		0.4		0.5		0.3

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Our finance costs decreased by 27.3% from RMB48.5 million in the first half of 2024 to RMB35.3 million in the first half of 2025, primarily due to lower interest rates for bank borrowings in 2025 as compared with early 2024.

Our finance costs increased by 21.5% from RMB55.9 million in 2022 to RMB67.9 million in 2023, and further increased by 23.0% to RMB83.4 million in 2024, primarily due to higher interest expenses associated with an increase in interest-bearing liabilities.

Other gains and losses

Our other gains and losses primarily represent (i) net gains/loss on disposal /written off of property, plant and equipment and right-of-use assets, (ii) provision/reversal of provision for claims and (iii) others.

In 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our other gains and losses amounted to loss of RMB5.7 million, loss of RMB50.5 million, gain of RMB0.7 million, gain of RMB2.5 million and loss of RMB2.2 million, representing less than 0.3% of our total revenue in each of the respective periods.

Net impairment losses on financial assets

Our net impairment losses on financial assets represents our net impairment losses on trade and note receivables and other receivables.

In 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our net impairment losses on financial assets, amounted RMB34.4 million, RMB10.8 million, RMB27.8 million, RMB29.6 million and RMB8.7 million, representing less than 0.3% of our total revenue in each of the respective periods.

Income tax expense

We are subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which the members of our Group are domiciled and operate. Our income tax expense comprises current income tax and deferred tax.

Several of our subsidiaries were entitled to a preferential income tax rate of 15% for certain years during the Track Record Period for registering in the western region of the PRC. Several of our subsidiaries were entitled the income tax rate from 2.5% to 10% for the micro and small enterprises qualification. In addition, our enterprises engaging in research and development

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activities were entitled to additional 100% tax deduction of their qualified research and development expenses under relevant laws and regulations in the PRC during the Track Record Period. For details, see note 10 to Appendix I — Accountants’ Report.

As of the Latest Practicable Date and during the Track Record Period, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

COMPARISON OF RESULTS OF OPERATIONS

Six months ended June 30, 2025 compared to six months ended June 30, 2024

Revenue

By service offerings

	For the Six Months Ended June 30,		
	2024	2025	% change
	(in RMB thousands, except for percentages)		
	(unaudited)		
Revenue			
Integrated supply chain logistics solutions			
Production logistics	989,959	1,138,580	15.0
Integrated warehousing and distribution . .	6,054,344	6,937,598	14.6
Integrated last-mile delivery & installation	983,836	1,209,566	22.9
Subtotal	8,028,139	9,285,744	15.7
Basic logistics services	1,025,045	1,598,971	56.0
Total	9,053,184	10,884,715	20.2

Our revenue increased by 20.2% from RMB9,053.2 million for the six months ended June 30, 2024 to RMB10,884.7 million for the six months ended June 30, 2025. We continued to enhance our solutions and service capabilities in the period, which strengthened our relationships with existing customers and broadened the scope of collaboration, contributing to an increase in revenue. In addition, we actively expanded our customer base, and the business volume from newly acquired customers also contributed our revenue growth in the period.

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Our revenue from integrated supply chain logistics solutions increased by 15.7% from RMB8,028.1 million for the six months ended June 30, 2024 to RMB9,285.7 million for the six months ended June 30, 2025. The number of our customers for integrated supply chain logistics solutions increased to 7,371 for the six months ended June 30, 2025.

Our revenue from basic logistics services increased by 56.0% from RMB1,025.0 million for the six months ended June 30, 2024 to RMB1,599.0 million for the six months ended June 30, 2025, primarily driven by growth of our freight services. We discontinued digital freight services in June 2025, which will impact revenue from basic logistics services.

Cost of services

	For the Six Months Ended June 30,		
	2024	2025	% change
	(in RMB thousands, except for percentages)		
	(unaudited)		
Cost of services			
Procurement for logistics capacity	6,413,113	7,749,100	20.8
Procurement for warehousing resources . . .	1,321,572	1,655,766	25.3
Director labor expenses	345,969	377,120	9.0
Depreciation and amortizations	55,720	58,006	4.1
Others	218,935	239,491	9.4
Total	8,355,309	10,079,483	20.6
<i>as % of total revenue</i>	92.3%	92.6%	

Our cost of services increased by 20.6% from RMB8,355.3 million for the six months ended June 30, 2024 to RMB10,079.5 million for the six months ended June 30, 2025, in line with our revenue growth, reflecting higher business volume during the period.

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Gross profit and gross profit margin

By service offerings

	Six Months Ended June 30, 2024		Six Months Ended June 30, 2025	
	Gross profit	Gross profit margin %	Gross profit	Gross profit margin %
(in RMB thousands, except for percentages)				
(unaudited)				
Integrated supply chain logistics solutions				
Production logistics	66,625	6.7	77,984	6.8
Integrated warehousing and distribution	440,444	7.3	494,852	7.1
Integrated last-mile delivery & installation	144,790	14.7	174,127	14.4
Subtotal	651,859	8.1	746,963	8.0
Basic logistics services	46,016	4.5	58,269	3.6
Total/Overall	697,875	7.7	805,232	7.4

As a result of the foregoing, our overall gross profit increased by 15.4% from RMB697.9 million for the six months ended June 30, 2024 to RMB805.2 million for the six months ended June 30, 2025. Our overall gross profit margin decreased from 7.7% to 7.4% over the same period, primarily due to changes in our business mix, including a higher contribution from freight services as part of basic logistics services, which carried lower margins.

Other income

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2025	% change
(in thousands, except for percentages)			
(unaudited)			
Other income	69,112	65,319	(5.5)
as % of total revenue	0.8	0.6	

Our other income decreased by 5.5% from RMB69.1 million for the six months ended June 30, 2024 to RMB65.3 million for the six months ended June 30, 2025, primarily due to lower market interest rates.

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Distribution and selling expenses

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2025	% change
<i>(in thousands, except for percentages)</i>			
<i>(unaudited)</i>			
Distribution and selling expenses	85,316	119,064	39.6
as % of total revenue	0.9	1.1	

Our distribution and selling expenses increased by 39.6% from RMB85.3 million for the six months ended June 30, 2024 to RMB119.1 million for the six months ended June 30, 2025, primarily due to higher staff costs for sales and marketing personnel.

Research and development expenses

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2025	% change
<i>(in thousands, except for percentages)</i>			
<i>(unaudited)</i>			
Research and development expenses	105,708	124,339	17.6
as % of total revenue	1.2	1.1	

Our research and development expenses increased by 17.6% from RMB105.7 million for the six months ended June 30, 2024 to RMB124.3 million for the six months ended June 30, 2025, primarily due to an increase in outsourced IT expenses for system development.

Administrative expenses

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2025	% change
<i>(in thousands, except for percentages)</i>			
<i>(unaudited)</i>			
Administrative expenses	238,524	248,428	4.2
as % of total revenue	2.7	2.3	

Our administrative expenses increased by 4.2% from RMB238.5 million for the six months ended June 30, 2024 to RMB248.4 million for the six months ended June 30, 2025, primarily due to increased employee compensation.

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Finance costs

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2025	% change
	<i>(in thousands, except for percentages)</i>		
	<i>(unaudited)</i>		
Finance costs.	48,507	35,268	(27.3)
as % of total revenue	0.5	0.3	

Our finance costs decreased by 27.3% from RMB48.5 million for the six months ended June 30, 2024 to RMB35.3 million for the six months ended June 30, 2025, primarily due to lower interest rate for bank borrowings in 2025 as compared with early 2024, while interest on lease liabilities remained broadly stable.

Other gains and losses

Our other gains and losses changed from a net gain of RMB2.5 million for the six months ended June 30, 2024 to a net loss of RMB2.2 million for the six months ended June 30, 2025, primarily due to the absence in 2025 of a one-off gain on disposal of certain right-of-use assets recognized in 2024 and period-to-period movements in provisions for claims.

Net impairment losses on financial assets

Our net impairment losses on financial assets decreased from RMB29.6 million for the six months ended June 30, 2024 to RMB8.7 million for the six months ended June 30, 2025, primarily due to improved collections and a healthier aging profile of trade and notes receivables following enhanced collection efforts.

Income tax expense

Our income tax expense increased by 26.2% from RMB57.9 million for the six months ended June 30, 2024 to RMB73.0 million for the six months ended June 30, 2025, primarily due to higher taxable profit driven by revenue growth.

Profit for the period

As a result of the foregoing, our profit for the period increased by 21.7% from RMB204.0 million for the six months ended June 30, 2024 to RMB248.3 million for the six months ended June 30, 2025.

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2024 compared to 2023

Revenue

By service offerings

	2023	2024	% change
<i>(in RMB thousands, except for percentages)</i>			
Revenue			
Integrated supply chain logistics solutions			
Production logistics	1,563,151	1,997,496	27.8
Omni-channel shared inventory and distribution	10,653,931	12,052,774	13.1
Integrated last-mile delivery & installation	1,880,999	2,292,403	21.9
Subtotal	14,098,081	16,342,673	15.9
Basic logistics services	2,125,951	2,320,667	9.2
Total	16,224,032	18,663,340	15.0

Our revenue increased by 15.0% from RMB16,224.0 million in 2023 to RMB18,663.3 million in 2024 primarily due to increased revenue across our service offerings.

Our revenue from integrated supply chain logistics solutions increased by 15.9% from RMB14,098.1 million to RMB16,342.7 million, as we offered more services offerings to existing customers, converted certain customers for basic logistics services to our integrated supply chain logistics solutions and attracted new customers. The number of our customers for integrated supply chain logistics solutions increased from 3,962 in 2023 to 5,399 in 2024. The number of key customers, those who used our integrated supply chain logistics solutions and contributed more than RMB30.0 million in annual revenue, grew from 64 in 2023 to 80 in 2024. The aggregated revenue from these key customers increased by 19.6% from RMB9,238.2 million in 2023 to RMB11,049.4 million in 2024.

Our revenue from basic logistics services increased by 9.2% from RMB2,126.0 million in 2023 to RMB2,320.7 million primarily because we acquired new customers. The number of our customers for basic logistics services increased from 2,456 in 2023 to 3,000 in 2024.

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Cost of services

	2023	2024	% change
	<i>(in RMB thousands, except for percentages)</i>		
Cost of services			
Procurement for logistics capacity	11,611,262	13,384,345	15.3
Procurement for warehousing resources . . .	2,207,359	2,599,308	17.8
Director labor expenses	648,911	720,674	11.1
Depreciation and amortizations	106,418	112,562	5.8
Others	464,896	490,991	5.6
Total	15,038,846	17,307,880	15.1
<i>as % of total revenue</i>	<i>92.7</i>	<i>92.7</i>	

Our cost of services increased by 15.1% from RMB15,038.8 million in 2023 to RMB17,307.9 million in 2024 primarily due to our business growth.

Gross profit and gross profit margin

By service offerings

	2023		2024	
	Gross profit	Gross profit margin %	Gross profit	Gross profit margin %
	<i>(in RMB thousands, except for percentages)</i>			
Integrated supply chain logistics solutions				
Production logistics	116,283	7.4	138,185	6.9
Omni-channel shared inventory and distribution	749,083	7.0	811,329	6.7
Integrated last-mile delivery & installation	273,581	14.5	340,257	14.8
Subtotal	1,138,947	8.1	1,289,771	7.9
Basic logistics services	46,239	2.2	65,689	2.8
Total/Overall	1,185,186	7.3	1,355,460	7.3

As a result of the foregoing, our overall gross profit increased by 14.4% from RMB1,185.2 million in 2023 to RMB1,355.5 million in 2024. Our overall gross profit margin remained stable at 7.3% in both 2023 and 2024. Gross profit margins for integrated last-mile delivery & installation remained stable.

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Our gross profit margin for production logistics decreased from 7.4% in 2023 to 6.9% in 2024, as we further developed this business line by adopting a more competitive pricing strategy. Our gross profit margin for omni-channel shared inventory and distribution decreased from 7.0% in 2023 to 6.7% in 2024, as we priced our services more competitively to attract customers. Our gross profit margin for basic logistics services increased from 2.2% in 2023 to 2.8% in 2024, primarily due to business mix optimization, including streamlining lower-margin existing services and introducing higher-margin new services.

Other income

	2023	2024	% change
	<i>(in RMB thousands, except for percentages)</i>		
Other income	80,086	120,902	51.0
as % of total revenue	0.5	0.5	

Our other income increased by 51.0% from RMB80.1 million in 2023 to RMB120.9 million in 2024, primarily from increase in government grants and interest income.

Distribution and selling expenses

	2023	2024	% change
	<i>(in RMB thousands, except for percentages)</i>		
Distribution and selling expenses	160,702	194,898	21.3
as % of total revenue	1.0	1.0	

Our distribution and selling expenses increased by 21.3% from RMB160.7 million in 2023 to RMB194.9 million in 2024, mainly reflecting our increased compensation to our sales and marketing personnels, commensurate with our revenue growth. Our distribution and selling expenses as a percentage of our total revenue remained stable at 1.0% in both 2023 and 2024.

Research and development expenses

	2023	2024	% change
	<i>(in RMB thousands, except for percentages)</i>		
Research and development expenses	170,675	199,042	16.6
as % of total revenue	1.1	1.1	

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Our research and development expenses increased by 16.6% from RMB170.7 million in 2023 to RMB199.0 million in 2024, as we increased our compensation to R&D personnels to support our research and development efforts. Our research and development expenses as a percentage of our total revenue remained stable at 1.1% in 2023 and 2024.

Administrative expenses

	2023	2024	% change
	<i>(in RMB thousands, except for percentages)</i>		
Administrative expenses	447,535	499,408	11.6
as % of total revenue	2.7	2.7	

Our administrative expenses increased by 11.6% from RMB447.5 million in 2023 to RMB499.4 million in 2024, primarily due to increased employee compensation and other personnel related expenses, commensurate with our business growth. Our administrative expenses as a percentage of our total revenue remained stable at 2.7% in 2023 and 2024.

Finance costs

	2023	2024	% change
	<i>(in RMB thousands, except for percentages)</i>		
Finance costs.	67,856	83,433	23.0
as % of total revenue	0.4	0.4	

Our finance costs increased by 23.0% from RMB67.9 million in 2023 to RMB83.4 million in 2024, primarily due to higher interest expenses associated with an increase in interest-bearing liabilities.

Other gains and losses

Our other gains and losses changed from losses of RMB50.5 million in 2023 to gains of RMB0.7 million in 2024, primarily due to decrease in provision for claims.

Net impairment losses on financial assets

Our net impairment losses on financial assets changed from losses recognized of RMB10.8 million in 2023 to RMB27.8 million in 2024, primarily due to higher impairment for trade and other receivables.

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Income tax expense

Our income tax expense increased by 33.1% from RMB69.3 million in 2023 to RMB92.2 million in 2024, primarily due to overall increase in profit before taxation. Our income tax expense as a percentage of our total profit before tax remained stable at 19.5% in 2024, compared to 19.4% in 2023.

Profit for the year

As a result of the foregoing, our profit for the year increased by 32.1% from RMB288.0 million in 2023 to RMB380.3 million in 2024.

2023 compared to 2022

Revenue

By service offerings

	2022	2023	% change
	<i>(in RMB thousands, except for percentages)</i>		
Revenue			
Integrated supply chain logistics solutions			
Production logistics	971,574	1,563,151	60.9
Omni-channel shared inventory and distribution	9,588,804	10,653,931	11.1
Integrated last-mile delivery & installation	1,604,084	1,880,999	17.3
Subtotal	12,164,462	14,098,081	15.9
Basic logistics services	2,008,356	2,125,951	5.9
Total	14,172,818	16,224,032	14.5

Our revenue increased by 14.5% from RMB14,172.8 million in 2022 to RMB16,224.0 million in 2023, primarily due to increased revenue across our integrated supply chain logistics solutions.

Our revenue from integrated supply chain logistics solutions increased by 15.9% from RMB12,164.5 million in 2022 to RMB14,098.1 million in 2023, as we offered more services to existing customers, converted certain customers for basic logistics services to our integrated supply chain logistics solutions and attracted new customers. The number of our customers for

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supply chain logistics solutions increased from 3,531 in 2022 to 3,962 in 2023. The number of key customers, those who used our integrated supply chain logistics solutions and contributed more than RMB30.0 million in annual revenue, grew from 61 in 2022 to 64 in 2023. The aggregated revenue from these customers increased by 6.4% from RMB8,682.3 million in 2022 to RMB9,238.2 million in 2023.

Our basic logistics services increased by 5.9% from RMB2,008.4 million in 2022 to RMB2,126.0 million in 2023 primarily because we optimized our business portfolio by discontinuing certain underperforming operations.

Cost of services

	2022	2023	% change
<i>(in RMB thousands, except for percentages)</i>			
Cost of services			
Procurement for logistics capacity	10,267,279	11,611,262	13.1
Procurement for warehousing resources . . .	1,987,029	2,207,359	11.1
Director labor expenses	629,830	648,911	3.0
Depreciation and amortizations	101,390	106,418	5.0
Others	218,633	464,896	112.6
Total	13,204,161	15,038,846	13.9
<i>as % of total revenue</i>	<i>93.2</i>	<i>92.7</i>	

Our cost of services increased by 13.9% from RMB13,204.2 million in 2022 to RMB15,038.8 million in 2023 as we incurred more costs from procurement for logistics capacity and warehousing resources, in line with our business expansion.

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Gross profit and gross profit margin

By service offerings

	2022		2023	
	Gross profit	Gross profit margin %	Gross profit	Gross profit margin %
(in RMB thousands, except for percentages)				
Integrated supply chain logistics solutions				
Production logistics	69,101	7.1	116,283	7.4
Omni-channel shared inventory and distribution	624,972	6.5	749,083	7.0
Integrated last-mile delivery & installation	245,942	15.3	273,581	14.5
Subtotal	940,015	7.7	1,138,947	8.1
Basic logistics services	28,642	1.4	46,239	2.2
Total/Overall	968,657	6.8	1,185,186	7.3

As a result of the foregoing, our gross profit increased by 22.4% from RMB968.7 million in 2022 to RMB1,185.2 million in 2023. Our overall gross profit margin increased from 6.8% in 2022 to 7.3% in 2023. Gross profit margins for production logistics and omni-channel shared inventory and distribution remained stable.

Our gross profit margin for integrated last-mile delivery & installation slightly decreased from 15.3% in 2022 to 14.5% in 2023, primarily as we expanded this business line by adopting a more competitive pricing strategy. Our gross profit margin for basic logistics services increased from 1.4% in 2022 to 2.2% in 2023, primarily because we optimized our business portfolio by discontinuing certain underperforming operations.

Other income

	2022	2023	% change
(in RMB thousands, except for percentages)			
Other income	41,230	80,086	94.2
as % of total revenue	0.3	0.5	

Our other income increased by 94.2% from RMB41.2 million in 2022 to RMB80.1 million in 2023, primarily due to increased government grants and interest income.

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Distribution and selling expenses

	2022	2023	% change
	<i>(in RMB thousands, except for percentages)</i>		
Distribution and selling expenses	111,031	160,702	44.7
as % of total revenue	0.8	1.0	

Our distribution and selling expenses increased by 44.7% from RMB111.0 million in 2022 to RMB160.7 million in 2023 primarily due to an increase in employee compensations as we attracted new talents in sales and marketing to further promote our brand. This also led to an increase in our distribution and selling expenses as a percentage of our total revenue from 0.8% in 2022 to 1.0% in 2023.

Research and development expenses

	2022	2023	% change
	<i>(in RMB thousands, except for percentages)</i>		
Research and development expenses	103,902	170,675	64.3
as % of total revenue	0.7	1.1	

Our research and development expenses increased by 64.3% from RMB103.9 million in 2022 to RMB170.7 million in 2023, due to (i) an increase in compensation to R&D personnels and (ii) an increase in outsourced IT expenses for system development. This also led to an increase in our research and development expenses as a percentage of our total revenue from 0.7% in 2022 to 1.1% in 2023.

Administrative expenses

	2022	2023	% change
	<i>(in RMB thousands, except for percentages)</i>		
Administrative expenses	423,845	447,535	5.6
as % of total revenue	3.1	2.7	

Our administrative expenses increased by 5.6% from RMB423.8 million in 2022 to RMB447.5 million in 2023, as we incurred more compensation expenses associated with third party services and IT maintenance and administrative personnel. Our administrative expenses as a percentage of our revenue decreased from 3.1% in 2022 to 2.7% in 2023, primarily as a result of improved operating leverage driven by higher revenue.

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Finance costs

	2022	2023	% change
	<i>(in RMB thousands, except for percentages)</i>		
Finance costs.	55,865	67,856	21.5
as % of total revenue	0.4	0.4	

Our finance costs increased by 21.5% from RMB55.9 million in 2022 to RMB67.9 million in 2023 primarily due to an increase in interest expenses associated with an increase in interest-bearing liabilities. Our finance costs as a percentage of our total revenue remained stable at 0.4% in 2022 and 2023.

Other gains and losses

Our other gains and losses changed from losses of RMB5.7 million in 2022 to losses of RMB50.5 million in 2023, primarily due to increase in provision for litigations. For more information, see note 25 to Appendix I — Accountants’ Report.

Net impairment losses on financial assets

Our net impairment losses on financial assets changed from losses of RMB34.4 million recognized in 2022 to losses of RMB10.8 million recognized in 2023, as the decrease in net impairment losses on trade receivables.

Income tax expense

Our income tax expense increased by 15.4% from RMB60.0 million in 2022 to RMB69.3 million in 2023, primarily due to overall increase in profit before taxation. Our income tax expense as a percentage of our total profit before tax decreased from 21.8% in 2022 to 19.4% in 2023.

Profit for the year

As a result of the foregoing, our profit for the year increased by 33.8% from RMB215.1 million in 2022 to RMB288.0 million in 2023.

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LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our operations primarily through a combination of cash generated from operations and borrowings. As of December 31, 2024 and June 30, 2025, we had cash and cash equivalents of RMB617.8 million and RMB1,057.4 million, respectively.

Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash generated from operations and net [REDACTED] from the [REDACTED]. As of June 30, 2025, we had unutilized bank loan facilities of RMB580.6 million.

The Directors are of the view that, taking into account the financial resources available to us, including cash and cash equivalents, term deposits, our available banking facilities, cash flows from operating activities and net [REDACTED] from the [REDACTED], we have sufficient working capital for our present requirements, for the next 12 months from the date of the [REDACTED].

Net current liabilities

The table below sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in RMB thousands)			
Current assets				
Trade and other receivables and prepayments	2,378,331	2,258,629	2,607,862	3,444,227
Restricted cash	4,149	4,993	273,820	1,072,509
Term deposits	—	—	374,567	440,363
Cash and cash equivalents	441,803	2,169,962	617,816	1,057,394
Total current assets	2,824,283	4,433,584	3,874,065	6,014,493
Current liabilities				
Trade and other payables	3,008,665	3,515,262	3,899,860	4,708,229
Contract liabilities	114,247	84,010	126,894	90,435
Current tax liabilities	66,209	52,917	39,514	50,066
Lease liabilities due within one year	486,539	562,322	558,901	642,675
Bank borrowings	21,325	1,080,410	547,941	1,400,351
Total current liabilities	3,696,985	5,294,921	5,173,110	6,891,756
Net current liabilities	(872,702)	(861,337)	(1,299,045)	(877,263)

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Comparison between June 30, 2025 and December 31, 2024

Our net current liabilities decreased from RMB1,299.0 million as of December 31, 2024 to RMB877.3 million as of June 30, 2025, primarily due to an increase in trade and other receivables and prepayments, restricted cash and cash and cash equivalents, partially offset by an increase in trade and other payables and bank borrowings.

Despite our net current liabilities position as of June 30, 2025, we believe we have sufficient working capital to meet our present requirements and that our liquidity position remains healthy, based on the following considerations: (i) our term deposits of RMB2.4 billion as of June 30, 2025, which, although classified as non-current assets, may be withdrawn to settle current liabilities if necessary; (ii) a significant portion of our current liabilities comprises contract liabilities, which do not involve expected future cash outflows; (iii) we expect to continue generating positive operating cash flows, taking into account our historical collection patterns of trade receivables across different periods of the year; and (iv) we had access to undrawn banking facilities amounting to RMB580.6 million as of June 30, 2025.

Comparison between December 31, 2024 and December 31, 2023

Our net current liabilities increased from RMB861.3 million as of December 31, 2023 to RMB1,299.0 million as of December 31, 2024, primarily due to an increase in trade and other payables and a decrease in cash and cash equivalents, partially offset by an increase in trade and other receivables and prepayments, restricted cash and term deposits and a decrease in bank borrowings.

Comparison between December 31, 2023 and December 31, 2022

Our net current liabilities decreased from RMB872.7 million as of December 31, 2022 to RMB861.3 million as of December 31, 2023, primarily due to an increase in cash and cash equivalents, partially offset by an increase in trade and other payables and bank borrowings and a decrease in trade and other receivables and prepayments.

SELECTED BALANCE SHEET ITEMS

Trade and note receivables

Our trade and note receivables primarily arise from our services offered to our customers on credit. We usually grant credit periods of up to 60 days to our major customers.

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The table below sets forth the breakdown of our trade and note receivables as of the dates indicated.

	As at December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(in RMB thousands)</i>			
Trade and note receivables				
— Trade receivables	1,605,915	1,590,850	1,628,691	2,332,013
— Note receivables	395,164	303,996	375,253	416,657
	<u>2,001,079</u>	<u>1,894,846</u>	<u>2,003,944</u>	<u>2,748,670</u>
Less: allowance for credit losses				
— Trade receivables	(65,716)	(73,551)	(87,098)	(93,019)
— Note receivables	(1,480)	(81)	(27)	(18)
	<u>(67,196)</u>	<u>(73,632)</u>	<u>(87,125)</u>	<u>(93,037)</u>
	<u><u>1,933,883</u></u>	<u><u>1,821,214</u></u>	<u><u>1,916,819</u></u>	<u><u>2,655,633</u></u>

Our trade and note receivables decreased by 5.8% from RMB1,933.9 million as of December 31, 2022 to RMB1,821.2 million as of December 31, 2023. The lower year-end balance is mainly driven by our enhanced collection management. Our trade and note receivables increased by 5.2% from RMB1,821.2 million as of December 31, 2023 to RMB1,916.8 million as of December 31, 2024. Our trade and note receivables increased by 38.5% from RMB1,916.8 million as of December 31, 2024 to RMB2,655.6 million as of June 30, 2025. The higher balances at the end of 2024 and first half of 2025 were primarily attributable to our higher business volumes. The change in our impairment losses matched the change in our trade and note receivables. See “— Principal Components of Results of Operations — Net impairment loss on financial assets.”

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Aging analysis

The table below sets forth an aging analysis of our trade and note receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in RMB thousands)			
0–90 days	1,833,378	1,689,287	1,743,182	2,481,092
91–180 days	99,651	131,927	173,637	173,958
181 days–1 year	854	—	—	583
Total	1,933,883	1,821,214	1,916,819	2,655,633

Turnover days

The table below sets forth the turnover days of our trade and note receivables for the periods indicated. Trade and bills receivable turnover days for each period equals the average of the beginning and ending balances of trade and note receivables for that period divided by revenue for that period and multiplied by the number of days in that period.

	2022	2023	2024	Six months ended June 30, 2025
Trade and note receivables turnover days	43	42	37	38

Our trade and note receivables turnover days remained stable at 43 days in 2022 and 42 days in 2023. Our trade receivable turnover days decreased from 42 days in 2023 to 37 days in 2024, as we readjusted our own credit cycle and enhanced our collection management. Our trade and note receivables turnover days remained stable at 37 days as of 2024 and 38 days in the six months ended June 30, 2025.

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Subsequent settlement

As of July 31, 2025, 77.6% of our total trade receivables as of June 30, 2025, or RMB1,737.9 million, were settled.

Other receivables and prepayments

Our other receivables and prepayments primarily include various costs on a prepaid basis, various deposits in the ordinary course of our business and other miscellaneous receivables.

The table below sets forth the breakdown of our other receivables and prepayments as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(in RMB thousands)</i>			
Refundable deposits	257,551	303,874	437,311	493,986
Prepayments to suppliers	183,568	125,966	245,057	287,645
Tax recoverables	8,311	21,209	28,180	24,886
Deferred issue costs	—	—	—	1,604
Prepaid [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	8,293	2,519	6,129	7,911
	457,723	453,568	716,677	817,006
Less: allowance for credit losses	(13,275)	(16,153)	(25,634)	(28,412)
Total	444,448	437,415	691,043	788,594

Our other receivables and prepayments decreased by 1.6% from RMB444.4 million as of December 31, 2022 to RMB437.4 million as of December 31, 2023. The lower year-end balance is mainly driven by a decrease in prepayments to suppliers, due to lower mix of services that require such prepayments. Our other receivables and prepayments increased by 58.0% to RMB691.0 million as of December 31, 2024. Our other receivables and prepayments increased by 14.1% to RMB788.6 million as of June 30, 2025. The higher balances at the end of 2024 and first half of 2025 were primarily attributable to higher refundable deposits and prepayments to suppliers, driven by an increased level of outstanding services procured to support our elevated business volumes.

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Trade and other payables

Our trade and other payables primarily include trade and note payables to our suppliers and other payables occurred in the ordinary course of our business. Our suppliers usually grant us a credit period between 0 to 120 days to settle our purchases of goods or services.

The table below sets forth the breakdown of our trade and other payables as of the dates indicated.

	As at December 31,			As of June 30,
	2022	2023	2024	2025
	(in RMB thousands)			
Trade and note payables				
Trade payables	2,223,587	2,602,176	2,899,544	3,670,548
Note payables	64,844	104,499	82,766	79,927
	<u>2,288,431</u>	<u>2,706,675</u>	<u>2,982,310</u>	<u>3,750,475</u>
Other payables				
Payroll payables	248,890	304,436	317,831	253,118
Deposits received	450,101	476,820	536,423	637,046
Accrued issue costs	—	—	—	1,222
Accrued [REDACTED] expenses . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other tax payables	18,985	24,962	60,032	55,610
Others	2,258	2,369	3,264	2,404
	<u>720,234</u>	<u>808,587</u>	<u>917,550</u>	<u>957,754</u>
Total	<u>3,008,665</u>	<u>3,515,262</u>	<u>3,899,860</u>	<u>4,708,229</u>

Our trade and other payables increased by 16.8% from RMB3,008.7 million as of December 31, 2022 to RMB3,515.3 million as of December 31, 2023, increased by 10.9% to RMB3,899.9 million as of December 31, 2024 and further increased by 20.7% to RMB4,708.2 million as of June 30, 2025, primarily attributable to higher trade and note payables, as we procured more services to support our business growth.

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Aging analysis

The table below sets forth an aging analysis of our trade and note payables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(in RMB thousands)			
Within 90 days	2,094,091	2,459,457	2,730,608	3,530,440
91 to 180 days	114,737	116,197	129,942	74,887
181 to 365 days	30,792	48,266	46,720	66,538
Over 1 year	48,811	82,755	75,040	78,610
Total	2,288,431	2,706,675	2,982,310	3,750,475

Turnover days

The table below sets forth the turnover days of our trade and note payables for the periods indicated. Trade and note payables turnover days for each period equals the average of the beginning and ending balances of trade and note payables for that period divided by cost of services for that period and multiplied by the number of days in that period.

	2022	2023	2024	Six months ended June 30, 2025
Trade and note payables turnover days	55	61	60	61

Our trade and note payables turnover days increased from 55 days in 2022 to 61 days in 2023, as we aimed to optimize our working capital and adjusted our payment terms with some of our suppliers. Our trade and bills payable turnover days remained stable at 61 days as of 2023, 60 days in 2024 and 61 days in June 30, 2025.

Subsequent settlement

As of July 31, 2025, 42.5% of our total trade payables as of June 30, 2025, or RMB1,559.0 million, were settled.

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Contract liabilities

Our contract liabilities primarily represent advance payments received from our customers for our services. The table below sets forth the breakdown of our contract liabilities as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(in RMB thousands)</i>			
Advances from customers for				
integrated supply chain logistics				
solutions and basic logistics				
services	114,247	84,010	126,894	90,435

Our contract liabilities decreased by 26.5% from RMB114.2 million as of December 31, 2022 to RMB84.0 million as of December 31, 2023 and then increased by 51.0% to RMB126.9 million as of December 31, 2024. Our contract liabilities decreased by 28.7% from RMB126.9 million as of December 31, 2024 to RMB90.4 million as of June 30, 2025. Due to changes in the mix of services that require advance payments from customers, our contract liabilities at period-end have experienced fluctuations.

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CASH FLOWS

The table below sets forth our cash flows for the periods indicated.

	Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	<i>(in RMB thousands)</i>			<i>(unaudited)</i>	
Operating cash flows before					
movements in working capital . . .	1,036,704	1,173,332	1,291,681	703,810	742,550
Changes in working capital	(208,774)	389,212	(204,021)	4,383	(266,443)
Income tax paid	(46,387)	(93,071)	(107,387)	(74,689)	(70,058)
Net cash from operating activities . . .	781,543	1,469,473	980,273	633,504	406,049
Net cash used in from investing					
activities	(48,952)	(235,017)	(1,387,277)	(1,775,555)	(2,328,039)
Net cash (used in) from financing					
activities	(610,726)	493,703	(1,145,142)	(493,934)	2,361,568
Net increase (decrease) in cash and					
cash equivalents	121,865	1,728,159	(1,552,146)	(1,635,985)	439,578
Cash and cash equivalents at					
beginning of the year/period	319,938	441,803	2,169,962	2,169,962	617,816
Cash and cash equivalents at end of					
the year/period.	441,803	2,169,962	617,816	533,977	1,057,394

Operating activities

During the six months ended June 30, 2025, the net cash generated from operating activities of RMB406.0 million, primarily consisting of our profit before taxation of RMB321.4 million, adjusted for items mainly including (i) non-cash and non-operating items, primarily comprising (a) depreciation of right-of-use assets of RMB328.0 million and (b) depreciation of property, plant and equipment of RMB64.5 million; and (ii) changes in working capital, primarily comprising (a) an increase in trade and other receivables and prepayments of RMB1,037.1 million and (b) an increase in trade and other payables of RMB807.1 million.

In 2024, we had net cash generated from operating activities of RMB980.3 million, primarily consisting of our profit before taxation of RMB472.5 million, adjusted for items mainly including (i) non-cash and non-operating items, primarily comprising (a) depreciation of right-of-use assets of RMB627.0 million and (b) depreciation of property, plant and equipment of RMB127.7 million;

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and (ii) changes in working capital, primarily comprising (a) an increase in trade and other receivables and prepayments of RMB631.5 million and (b) an increase in trade and other payables of RMB384.6 million.

In 2023, we had net cash generated from operating activities of RMB1,469.5 million, primarily consisting of our profit before taxation of RMB357.2 million, adjusted for items mainly including (i) non-cash and non-operating items, primarily comprising (a) depreciation of right-of-use assets of RMB587.3 million and (b) depreciation of property, plant and equipment of RMB114.5 million; and (ii) changes in working capital, primarily comprising an increase in trade and other payables of RMB506.6 million.

In 2022, we had net cash generated from operating activities of RMB781.5 million, primarily consisting of our profit before taxation of RMB275.1 million, adjusted for items mainly including (i) non-cash and non-operating items, primarily comprising (a) depreciation of right-of-use assets of RMB554.2 million and (b) depreciation of property, plant and equipment of RMB104.6 million; and (ii) changes in working capital, primarily comprising (a) an increase in trade and other receivables and prepayments of RMB835.8 million and (b) an increase in trade and other payables of RMB634.6 million.

Investing activities

During the six months ended June 30, 2025, we had net cash used in investing activities of RMB2,328.0 million, primarily consisting of payments for purchase of financial assets of RMB2,250.0 million and placement of restricted cash of RMB1,070.2 million, partially offset by proceeds from disposal of financial assets of RMB720.0 million and release of restricted cash of RMB271.5 million.

In 2024, we had net cash used in investing activities of RMB1,387.3 million, primarily consisting of payments for purchase of financial assets of RMB1,750.0 million and placement of restricted cash of RMB273.7 million, partially offset by proceeds from disposal of financial assets of RMB650.0 million.

In 2023, we had net cash used in investing activities of RMB235.0 million, primarily consisting of payments for purchase of financial assets of RMB440.0 million and payment for purchase and deposits paid for acquisition of property, plant and equipment of RMB75.7 million, partially offset by proceeds from disposal of financial assets of RMB250.0 million.

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In 2022, we had net cash used in investing activities of RMB49.0 million, primarily consisting of payments for purchase of financial assets of RMB150.0 million and payment for purchase and deposits paid for acquisition of property, plant and equipment of RMB54.7 million, partially offset by proceeds from disposal of financial assets of RMB150.0 million.

Financing activities

During the six months ended June 30, 2025, we had net cash generated from financing activities of RMB2,361.6 million, primarily consisting of proceeds from the Pre-[REDACTED] Investment in the amount of RMB1,900.0 million and new bank borrowings raised of RMB1,419.7 million, partially offset by repayment of bank borrowings of RMB373.7 million, payment of lease liabilities of RMB322.0 million and dividends paid to the Company’s shareholders of RMB226.8 million.

In 2024, we had net cash used in financing activities of RMB1,145.1 million, primarily consisting of repayment of bank borrowings of RMB1,715.1 million, payment of lease liabilities of RMB616.3 million and dividends paid to the Company’s shareholders of RMB167.4 million, partially offset by new bank borrowings raised of RMB1,437.2 million.

In 2023, we had net cash generated from financing activities of RMB493.7 million, primarily consisting of new bank borrowings raised of RMB1,255.1 million, partially offset by payment of lease liabilities of RMB585.6 million and dividends paid to the Company’s shareholders of RMB108.0 million.

In 2022, we had net cash used in financing activities of RMB610.7 million, primarily consisting of payment of lease liabilities of RMB517.4 million and repayments of bank borrowings of RMB440.0 million, partially offset by new bank borrowings raised of RMB482.6 million.

INDEBTEDNESS

The table below sets forth our indebtedness as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(in RMB thousands)</i>			
Borrowings	21,325	1,080,410	547,941	1,400,351
Lease liabilities	988,124	1,294,761	1,184,344	1,220,429
Total	1,009,449	2,375,171	1,732,285	2,620,780

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Borrowings

The borrowings were due within one year from the end of each reporting period. The secured and unguaranteed borrowings as of December 31, 2022, 2023 and 2024 and June 30, 2025 were RMB21.3 million, RMB80.4 million, RMB547.9 million and RMB1,400.4 million. The unsecured and unguaranteed borrowings as of December 31, 2022, 2023 and 2024 and June 30, 2025 were nil, RMB1,000.0 million, nil and nil.

Lease liabilities

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our lease liabilities amounted to RMB988.1 million, RMB1,294.8 million, RMB1,184.3 million and RMB1,220.4 million, respectively, as we rented more warehouses and equipment to meet our business expansion.

Contingent liabilities

As of June 30, 2025, we did not have any contingent liabilities.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital expenditure

The table below sets forth our capital expenditure for the periods indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(in RMB thousands)</i>			
Capital expenditure	<u>60,301</u>	<u>80,199</u>	<u>57,251</u>	<u>16,863</u>

During the Track Record Period, our capital expenditure was primarily for purchase of property, plant and equipment and intangible assets to carry out our logistics service offerings.

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Capital commitments

The table below sets forth our capital commitments as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(in RMB thousands)</i>			
Consideration committed in respect of acquisition of plant and equipment contracted for but not provided in the Historical Financial Information.	53,266	19,101	6,024	18,682

KEY FINANCIAL RATIOS

	For the year ended/as of December 31,			For the six months ended/ as of June 30,
	2022	2023	2024	2025
Gross profit margin ¹	6.8%	7.3%	7.3%	7.4%
Net profit margin ²	1.5%	1.8%	2.0%	2.3%
Return on assets ³	4.2%	4.4%	5.0%	5.4%
Return on equity ⁴	18.1%	21.2%	24.3%	18.8%
Current ratio ⁵	76.4%	83.7%	74.9%	87.3%
Quick ratio ⁶	76.4%	83.7%	74.9%	87.3%
Gearing ratio ⁷	1.7%	74.4%	32.8%	38.9%

Notes:

- Gross profit margin is calculated as gross profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.
- Net profit margin is calculated as net profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.
- Return on assets is calculated as net profit for the year divided by the average total assets and multiplied by 100%. For the six months ended June 30, 2025, return on assets is annualized by multiplying the number by two. Average total assets is the sum of the balance of total assets at the beginning and at the end of the year/period, divided by two.
- Return on equity is calculated as net profit for the year divided by the average total equity and multiplied by 100%. For the six months ended June 30, 2025, return on equity is annualized by multiplying the number by two. Average total equity is the sum of the balance of total equity at the beginning and at the end of the year, divided by two.

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5. Current ratio is calculated as total current assets as at the end of the year/period divided by total current liabilities as at the end of the corresponding year/period.
6. Quick ratio is calculated as total current assets less inventories as at the end of the year/period and divided by total current liabilities as at the end of the corresponding year/period.
7. Gearing ratio is calculated as the total bank loans as at the end of the year/period divided by total equity as at the end of the corresponding year/period and multiplied by 100%.

DISCLOSURE ABOUT FINANCIAL RISKS

We are exposed to a variety of financial risks including interest risk, credit risk and liquidity risk. Our management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details of our risk exposure and sensitivity analysis, see note 31 to Appendix I — Accountants’ Report.

Interest Risk

We are exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on restricted cash and bank balances, incurred at prevailing market interest rates and variable rate. We considered that interest rate risk of restricted cash and bank balances is insignificant and accordingly no sensitivity analysis is presented. We are exposed to fair value interest rate risk in relation to term deposits, bank borrowings and lease liabilities. We manage such interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

Credit Risk

Credit risk refers to the risk that our counterparties may default on their contractual obligations resulting in financial losses to us. Our credit risk exposures primarily relate to trade and note receivables, other receivables, term deposits, restricted cash and cash and cash equivalents. We do not hold any collateral or other credit enhancements to cover our credit risks associated with our financial assets.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations due to shortage of funds. To manage our liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flows.

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Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maximize our return to shareholders through the optimization of our debt and equity balance. Our overall strategy remained unchanged during the Track Record Period.

Our capital structure consists of net debt, which includes bank borrowings, net of cash and cash equivalents and equity attributable to the owners of the Company, mainly comprising issued share capital and reserves.

Our management reviews our capital structure on a regular basis. As part of this review, they consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to balance our overall capital structure.

RELATED PARTY TRANSACTIONS

Related party transactions are set out in note 30 to Appendix I — Accountants’ Report. See also “Connected Transactions” for more details.

Our Directors confirm that these transactions were conducted in the ordinary course of our business, and at terms negotiated between the Group and the relevant parties.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period, we did not enter into any off-balance sheet arrangements.

DIVIDEND POLICY

In 2022, 2023 and 2024 and six months ended June 30, 2025, our Company declared dividends of RMB80.1 million, RMB108.0 million, RMB167.4 million and RMB226.8 million, all of which had been paid in full. See note 13 to the Accountants’ Report included in Appendix I to this document for details.

We do not have a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial conditions, cash requirements and availability, and other factors

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as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

After the [REDACTED], we may declare and pay dividends mainly by cash or by stock that we consider appropriate. Decisions to declare or to pay any dividends in the future will depend on, among other things, our Company’s profitability, operations and development plans, external financing environment, costs of capital, our Company’s cash flows and other factors that our Directors may consider relevant. Our ability to distribute dividends in the future also depends on whether we can receive dividends from our subsidiaries.

DISTRIBUTABLE RESERVE

As of June 30, 2025, we had retained profits excluding statutory reserve of subsidiaries of the Company of RMB628.0 million.

DISCLOSURE REQUIRED UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

UNAUDITED [REDACTED] FINANCIAL INFORMATION

Please refer to Appendix II — Unaudited [REDACTED] Financial Information for details.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] commission and fees incurred in connection with the [REDACTED] and the [REDACTED]. Our [REDACTED] expenses are estimated to be approximately HK\$[REDACTED] (including [REDACTED] commission), accounting for [REDACTED]% of the gross [REDACTED] of the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the [REDACTED] range stated in this document, and no exercise of the [REDACTED]). Among our [REDACTED] expenses, approximately HK\$[REDACTED] is directly attributable to the issuance of H Shares and will be charged to equity upon completion of the [REDACTED], and approximately HK\$[REDACTED] has been or will be charged to our consolidated statements of profit or loss and other comprehensive income. The [REDACTED] expenses we incurred during the Track Record Period and expect to incur would consist of approximately HK\$[REDACTED] related expenses and fees (including but not limited to commissions and fees), approximately HK\$[REDACTED] non-[REDACTED]-related expenses and fees of the Joint Sponsors, legal advisors and reporting accountant and approximately HK\$[REDACTED] for other

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non-[REDACTED]-related fees and expenses. During the Track Record Period, we incurred RMB[REDACTED] of [REDACTED] expenses, among which, RMB[REDACTED] was deferred issue costs and included in other receivables and will be subsequently charged to our equity upon completion of the [REDACTED] and RMB[REDACTED] was charged to our consolidated statements of profit or loss and other comprehensive income.

The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, as of the date of this document, there has been no material adverse change in our financial position since June 30, 2025, and there has been no event since June 30, 2025 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Midea Group was interested in 52.94% of the total issued share capital of our Company through Midea Zhilian, a wholly-owned subsidiary of Midea Group. Upon completion of the [REDACTED], Midea Group will be interested in [REDACTED]% of the enlarged share capital of our Company through Midea Zhilian (assuming the [REDACTED] is not exercised). As such, Midea Group and Midea Zhilian will constitute the Controlling Shareholders of our Company upon the [REDACTED].

CLEAR BUSINESS DELINEATION

Delineation of Businesses

Within Midea Group, we are the only sub-business unit dedicated to providing customers with integrated supply chain logistics solutions, combining end-to-end logistics capability with three core solution pillars: production logistics, omni-channel shared inventory and distribution, and integrated last-mile delivery & installation.

Midea Group is a world-leading technology group comprising the Smart Home, New Energy & Industrial Technology, Intelligent Building Technology, Robotics & Automation, Healthcare and smart logistics, among others. With a business portfolio that is focused on the coordinated development of ToC and ToB businesses, Midea Group offers various smart home products and services to individual consumers, as well as providing diversified commercial and industrial solutions for corporate clients.

While Midea Group mainly utilizes our Group and third-party logistics solutions providers to fulfill its logistics obligations, it has built certain logistics and installation functions under limited circumstances, principally offering intermediary services related to international logistics within Midea Group or providing installation and repair services for the products of Midea Group. These ancillary logistics functions are substantially different from, and are clearly delineated with, our businesses as illustrated below.

Hainan Midea International Logistics Technology Co., Ltd. (海南美的國際物流科技有限公司), Foshan Midea Customs Declaration Co., Ltd. (佛山市美的報關有限公司), and Guangdong Meizhi Lianda Logistics Supply Chain Co., Ltd. (廣東美智聯達物流供應鏈有限公司) (the “**International Logistics Entities**”), all of which are members of Midea Group, offer intermediary services related to international logistics within Midea Group, including customs declaration agency, logistics solutions procurement agency, settlement services, etc. As for the logistics solutions procurement agency services, the International Logistics Entities only engage in procurement of logistics solutions from external logistics suppliers and undertake the procurement

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

functions, rather than the actual logistics solutions offered by our Group; as for the customs declaration agency and settlement services, such services conducted by the International Logistics Entities mainly involve procedural or administrative matters as the support for the international logistics business within Midea Group.

Considering that the International Logistics Entities only provide services within Midea Group, undertake procurement or other procedural or administrative functions, and do not target the external market, we consider that there is clear delineation of business between the International Logistics Entities and our Group in terms of their principal business models, customer scopes and the services provided.

Ningbo Meimei Jiayuan Electric Service Co., Ltd. (寧波美美家園電器服務有限公司) (“**Meimei Jiayuan**”), a member of Midea Group, is involved in the installation and repair business only for home appliance products of Midea Group, positioning itself as an internal department of service support provider within Midea Group. On the other hand, with growing demand for one-stop fulfillment solutions, our Company provides integrated last-mile delivery & installation services, enhancing efficiency by combining delivery, installation and other after-sales services, which involves the installation and repair services exclusively for products other than those of Midea Group.

Considering Meimei Jiayuan’s in-depth understanding of the specifications, technical requirements, and installation and repair procedures of Midea Group’s products, it’s reasonable for Midea Group to assign Meimei Jiayuan to conduct the installation and repair services for Midea Group’s products. For the installation and repair services for products other than those of Midea Group, our Company is better positioned to provide such services as part of our integrated last-mile delivery & installation business, which creates greater operational synergy and cost efficiency. The revenue of our Group generated from installation and repair services only accounted for low percentage of our total revenue. Based on the above, we consider that there is clear delineation of business between Meimei Jiayuan and our Group in terms of the product brands involved in the service provided by us and such entity, respectively.

In view of the above, as our principal businesses do not overlap with those engaged by Midea Group, there is a clear delineation of the businesses retained by Midea Group and the businesses of our Group.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

Non-compete Undertakings

Pursuant to relevant requirements applicable to [REDACTED] of subsidiaries of an A-share listed company, each of Midea Group, Midea Zhilian and our Company has issued a letter of non-compete undertaking, respectively (the “**Non-compete Undertaking(s)**”). Pursuant to the Non-compete Undertakings, each of the Controlling Shareholders has undertaken that:

- (i) there is no substantial competition within the same industry between our Company and each of our Controlling Shareholders or entities (other than our Company and enterprises controlled by our Company) controlled by our Controlling Shareholders (where applicable) (collectively, the “**Relevant Entities**”);
- (ii) during the period in which each of our Controlling Shareholders is a controlling shareholder of our Company, it will make all reasonable endeavours to ensure that the Relevant Entities will not engage in any business that constitutes competition within the same industry with our Company; and in the event that the Relevant Entities obtain any business opportunity from any third party in the future that constitutes substantial competition with our Company, the Relevant Entities will immediately notify our Company and endeavour to transfer such business opportunity to our Company and/or take other measures conducive to avoiding and resolving the competition within the same industry;
- (iii) each of our Controlling Shareholders will not take advantage of its position as a Controlling Shareholder of our Company to prejudice the legitimate rights and interests of our Company and other Shareholders of our Company;
- (iv) each of our Controlling Shareholders will faithfully fulfil the above undertakings and will be liable for any breach of such undertakings; and
- (v) the above undertakings shall be legally binding on each of our Controlling Shareholders from the date of submission of our application for the [REDACTED] to the Stock Exchange, shall continue to be valid during the period in which our Company is an entity controlled by such Controlling Shareholders, and shall automatically expire upon the occurrence of any of the following circumstances, whichever is earlier: (a) our Company ceases to be an entity controlled by such Controlling Shareholders; (b) our Shares cease to be [REDACTED]; or (c) the application for the [REDACTED] and [REDACTED] is not approved or registered by the competent authorities, or is withdrawn by our Company.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

Pursuant to the Non-compete Undertakings, our Company has undertaken that:

- (i) there is no substantial competition within the same industry between our Group and the Relevant Entities;
- (ii) our Company will take lawful and effective measures to avoid engaging in the business constituting competition within the same industry with the Relevant Entities;
- (iii) our Company will faithfully fulfil the above undertakings and will be liable for any breach of such undertakings; and
- (iv) the above undertakings shall be legally binding on our Company from the date of submission of our application for the [REDACTED] to the Stock Exchange, and shall automatically expire upon the occurrence of any of the following circumstances, whichever is earlier: (a) our Company ceases to be an entity controlled by Midea Group; (b) our Shares cease to be [REDACTED]; or (c) the application for the [REDACTED] and [REDACTED] is not approved or registered by the competent authorities, or is withdrawn by our Company.

Competing Interest

Each of the Controlling Shareholders confirms that it had no interest in any business apart from the business of our Group which competes or is likely to compete, either directly or indirectly, with the business of our Group, which would require disclosure under Rule 8.10 of the Listing Rules as of the Latest Practicable Date.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that the business of our Group is capable of functioning independently from our Controlling Shareholders and their respective close associates upon [REDACTED].

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

Management Independence

The business of our Group is managed and conducted by our Board and senior management team, and our Directors are of the view that our Board and senior management team are able to manage the business of our Group independently from the Controlling Shareholders and their respective close associates for the following reasons:

- (i) the executive Directors and senior management members do not hold any role or position in the Controlling Shareholders or their respective close associates;
- (ii) three of the non-executive Directors, who will have ongoing roles or positions in Midea Group, will not be involved in the day-to-day management and operations of our businesses. See “Directors and Senior Management” in this document for such Director’s positions within Midea Group;
- (iii) according to the Articles of Association, in the event that a Director is related to the entity or individual involved in the matters to be considered at the Board meeting, such Director shall abstain from voting and shall not be counted towards the quorum for the voting;
- (iv) our Company has appointed three independent non-executive Directors to provide a balance of the number of potentially interested and independent Directors with a view to promote the interests of our Company and Shareholders as a whole. The independent non-executive Directors will be entitled to engage professional advisors at our cost for advice on matters relating to any potential conflict of interest arising out of any transaction to be entered into between our Company and Directors or their respective close associates;
- (v) each of our Directors is aware of his/her fiduciary duties and responsibilities under the Listing Rules as a director, which require that he/she acts in the best interests of our Company and Shareholders as a whole;
- (vi) where a Shareholders’ meeting is held to consider a proposed transaction in which certain Controlling Shareholder(s) has a material interest, such Controlling Shareholder(s) shall abstain from voting on the resolutions and shall not be counted towards the quorum for the voting; and

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

- (vii) our Company has appointed Shenwan Hongyuan Capital (H.K.) Limited as the Compliance Advisor, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and Listing Rules including various requirements relating to directors’ duties and corporate governance.

Operational Independence

Our Company was founded as a standalone logistics company independently serving not only the logistics needs of Midea Group but also the customers and businesses outside of Midea Group.

Our Group holds all the relevant material licenses, qualifications and permits required for conducting its business. Our Group has sufficient capital, facilities and employees to operate its business independently from our Controlling Shareholders and their respective close associates. We also have independent access to our clients. We have our own financial department, human resources and administration department, internal control department and technology department. In addition, our Group has established internal organizational and management structure which includes Shareholders’ meetings, the Board and its committees and formulated the terms of reference of these bodies in accordance with the requirements of the applicable laws and regulations, the Listing Rules and the Articles of Association, so as to establish a regulated and effective corporate governance structure with independent departments, each with specific areas of responsibilities.

Historically, we have maintained close business relationship with Midea Group by mainly providing supply chain management services to Midea Group, procuring products and services from Midea Group, as well as leasing properties from Midea Group. It is currently expected that the aforesaid transactions between our Group and Midea Group will continue after the [REDACTED], which will be conducted on normal commercial terms in the ordinary and usual course of our business. Such transactions will constitute continuing connected transactions of our Group under the Listing Rules upon [REDACTED]. See “Connected Transactions” in this document for further details of and the reasons for entering into these transactions.

Considering the established long-term mutually beneficial and complementary relationship between our Group and Midea Group and that we will continue to be a consolidated subsidiary of Midea Group after the [REDACTED], we consider it is unlikely that the current business relationships between us and Midea Group would be materially adversely changed or terminated.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

Despite our historical close business relationship with Midea Group and the connected transactions expected to be continued after the [REDACTED], we consider that we will be able to operate and conduct business independently from Midea Group considering the following reasons:

(i) as to continuing connected transactions under the Supply Chain Management Services Provision Framework Agreement

During the Track Record Period, consistently around 60% of our revenue came from Independent Third Parties. The revenue of our Group generated from Independent Third Parties was approximately RMB8,830.9 million, RMB10,286.3 million, RMB10,988.2 million and RMB6,481.3 million in 2022, 2023, 2024 and six months ended June 30, 2025, respectively, representing approximately 62.3%, 63.4%, 58.9% and 59.5% of the total revenue of our Group for the corresponding period.

Our revenue from Independent Third Parties has been growing rapidly at the same time in 2024. It is expected that the proportion of our revenue from the Independent Third Parties will continue to increase following the trend observed in 2022 and 2023. In addition, as our Group grew and expanded our capacity and capabilities, we began attracting a broader customer base beyond Midea Group, through participation in tender and bidding processes, increasing efforts in marketing and promotion as well as expansion of our business development team, with the number of our independent third-party customers increasing from 5,234 on December 31, 2022, to 6,304 on December 31, 2023, to 8,285 on December 31, 2024 and further to 9,839 on June 30, 2025. We have continuously been engaging with potential customers from various industries (including but not limited to home appliances and home furnishings, FMCG and new energy) to expand our reach to provide services to independent third-party customers. Furthermore, we also continued to convert certain independent third-party customers from basic logistics services to our supply chain logistics solutions, which is expected to further increase our revenue generated from Independent Third Parties.

(ii) as to continuing connected transactions under the Products and Services Procurement Framework Agreement

As relevant products and services procured from Midea Group only relate to the non-core aspects of our business operations, and given the substitutability of such products and services, our procurement capabilities and relatively large supplier base in the market, such products and services can be replaced by us with other comparable suppliers or services providers available in the market, if required.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

(iii) as to continuing connected transactions under the Premises Lease Framework Agreement

Considering that the GFA of the properties leased from Midea Group only accounted for no more than 2.48% of total GFA of the properties owned and leased by our Group as at June 30, 2025 and such properties are used as office premises and warehouses, they are easily replaced, if needed, with similar properties in nearby locations without material disruption to our business operation.

Based on the above, our Directors are of the view that we will be able to operate independently from the Controlling Shareholders and their respective close associates after the [REDACTED].

Financial Independence

We have our own finance department with a team of independent financial staff responsible for financial management, accounting, reporting, funding and internal control functions, as well as our own financial management system which is independent from the Controlling Shareholders and their respective close associates in terms of system access and server physical location.

As of the Latest Practicable Date, our Group has no loans, advances and balances of non-trade nature due to or from the Controlling Shareholders and their respective close associates, and none of the loans of our Group is guaranteed or secured by the Controlling Shareholders and their respective close associates, nor any loan of the Controlling Shareholders and their respective close associates is guaranteed or secured by us.

Based on the above, our Directors are of the view that we will be financially independent from our Controlling Shareholders and their respective close associates after the [REDACTED].

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflicts of interest with our Controlling Shareholders and their respective close associates:

- (i) As part of our preparation for the [REDACTED], our Company has amended its Articles of Association to comply with the Listing Rules which will become effective upon [REDACTED]. In particular, the Articles of Association provides that, in the event that a Director is related to the entity or individual involved in the matters to be considered at the Board meeting, such Director shall abstain from voting and shall not be counted towards the quorum for the voting;

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

- (ii) Where a transaction or arrangement of our Company is subject to Shareholders’ approval under the provisions of the Listing Rules, any Controlling Shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the general meeting.
- (iii) Our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with the Controlling Shareholders or any of their associates, our Company will comply with the applicable requirements under the Listing Rules.
- (iv) Our Company is committed that the Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). Our Company has appointed three independent non-executive Directors, and we believe the independent non-executive Directors possess sufficient experiences and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our Shareholders as a whole. For details of the independent non-executive Directors, see “Directors and Senior Management” in this document;
- (v) Our Company has appointed Shenwan Hongyuan Capital (H.K.) Limited as the Compliance Advisor, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and Listing Rules including various requirements relating to directors’ duties and corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and the Controlling Shareholders, and to protect our minority Shareholders’ interests after the [REDACTED].

CONNECTED TRANSACTIONS

Upon [REDACTED], certain transactions between us and our connected persons will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions in the ordinary and normal course of our business with the following connected persons, which will constitute continuing connected transactions upon the [REDACTED]:

Names of our connected persons	Connected Relationship
Midea Group	one of our Controlling Shareholders
Hisense Group Holdings	the holding company of Qingdao Hisense Technology, one of our substantial Shareholders, and therefore a connected person of our Company

SUMMARY OF CONTINUING CONNECTED TRANSACTIONS

No.	Nature of transactions	Counterparties	Relevant Listing Rules	Waiver sought	Annual caps For the year ending December 31,		
					2025	2026	2027
					(RMB in million)		
Partially-exempt continuing connected transactions							
1.	Products and Services Procurement Framework Agreement	Midea Group and its associates	14A.35, 14A.76(2)(a) and 14A.105	Announcement requirement	83	87	93
2.	Premises Lease Framework Agreement	Midea Group and its associates	14A.35, 14A.76(2)(a) and 14A.105	Announcement requirement	63	65	67
Non-exempt continuing connected transactions							
3.	Midea Group Supply Chain Management Services Provision Framework Agreement	Midea Group and its associates	14A.35, 14A.36 and 14A.105	Announcement and independent Shareholders' approval requirements	9,350	11,000	12,500
4.	Hisense Group Holdings Logistics Services Provision Framework Agreement	Hisense Group Holdings and its subsidiaries	14A.35, 14A.36 and 14A.105	Announcement and independent Shareholders' approval requirements	200	1,200	1,800

CONNECTED TRANSACTIONS

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

In our ordinary and usual course of business, we have entered into the following transactions which, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis. Under Rule 14A.76(2) of the Listing Rules, these transactions will be subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

1. Products and Services Procurement Framework Agreement

Parties

Midea Group (for itself and on behalf of its associates)

Our Company (for itself and on behalf of its subsidiaries)

Principal terms

Our Company entered into a products and services procurement framework agreement with Midea Group on [•] (the “**Products and Services Procurement Framework Agreement**”), pursuant to which our Group may from time to time procure certain products and services from Midea Group and/or its associates, including but not limited to office supplies, automatic equipment, and IT and after-sale services.

The initial term of the Products and Services Procurement Framework Agreement shall commence on the [REDACTED] until [December 31, 2027]. The Products and Services Procurement Framework Agreement will be renewed automatically unless one party issues written notice at least 30 days prior to the expiration, subject to compliance with the requirements of the Listing Rules and other applicable laws and regulations. Both parties or their respective subsidiaries or associates will separately enter into specific agreements setting out the specific terms and conditions according to the principals provided in the Products and Services Procurement Framework Agreement.

Pricing terms

The products procurement and service fees to be paid by our Group to Midea Group and/or its associates are determined between Midea Group and/or its associates and our Group after arm’s length negotiations, with reference to the prevailing market price of comparable services and products during relevant time.

CONNECTED TRANSACTIONS

Reasons for the transactions

Our Group has historically procured relevant products and services from Midea Group and/or its associates. Compared with Independent Third Parties, Midea Group and its associates have a better understanding of our procurement requirements in relation to such products and services.

Historical amounts

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

	For the year ended December 31,			For the six months ended
	2022	2023	2024	June 30, 2025
	(RMB in million)			
Procurement of products and services provided by Midea Group and/or its associates.	30.2	67.6	47.8	18.6

Annual caps and basis of annual caps

The maximum aggregate annual transaction amounts under the Products and Services Procurement Framework Agreement for each of the three years ending [December 31, 2027] shall not exceed the caps set out below:

	For the year ending December 31,		
	2025	2026	2027
	(RMB in million)		
Procurement of products and services provided by Midea Group and/or its associates.	83	87	93

The above proposed annual caps of procurement of products and services provided by Midea Group and/or its associates are determined with reference to:

- (a) the historical transaction amounts for the abovementioned transactions during the Track Record Period;

CONNECTED TRANSACTIONS

- (b) the estimated demand for relevant products and services provided by Midea Group and/or its associates for the three years ending [December 31, 2027] taking into consideration of our future business development; and
- (c) the estimated demand for relevant products to meet the needs from our certain customers for the three years ending [December 31, 2027], based on currently expected orders from such customers.

2. Premises Lease Framework Agreement

Parties

Midea Group (for itself and on behalf of its associates)

Our Company (for itself and on behalf of its subsidiaries)

Principal terms

Our Company entered into a premises lease framework agreement with Midea Group on [•] (the “**Premises Lease Framework Agreement**”), pursuant to which our Group will lease certain premises from Midea Group and/or its associates, including offices and warehouses, and will pay a monthly rental fee to the relevant lessor.

The initial term of the Premises Lease Framework Agreement shall commence on the [REDACTED] until [December 31, 2027]. The Premises Lease Framework Agreement will be renewed automatically unless one party issues written notice at least 30 days prior to the expiration, subject to compliance with the requirements of the Listing Rules and other applicable laws and regulations. Both parties or their respective subsidiaries or associates will separately enter into specific agreements setting out the specific terms and conditions according to the principals provided in the Premises Lease Framework Agreement, with terms of such specific agreements less than one year.

Since the terms of the lease fall within short-term lease and are not recognized as right-of-use assets on our consolidated statement of financial positions in accordance with IFRS16 “Leases”, such transactions will be treated as continuing connected transaction instead of one-off connected transaction.

CONNECTED TRANSACTIONS

Pricing terms

The rental fees payable from our Group during the leasing term are determined on normal commercial terms after arm’s length negotiations between the relevant parties, with reference to the prevailing market rates of premises of comparable size and quality situated in the same locality available or charged by Independent Third Parties.

Reasons for the transactions

We have historically leased certain premises from the Midea Group and/or its associates. Such premises are considered suitable for our operational demands. Compared with Independent Third Parties, Midea Group and its associates have a better understanding of our premises requirements in relation to office and warehouse premises. The continuous leasing of relevant premises from Midea Group and/or its associates after the [REDACTED] will facilitate the administration and daily operation of our Group and maintain our overall steady operation.

Historical amounts

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

	For the year ended December 31,			For the six months ended
	2022	2023	2024	June 30, 2025
	(RMB in million)			
Rental fees paid to Midea Group and/or its associates	24.4	26.7	53.4	32.2

CONNECTED TRANSACTIONS

Annual caps and basis of annual caps

The maximum aggregate annual transaction amounts under the Premises Lease Framework Agreement for each of the three years ending [December 31, 2027] shall not exceed the caps set out below:

	For the year ending December 31,		
	2025	2026	2027
	<i>(RMB in million)</i>		
Rental fees paid to Midea Group and/or its associates.	63	65	67

The above proposed annual caps of rental fees paid to Midea Group and/or its associates are determined with reference to:

- (a) the historical transaction amounts of the rental fees paid by our Group to Midea Group and/or its associates during the Track Record Period under the existing lease agreements we have entered into with Midea Group and/or its associates;
- (b) the total size of the premises we expect to lease from Midea Group and/or its associates considering the new premises to be leased from Midea Group and/or its associates based on our expansion plan and future demand; and
- (c) the geographical locations of the leased premises and the prevailing rents in similar locations for premises of comparable size and quality.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

In our ordinary and usual course of business, we have entered into the following transactions which, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 5% on an annual basis. Under Rule 14A.76(2) of the Listing Rules, such transactions will be subject to the reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

3. Midea Group Supply Chain Management Services Provision Framework Agreement

Parties

Midea Group (for itself and on behalf of its associates)

Our Company (for itself and on behalf of its subsidiaries)

Principal terms

Our Company entered into a supply chain management services provision framework agreement with Midea Group on [•] (the “**Midea Group Supply Chain Management Services Provision Framework Agreement**”), pursuant to which our Group may from time to time provide supply chain management services to Midea Group and/or its associates, including but not limited to transportation, warehouse, distribution and other value-added services.

The initial term of the Midea Group Supply Chain Management Services Provision Framework Agreement shall commence on the [REDACTED] until [December 31, 2027]. The Midea Group Supply Chain Management Services Provision Framework Agreement will be renewed automatically unless one party issues written notice at least 30 days prior to the expiration, subject to compliance with the requirements of the Listing Rules and other applicable laws and regulations. Both parties or their respective subsidiaries or associates will separately enter into specific agreements setting out the specific terms and conditions according to the principals provided in the Midea Group Supply Chain Management Services Provision Framework Agreement.

Pricing terms

The service fees to be paid by Midea Group and/or its associates to our Group will be determined through arm’s length negotiations between the relevant parties with reference to the market price under similar conditions.

CONNECTED TRANSACTIONS

Reasons for the transactions

Given that Midea Group enjoys a leading position in the areas of smart home solutions and commercial & industrial solutions with an extensive customer base, it is natural for, and in the best interest of, our Group to provide Midea Group and/or its associates with supply chain management services in exchange for service fees. From the perspective of Midea Group, considering our Group is a leading domestic supply chain service provider, we are able to provide comprehensive logistics and warehousing solutions and services to Midea Group and/or its associates. Therefore, it is also natural for, and in the best interest of, Midea Group and/or its associates to cooperate with us for the procurement of supply chain management services.

During the Track Record Period, we have been providing supply chain management service to Midea Group and/or its associates and have established a mutually beneficial relationship, through which we have accumulated deep understanding of the standards and demands of Midea Group and/or its associates and are able to provide the designated supply chain service to Midea Group and/or its associates at high quality and competitive price, which improved the operation efficiency of Midea Group and/or its associates.

For details of our relationship with Midea Group, including, among others, our management independence, financial independence and operational independence, see “Relationship with the Controlling Shareholders.”

Historical amounts

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

	For the year ended December 31,			For the six months ended
	2022	2023	2024	June 30, 2025
	(RMB in million)			
Provision of supply chain management service to Midea Group and/or its associates.	5,341.9	5,937.7	7,675.2	4,398.4

CONNECTED TRANSACTIONS

Annual caps and basis of annual caps

The maximum aggregate annual transaction amounts under the Midea Group Supply Chain Management Services Provision Framework Agreement for each of the three years ending [December 31, 2027] shall not exceed the caps set out below:

	For the year ending December 31,		
	2025	2026	2027
	<i>(RMB in million)</i>		
Provision of supply chain management service to Midea Group and/or its associates.	9,350	11,000	12,500

The above proposed annual caps of provision of supply chain management service to Midea Group and/or its associates are determined with reference to:

- (a) the historical transaction amounts for the abovementioned transactions during the Track Record Period;
- (b) the estimated demand for supply chain management services from Midea Group and/or its associates for each of the three years ending [December 31, 2027] considering (i) their future business expansion estimated based on historical business growth of Midea Group; and (ii) their more business needs for supply chain management services resulted from Midea Group’s further optimization of distribution model;
- (c) the expected procurement portion of the supply chain management services from our Group by Midea Group and/or its associates in total procurement of such services by Midea Group and/or its associates, with reference to the historical transactions; and
- (d) the expected increase in transaction amounts due to anticipated new business cooperation scenarios between our Group and Midea Group and/or its associates, including but not limited to logistics of Midea Group’s lifestyle electrical appliances and delivery of Midea Group’s products to end customers in domestic markets, as well as Midea Group’s production logistics in overseas markets, with reference to historical procurement from independent third parties by Midea Group and/or its associates in such scenarios.

CONNECTED TRANSACTIONS

4. Hisense Group Holdings Logistics Services Provision Framework Agreement

Parties

Hisense Group Holdings (for itself and on behalf of its subsidiaries)

Our Company (for itself and on behalf of its subsidiaries)

Principal terms

Our Company entered into a logistics services provision framework agreement with Hisense Group Holdings on [•] (the “**Hisense Group Holdings Logistics Services Provision Framework Agreement**”), pursuant to which our Group may from time to time provide basic logistics services to Hisense Group Holdings and/or its subsidiaries, including but not limited to domestic finished goods logistics, production logistics and international logistics.

The initial term of the Hisense Group Holdings Logistics Services Provision Framework Agreement shall commence on the [REDACTED] until [December 31, 2027]. The Hisense Group Holdings Logistics Services Provision Framework Agreement will be renewed automatically unless one party issues written notice at least 30 days prior to the expiration, subject to compliance with the requirements of the Listing Rules and other applicable laws and regulations. Both parties or their respective subsidiaries will separately enter into specific agreements setting out the specific terms and conditions according to the principals provided in the Hisense Group Holdings Logistics Services Provision Framework Agreement.

Pricing terms

The service fees to be paid by Hisense Group Holdings and/or its subsidiaries to our Group will be determined through arm’s length negotiations between the relevant parties with reference to the market price, the service price offered by our Group to Midea Group, current standards adopted by Hisense Group Holdings and/or its subsidiaries, and the service price offered by independent third-party logistics enterprises to Hisense Group Holdings and/or its subsidiaries offered by our Group to other customers who are Independent Third Parties under similar conditions.

CONNECTED TRANSACTIONS

Reasons for the transactions

Hisense Group Holdings and its subsidiaries require robust logistics solutions for their display and home appliance businesses. As a leading domestic supply chain service provider, our Group is well-positioned to meet Hisense’s needs for logistics services. During the Track Record Period, we have been providing logistics services to Hisense Group Holdings and/or its subsidiaries and have established a mutually beneficial relationship. Besides, since Qingdao Hisense Technology became one of our substantial Shareholders after completion of the Pre-[REDACTED] Investment, we expect to establish closer cooperation relationship with Hisense Group Holdings and/or its subsidiaries going forward.

Historical amounts

Set out below are the historical transaction amounts⁽¹⁾ for the abovementioned transactions during the Track Record Period:

	For the year ended December 31,			For the six months ended
	2022	2023	2024	June 30, 2025
	(RMB in million)			
Provision of logistics services to Hisense Group Holdings and/or its subsidiaries	23.6	32.4	36.8	19.7

Annual caps and basis of annual caps

The maximum aggregate annual transaction amounts under the Hisense Group Holdings Logistics Services Provision Framework Agreement for each of the three years ending [December 31, 2027] shall not exceed the caps set out below:

	For the year ending December 31,		
	2025	2026	2027
	(RMB in million)		
Provision of logistics services to Hisense Group Holdings and/or its subsidiaries . .	200	1,200	1,800

(1) including the transaction amounts before Qingdao Hisense Technology made Pre-[REDACTED] Investment in our Company and Hisense Group Holdings became our connected person

CONNECTED TRANSACTIONS

The above proposed annual caps of provision of logistics services to Hisense Group Holdings and/or its subsidiaries are determined with reference to:

- (a) the historical purchase amounts of Hisense Group Holdings and/or its subsidiaries for logistics services during the Track Record Period and current business size of Hisense Group Holdings and/or its subsidiaries;
- (b) the estimated increasing demand for logistics services from Hisense Group Holdings and/or its subsidiaries for each of the three years ending [December 31, 2027] considering their future business expansion, which is estimated based on historical business growth of Hisense Group Holdings; and
- (c) the expected increasing procurement portion of the logistics services from our Group by Hisense Group Holdings and/or its subsidiaries in total procurement of such services by Hisense Group Holdings and/or its subsidiaries, taking into account possible further cooperation after Qingdao Hisense Technology has become one of our substantial Shareholders following completion of the Pre-[REDACTED] Investment.

MEASURES TO SAFEGUARD THE INTERESTS OF OUR SHAREHOLDERS

To safeguard the interests of our Company and Shareholders as a whole, including the minority Shareholders, we have put in place certain internal approval and monitoring procedures relating to the proposed connected transactions contemplated under the agreements mentioned above, which include the following:

- (a) we have adopted a connected transactions management policy for the purpose of ensuring that connected transactions will be conducted in a fair manner, on normal commercial terms and in the interests of our Company and our Shareholders as a whole;
- (b) prior to the execution of the underlying agreements for abovementioned transactions, the operation department of the relevant business sector of our Group will compare the terms of the proposed transactions (including pricing and other contractual terms) with those similar transactions entered with Independent Third Parties to ensure that abovementioned transactions shall be on terms no less favourable to our Group than those entered into with Independent Third Parties;
- (c) the finance team of our Group shall regularly examine the pricing of the abovementioned transactions to ensure that those transactions are conducted in accordance with the pricing terms therein;

CONNECTED TRANSACTIONS

- (d) the internal control team of our Group shall periodically review the pricing of the abovementioned transactions against the prices negotiated between our Group and Independent Third Parties, to ensure that the terms of the underlying agreements for such transactions are not less favourable to our Group than terms between our Group and the Independent Third Parties;
- (e) the finance and business teams of our Group shall periodically monitor the transaction amount and, when it is expected that the transaction amount might exceed the annual cap, promptly report in accordance with our connected transactions management policy to ensure that our Company complies with all the applicable requirements under the Listing Rules, including to revise the relevant annual cap when appropriate;
- (f) the legal team of our Group has reviewed the terms of abovementioned framework agreements and shall in case of any proposed change to the major terms of the transactions, ensure that our Company complies with all the applicable requirements under the Listing Rules, including but not limited to publishing an announcement; and
- (g) our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmations in accordance with Rules 14A.55 and 14A.56 of the Listing Rules.

WAIVER APPLICATION FOR PARTIALLY-EXEMPT AND NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

As the partially-exempt and non-exempt continuing connected transactions set out above are expected to continue on a recurring and continuing basis, our Directors consider that compliance with the above announcement and/or independent Shareholders’ approval requirements will be impractical, will incur unnecessary administrative costs for our Company, and will be unduly burdensome to our Group.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] a waiver to us under Rule 14A.105 of the Listing Rules from compliance with the announcement requirement in respect of the Products and Services Procurement Framework Agreement and Premises Lease Framework Agreement and the transactions contemplated thereunder, and from compliance with the announcement and independent Shareholders’ approval requirements in respect of the Midea Group Supply Chain Management Services Provision Framework Agreement and Hisense Group Holdings Logistics Services Provision Framework Agreement and the transactions contemplated thereunder.

CONNECTED TRANSACTIONS

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including the independent non-executive Directors) are of the view that (i) the continuing connected transactions as set out above have been entered into in the ordinary and usual course of business of our Group and on normal commercial terms, and are fair and reasonable and in the interests of our Company and Shareholders as a whole; and (ii) the annual caps for those transactions are fair and reasonable and in the interests of our Company and Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

The Joint Sponsors have (i) reviewed the relevant documents and information provided by our Company in relation to the above partially-exempt continuing connected transaction and non-exempt continuing connected transactions; (ii) obtained necessary representations and confirmations from our Company and the Directors; and (iii) participated in the due diligence and discussions with the management of our Group. Based on the above, the Joint Sponsors are of the view that (i) the continuing connected transactions as set out above have been entered into in the ordinary and usual course of business of our Company on normal commercial terms which are fair and reasonable, and in the interests of our Company and Shareholders as a whole; and (ii) the annual caps for those transactions are fair and reasonable and in the interests of our Company and Shareholders as a whole.

SHARE CAPITAL

OUR SHARE CAPITAL

Before Completion of the [REDACTED]

As of the Latest Practicable Date, the registered share capital of our Company was RMB745,200,000, comprising 745,200,000 Shares with a nominal value of RMB1.00 each.

Upon Completion of the [REDACTED]

Immediately following the completion of the [REDACTED], assuming that the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of our Company
Unlisted Shares in issue	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares.	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00 %

Immediately following the completion of the [REDACTED], assuming that the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of our Company
Unlisted Shares in issue	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares.	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

SHARE CAPITAL

RANKING

Upon completion of the [REDACTED], we will have only one class of Shares.

The [REDACTED] will rank *pari passu* with all Shares currently in issue or to be issued as mentioned in this document in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

If any of the Unlisted Shares are to be converted, [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, such conversion, [REDACTED] and [REDACTED] will need the filing of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

File with the CSRC for Full Circulation

In accordance with the Overseas Listing Trial Measures and related guidelines, H-share listed companies shall file with the CSRC for the conversion of unlisted shares into H shares for listing and circulation on the Stock Exchange. An unlisted domestic joint stock company may file for “full circulation” when applying for an overseas initial public offering.

We have filed with the CSRC for the conversion of [REDACTED] Unlisted Shares into H Shares on a one-for-one basis upon the completion of the [REDACTED] (the “Full Circulation”) and the CSRC issued the filing notice in respect of the [REDACTED] and the [REDACTED], as well as the Full Circulation dated [•].

[REDACTED] Approval by the Stock Exchange

We have applied to the Stock Exchange for the granting of [REDACTED] of, and permission to [REDACTED] in, our H Shares to be issued pursuant to the [REDACTED] (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]), and the H Shares to be converted from [REDACTED] Unlisted Shares on the Stock Exchange, which is subject to the approval by the Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (1) giving instructions to our [REDACTED] regarding relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by [REDACTED] for deposit, clearance and settlement in the [REDACTED].

SHARE CAPITAL

RESTRICTIONS OF SHARE TRANSFER

Pursuant to the PRC Company Law, the Shares issued prior to the [REDACTED] shall not be transferred within one year from the [REDACTED].

For details of the lock-up undertaking given by our Controlling Shareholders pursuant to Rule 10.07 of the Listing Rules, see the section headed “[REDACTED]” in this document.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Overseas Listing Trial Measures, the Detailed Rules on Registration and Custody of Non-overseas Listed Shares of Overseas Listed Companies (《境外上市公司非境外上市股份登記存管業務實施細則》) issued by the CSDCC and the Guidance of CSDCC Shenzhen Branch on the Registration and Custody of Non-overseas Listed Shares of Overseas Listed Companies (《中國證券登記結算有限責任公司深圳分公司境外上市公司非境外上市股份登記存管業務指南》), an overseas listed company is required to register its shares that are not listed on the overseas stock exchange with CSDCC Shenzhen Branch according to relevant rules required by the CSRC upon its [REDACTED].

GENERAL MANDATE TO (I) ISSUE SHARES AND (II) SELL AND/OR TRANSFER OF TREASURY SHARES AND REPURCHASE MANDATE

Subject to the [REDACTED] becoming unconditional, our Directors have been granted general unconditional mandates to issue the Shares and sell and/or transfer of treasury shares as well as repurchase the Shares. For further details, see “Statutory and General Information — Further Information about Our Company — Resolutions of the Shareholders” in Appendix IV to this document.

SHAREHOLDERS’ GENERAL MEETING

For details of circumstances under which the Shareholders’ general meeting is required, see “Summary of the Articles of Association” in Appendix III to this document.

SHAREHOLDERS’ APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for our Company to issue H Shares and seek the [REDACTED] of H Shares on the Stock Exchange. We have obtained such approval at the Shareholders’ general meeting held on August 25, 2025.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the Conversion of Unlisted Shares into H Shares, the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
		Number and description of Shares	Approximate percentage in the total share capital of our Company	Number and description of Shares	Approximate percentage of shareholding in Unlisted Shares / H Shares (where applicable)	Approximate percentage in the total issued share capital of our Company
Midea Zhilian ⁽¹⁾	Beneficial owner	394,484,000 Unlisted Shares	52.94%	[REDACTED]	[REDACTED]%	[REDACTED]%
Midea Group ⁽¹⁾⁽²⁾ . . .	Interest in controlled corporations	397,724,000 Unlisted Shares	53.37%	[REDACTED]	[REDACTED]%	[REDACTED]%
Qingdao Hisense Technology ⁽³⁾	Beneficial owner	164,160,000 Unlisted Shares	22.03%	[REDACTED]	[REDACTED]%	[REDACTED]%
Hisense Group Holdings ⁽³⁾	Interest in controlled corporation	164,160,000 Unlisted Shares	22.03%	[REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

- (1) As of the Latest Practicable Date, Midea Zhilian was wholly owned by Midea Group. By virtue of the SFO, Midea Group is deemed to be interested in the Shares held by Midea Zhilian.
- (2) As of the Latest Practicable Date, the general partner of Meike Qixin was Meike Meihui, whose general partner was Midea VC. Midea VC was in turn wholly owned by Midea Group. By virtue of the SFO, Midea Group is deemed to be interested in the Shares held by Meike Qixin. For details of the Shares held by Meike Qixin, see “History, Development and Corporate Structure — Pre-[REDACTED] Investment.”
- (3) As of the Latest Practicable Date, Qingdao Hisense Technology was wholly owned by Hisense Group Holdings. By virtue of the SFO, Hisense Group Holdings is deemed to be interested in the Shares held by Qingdao Hisense Technology.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed above and in “Statutory and General Information — Disclosure of Interests” in Appendix IV to this document, our Directors are not aware of any person who will, immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) and the Conversion of Unlisted Shares into H Shares, have any interest and/or short position in the Shares or underlying Shares which will be required to be disclosed to us and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of our Company or any other member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Upon [REDACTED], our Board will consist of nine Directors, comprising two executive Directors, four non-executive Directors and three independent non-executive Directors. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

DIRECTORS

The following table sets forth the information about our Directors:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Mr. Liang Pengfei (梁鵬飛)	48	Executive Director, chairman of the Board and president	July 2019	July 2019	Overall strategic planning, business development and management of our Group
Mr. Ma Liang (馬良)	43	Executive Director, finance director, Board secretary and joint company secretary	December 2019	September 2020	Overall strategic planning, finance strategy related matters, and Board affairs of our Group
Mr. Liu Xiao (劉嘯)	47	Non-executive Director	August 2025	August 2025	Providing advice on the operation and management of our Group
Ms. Luo Wenhui (駱文輝)	41	Non-executive Director	August 2025	August 2025	Providing advice on the operation and management of our Group
Ms. Chen Lihong (陳麗紅)	46	Non-executive Director	August 2025	August 2025	Providing advice on the operation and management of our Group
Mr. Duan Yuebin (段躍斌)	44	Non-executive Director	August 2025	August 2025	Providing advice on the operation and management of our Group
Dr. Chen Wei Ru (陳威如)	55	Independent non-executive Director	August 2023	August 2023	Supervising and providing independent opinion and judgment to the Board
Dr. Lin Zhong (林忠)	55	Independent non-executive Director	August 2023	August 2023	Supervising and providing independent opinion and judgment to the Board

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of joining	Date of	Roles and responsibilities
			our Group	appointment as a Director	
Ms. Song Yi (宋屹)	42	Independent non-executive Director	May 2025	May 2025	Supervising and providing independent opinion and judgment to the Board

None of our Directors and members of senior management is related to other Directors or members of senior management. Save as disclosed in this section, (i) none of our Directors held any directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this document; (ii) to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Executive Directors

Mr. Liang Pengfei (梁鵬飛), aged 48, is an executive Director, the chairman of the Board and president of our Company. Mr. Liang joined our Group in July 2019 as a Director, chairman of the Board and president. Mr. Liang was redesignated as an executive Director in August 2025 with effect from the [REDACTED]. He is primarily responsible for overall strategic planning, business development and management of our Group.

Prior to joining our Group, Mr. Liang worked at Midea Group for approximately 20 years. From July 1999 to December 2018, he served in multiple business segments within Midea Group, including the smart home, industrial technology and the president’s office of Midea Group. During his time at Midea Group, Mr. Liang accumulated rich management experience in marketing, lean manufacturing, supply chain, human resources, and business reform, and had been deeply involved in the business reform of Midea Group, including its “T+3” production and sales model and omni-channel “One Stock” business reform.

Mr. Liang obtained a bachelor’s degree in international trade from Wuhan University of Technology (武漢理工大學) in the PRC in June 1999 and a master’s degree in business administration from China Europe International Business School (中歐國際工商學院) in the PRC in November 2019.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Ma Liang (馬良), aged 43, is an executive Director, the finance director, Board secretary and joint company secretary of our Company. Mr. Ma joined our Group in December 2019 as the finance director. He was appointed as a Director in September 2020 and was redesignated as an executive Director in August 2025 with effect from the [REDACTED]. He was also appointed as our Board secretary and joint company secretary in August 2025. He is primarily responsible for overall strategic planning, finance strategy related matters, and Board affairs of our Group.

Prior to joining our Group, Mr. Ma worked at Midea Group for more than 10 years. From September 2007 to December 2019, he served as head of finance management and director of the finance department at several departments of Midea Group, including the domestic air-conditioning business unit and the central research institute.

Mr. Ma obtained a bachelor’s degree in public finance from Changchun Taxation College (長春稅務學院) (currently known as Jilin University of Finance and Economics (吉林財經大學)) in the PRC in July 2007, and has been pursuing a master’s degree in business administration from Tsinghua University (清華大學) in the PRC since September 2024.

Non-executive Directors

Mr. Liu Xiao (劉嘯), aged 47, is a non-executive Director. Mr. Liu joined our Group in August 2025 as a Director and was redesignated as a non-executive Director in August 2025 with effect from the [REDACTED]. He is responsible for providing advice on the operation and management of our Group.

Mr. Liu has been serving as the head of strategy and corporate development department of Midea Group since April 2020. Prior to that, he served as the managing director of strategy and corporate development department of Midea Group from June 2014 to August 2017, the manager of Anheuser-Busch InBev Brewery Investment (China) Co., Ltd. (百威英博啤酒投資(中國)有限公司) from May 2010 to May 2012 and the manager of Ingersoll-Rand (China) Investment Co., Ltd. (英格索蘭(中國)投資有限公司) from July 2006 to May 2010. Mr. Liu has also been a director of Beijing Wandong Medical Technology Co., Ltd. (北京萬東醫療科技股份有限公司, 600055.SH) since June 2021.

Mr. Liu obtained a bachelor’s degree in computer and information science and a master’s degree of science from National University of Singapore in Singapore in February 2001 and December 2004, respectively, and a master’s degree in business administration from Massachusetts Institute of Technology in the U.S. in June 2013.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Luo Wenhui (駱文輝), aged 41, is a non-executive Director. Ms. Luo joined our Group in August 2025 as a Director and was redesignated as a non-executive Director in August 2025 with effect from the [REDACTED]. She is responsible for providing advice on the operation and management of our Group.

Ms. Luo joined Midea Group in July 2006, successively serving as a human resources manager and operations manager of its living appliances division, a human resources manager of its household air-conditioning division, the dean of Midea College, and the human resources director of the industrial technology business group of Midea Group. She is currently the director of the president’s office of Midea Group.

Ms. Luo obtained a bachelor’s degree in Chinese language and literature from Huazhong University of Science and Technology (華科技大學) in the PRC in June 2006 and a master’s degree in executive business administration from Sun Yat-sen University (中山大學) in the PRC in June 2022.

Ms. Chen Lihong (陳麗紅), aged 46, is a non-executive Director. Ms. Chen joined our Group in August 2025 as a Director and was redesignated as a non-executive Director in August 2025 with effect from the [REDACTED]. She is responsible for providing advice on the operation and management of our Group.

Ms. Chen joined Midea Group in April 2005, successively serving as an accounting specialist, a director specialist of merged system management and an accounting manager. She is currently the person-in-charge of the financial information disclosure of Midea Group.

Ms. Chen obtained a master’s degree in accounting from Wuhan University of Technology (武漢理工大學) in the PRC in March 2005. She has been a member of the Chinese Institute of Certified Public Accountants since January 2009, and a Fellow of the Institute of Public Accountants of Australia and a Fellow of the Institute of Financial Accountants of the United Kingdom since June 2022.

Mr. Duan Yuebin (段躍斌), aged 44, is a non-executive Director. Mr. Duan joined our Group in August 2025 as a Director and was redesignated as a non-executive Director in August 2025 with effect from the [REDACTED]. Mr. Duan is responsible for providing advice on the operation and management of our Group.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Duan has been serving as the president of logistics center of Hisense Group Holdings since May 2025, and served as the president of Hisense Broadband Multimedia Technologies, Ltd. from October 2021 to May 2025. Prior to that, he worked at Hisense Fridge Co., Ltd. (海信冰箱有限公司) from May 2014 to October 2021, Hisense Rongshen (Yangzhou) Fridge Co., Ltd. (海信容聲(揚州)冰箱有限公司) from October 2013 to May 2014, and Hisense (Beijing) Electric Co., Ltd. (海信(北京)電器有限公司) from July 2003 to October 2013.

Mr. Duan obtained a bachelor’s degree in mechanical engineering and automation from Taiyuan University of Technology (太原理工大學) in the PRC in July 2003. He was qualified as a senior engineer in the PRC in October 2021.

Independent Non-executive Directors

Dr. Chen Wei Ru (陳威如), aged 55, has been an independent Director since August 2023 and was redesignated as an independent non-executive Director in August 2025 with effect from the [REDACTED]. He is responsible for supervising and providing independent opinion and judgment to the Board.

Dr. Chen has been serving as an associate professor of strategic studies at China Europe International Business School since August 2020. Prior to that, he served as the director of Alibaba Industrial Internet Research Center (阿里巴巴產業互聯網研究中心) from February 2019 to July 2020, chief strategic officer of Zhejiang Cainiao Supply Chain Management Co., Ltd. (浙江菜鳥供應鏈管理有限公司) from August 2017 to March 2018 and an associate professor of management at China Europe International Business School from July 2011 to July 2017. Dr. Chen has also been serving as a director of Sany Construction Technology Co., Ltd. (三一築工科技股份有限公司) since March 2021 and a director of Ningbo Joynext Technology Corp. (寧波均聯智行科技股份有限公司) since December 2020.

Dr. Chen holds or held independent directorship in several listed companies, including:

- an independent non-executive director of Sinopharm Group Co., Ltd. (國藥控股股份有限公司, 1099.HK) since June 2025;
- an independent director of Universal Vision Biotechnology Co., Ltd. (大學光學科技股份有限公司, 3218.TW) since June 2024;
- an independent director of Opple Lightning Co., Ltd. (歐普照明股份有限公司, 603515.SH) since November 2023;

DIRECTORS AND SENIOR MANAGEMENT

- an independent director of JACK Technology Co., Ltd. (傑克科技股份有限公司, 603337.SH) since April 2020;
- an independent non-executive director of Country Garden Services Holdings Company Limited (碧桂園服務控股有限公司, 6098.HK) since May 2018;
- an independent director of WPG Holdings Limited (大聯大控股股份有限公司, 3702.TW) from June 2020 to May 2023;
- an independent director of Dian Diagnostics Group Co., Ltd. (迪安診斷技術集團股份有限公司, 300244.SZ) from July 2017 to November 2023; and
- an independent director of TAL Education Group (TAL.NYSE) from June 2015 to April 2025.

Dr. Chen obtained a doctor degree from Purdue University in the United States in December 2003. Dr. Chen obtained a certificate of Qualified Independent Director from the Shenzhen Stock Exchange and the Shanghai Stock Exchange in January 2015 and December 2022, respectively.

Dr. Lin Zhong (林忠), aged 55, has been an independent Director since August 2023 and was redesignated as an independent non-executive Director in August 2025 with effect from the [REDACTED]. He is responsible for supervising and providing independent opinion and judgment to the Board.

Dr. Lin has been serving as a managing partner of Leadvisor Law (上海瓚德律師事務所) since April 2021. Prior to that, he served as a partner of Shanghai Yingming Law Firm (上海市瑛明律師事務所) from May 2006 to March 2021. He also worked at Shanghai Haoliwen Law Firm (上海昊理文律師事務所) from October 2003 to May 2006 and Shanghai Lyuheli Law Firm (上海市律和理律師事務所) from June 2003 to October 2003.

Dr. Lin has been serving as an independent director of Zhejiang Weixing Optical Co., Ltd. (浙江偉星光學股份有限公司) since November 2022 and served as an independent director of Huahong Art Home Shares Co., Ltd. (華鴻畫家居股份有限公司) from November 2021 to June 2024.

Dr. Lin obtained a bachelor’s degree in international law from Peking University (北京大學) in the PRC in July 1990, and a master’s and doctoral degree in international economic law from Xiamen University in the PRC in July 1993 and July 1996, respectively. Dr. Lin obtained a certificate of Qualified Independent Director from the Shenzhen Stock Exchange in October 2010.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Song Yi (宋屹), aged 42, is an independent non-executive Director. Ms. Song joined our Group in May 2025 as an independent Director and was redesignated as an independent non-executive Director in August 2025 with effect from the [REDACTED]. She is responsible for supervising and providing independent opinion and judgment to the Board.

Ms. Song has been serving as the vice investment president of Valuable Asset Management Limited (華盛資產管理有限公司) since January 2024. Prior to that, she served as a vice president of Samtak Investment Holdings Limited (祥泰投資控股有限公司) from March 2019 to January 2024, a vice president of Maple Elite Clearing Limited (美寶精粹有限公司) from March 2017 to November 2018 and a vice president of CoStone Capital Management Company Limited (基石資產管理股份有限公司, formerly known as Shenzhen Cornerstone Asset Management Company Limited (深圳市基石資產管理股份有限公司)) from February 2015 to October 2015. She has also been serving as an independent non-executive director, the chairman of the audit committee, and the member of the remuneration committee and the nomination committee of UJU Holding Limited (優矩控股有限公司, 1948.HK) since October 2024, and served as an independent non-executive director and the member of audit committee of Infinities Technology International (Cayman) Holding Limited (多牛科技國際(開曼)集團有限公司, 1961.HK) from February 2020 to December 2021.

Ms. Song obtained a bachelor’s degree in finance and accounting from the University of Salford in the United Kingdom in January 2005 and a master’s degree in business administration from China Europe International Business School (中歐國際工商學院) in the PRC in August 2016.

Ms. Song possesses appropriate professional accounting or related financial management expertise required under Rule 3.10(2) of the Listing Rules and confirms that she has gained such expertise through her previous experiences, including serving (i) as the independent non-executive director and the chairman or member of the audit committee of companies listed on the Stock Exchange including UJU Holding Limited and Infinities Technology International (Cayman) Holding Limited, during which she has been responsible for, among other things, reviewing the financial statements and accounting policies, monitoring and evaluating the external and internal audit work and internal control of the listed companies, making recommendations on the appointment and replacement of external audit firms through deliberations at the periodic board meetings and committee meetings, reviewing and approving annual and interim financial statements, and discussions with the management, other members of the audit committee as well as the external auditors of such companies from time to time, and (ii) as the vice president of reputable asset management or investment companies such as Valuable Asset Management Limited, Samtak Investment Holdings Limited, Maple Elite Clearing Limited and CoStone Capital Management Company Limited, she has been involved in, among other things, formulating, implementing and evaluating the investment strategies for portfolio companies (through, among other things, analysing and reviewing the financial statements of these portfolio companies) and

DIRECTORS AND SENIOR MANAGEMENT

overseeing the financial management of these asset management or investment companies. Based on the foregoing, Ms. Song has accumulated in-depth practical knowledge and extensive experience in supervising and monitoring the financial reporting, internal control and other accounting-related matters of listed issuers, and gained accounting or related financial management expertise for the purpose of Rule 3.10(2) of the Listing Rules.

SENIOR MANAGEMENT

The following table provides information about members of the senior management of our Company (other than the executive Directors):

Name	Age	Position(s)	Date of joining our Group	Roles and responsibilities
Mr. Lin Kai (林凱)	49	Chief operation officer and director of regional operation center	September 2021	Operation strategy and regional and branch operation management of our Group
Dr. Lin Taien (林泰恩).	43	Chief product officer	August 2021	Products and solutions affairs, overseas business, investment, financing and capital operation of our Group
Mr. Liu Dan (劉丹)	46	Director of operation	August 2021	Operation strategy and operation system management of our Group
Mr. Shi Xiongfeng (史雄鋒).	42	Chief technology officer	February 2025	Digital transformation and construction of digital systems of our Group
Mr. Wang Yang (汪 洋)	38	Director of human resources	October 2024	Overall planning and management of the human resources of our Group

For the biographies of the executive Directors, namely Mr. Liang Pengfei and Mr. Ma Liang, see the section headed “— Directors — Executive Directors” above.

Mr. Lin Kai (林凱), aged 49, has been the chief operation officer and director of regional operation center of our Company since September 2021. He is primarily responsible for operation strategy and regional and branch operation management of our Group.

DIRECTORS AND SENIOR MANAGEMENT

Prior to joining our Group, Mr. Lin served as the chief financial officer and vice president of YTO Express Group Co., Ltd. (圓通速遞股份有限公司, 600233.SH) from October 2016 to September 2021. He served as a non-executive director of YTO International Express Supply Chain Technology Limited (圓通國際快遞供應鏈科技有限公司, 6123.HK) from December 2017 to March 2021 and a director of Northwestern Cargo International Airlines Co., Ltd. (西北國際貨運航空有限公司) from August 2017 to March 2020. Prior to that, Mr. Lin served as the managing partner of Ningbo Hangjie Investment Partnership (Limited Partnership) (寧波航捷投資合夥企業(有限合夥)) from January 2016 to July 2016 and financial vice president of Shanghai Yunda Express Co., Ltd. (上海韻達貨運有限公司) from April 2014 to January 2016. Mr. Lin worked at C.banner International Holdings Limited (千百度國際控股有限公司, 1028.HK) from April 2004 to April 2014, serving successively as the deputy director of finance and assistant to president.

Mr. Lin obtained a bachelor’s degree in accounting from Xiamen University in the PRC in July 1998 and a master’s degree in business administration from De La Salle University in the Philippines in December 2003.

Dr. Lin Taien (林泰恩), aged 43, is the chief product officer of our Company. He is primarily responsible for products and solutions affairs, overseas business, investment, financing and capital operation of our Group.

Dr. Lin joined our Group in August 2021 as the chief product officer, and served as the Board secretary from August 2023 to August 2025. Outside our Group, Dr. Lin was the co-founder and director of Beijing Zhaochi Supply Chain Management Co., Ltd. (北京兆馳供應鏈管理有限公司) from March 2019 to July 2021, the vice president of S.F. Technology Innovation Center of S.F. Express Co., Ltd. (順豐速運有限公司) from June 2014 to February 2019.

Dr. Lin obtained a doctoral degree in business administration from Business School Netherlands in the Netherlands in May 2021 and completed the post-doctoral development programme at the University of Cambridge in the United Kingdom in March 2023.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Liu Dan (劉丹), aged 46, has been the director of operation of our Company since August 2021. He is primarily responsible for operation strategy and operation system management of our Group.

Prior to joining our Group, Mr. Liu served as the operation vice president of Yimi Dida Supply Chain Group Co., Ltd. (壹米滴答供應鏈集團有限公司) from December 2017 to July 2021, the operation vice president of China Railway Logistics Group Co., Ltd. (中鐵物流集團有限公司) from February 2014 to November 2017 and the operation director of Beijing ZJS Express Co., Ltd. (北京宅急送快運股份有限公司) since October 2012 to January 2014.

Mr. Liu obtained a master’s degree of business administration from Guanghua School of Management of Peking University (北京大學光華管理學院) in the PRC in June 2025.

Mr. Shi Xiongfeng (史雄鋒), aged 42, has been the chief technology officer of our Company since February 2025. He is primarily responsible for the digital transformation and construction of digital systems of our Group.

Prior to joining our Group, Mr. Shi served as the digital development vice president of NIO Automobile Technology (Anhui) Co., Ltd. (蔚來汽車科技(安徽)有限公司) from May 2022 to July 2024, the head of transportation management research and development center of S.F. Technology Co., Ltd. (順豐科技有限公司) from April 2020 to May 2022, head of product technology of Vipshop Holdings Ltd (VIPS.NYSE) from August 2015 to September 2019, the manager of research and development department of Ericsson (China) Co., Ltd. (愛立信(中國)有限公司) from March 2011 to August 2015, and an architect of Siemens (China) Co., Ltd. (西門子(中國)有限公司) from June 2009 to March 2011.

Mr. Shi obtained a bachelor’s degree in communication engineering from Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2004 and a master’s degree in radio communication system from the University of Southampton in the United Kingdom in December 2006.

Mr. Wang Yang (汪洋), aged 38, is our director of human resources. Mr. Wang joined our Group in October 2024 as a Director and the director of human resources and resigned as a Director in August 2025. He is primarily responsible for overall planning and management of the human resources of our Group.

Prior to joining our Group, Mr. Wang worked at Midea Group for more than ten years. He served successively as the manager of the branch of Midea Group, sales manager and the person-in-charge of its commercial freezer business unit from July 2008 to September 2024.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wang obtained a bachelor’s degree in business administration from Lanzhou University of Technology (蘭州理工大學) in the PRC in July 2008.

JOINT COMPANY SECRETARIES

Mr. Ma Liang (馬良) has been appointed as our joint company secretary. See “— Directors — Executive Directors” above for his biography.

Ms. Lai Siu Kuen (黎少娟) has been appointed as our joint company secretary. Ms. Lai is a Director of Company Secretarial Services of Tricor Services Limited. Ms. Lai has over 20 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Lai is a Chartered Secretary, a Chartered Governance Professional and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Lai holds a bachelor’s degree in accounting.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors (other than the independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in August 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she had no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there were no other factors that may affect his or her independence at the time of his/her appointments.

DIRECTORS AND SENIOR MANAGEMENT

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

We have established four Board committees in accordance with the relevant laws and regulations in mainland China, the Articles of Association and the code of corporate governance practices under the Listing Rules, namely the Strategy Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee. The functions of the Board committees are summarized as follows:

Strategy Committee

The Board has established the Strategy Committee with written terms of reference. The primary duties of the Strategy Committee are to make recommendations to the Board on our long-term development strategies and major decisions. The Strategy Committee comprises three members, namely Mr. Liang Pengfei, Mr. Liu Xiao and Mr. Ma Liang, with Mr. Liang Pengfei as the chairperson.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee comprises three members, namely Ms. Song Yi, Dr. Lin Zhong and Dr. Chen Wei Ru, with Ms. Song Yi as the chairperson and being the Director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management. The Remuneration and Appraisal Committee comprises three members, namely Dr. Lin Zhong, Dr. Chen Wei Ru and Mr. Ma Liang, with Dr. Lin Zhong as the chairperson.

DIRECTORS AND SENIOR MANAGEMENT

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession. The Nomination Committee comprises three members, namely Dr. Chen Wei Ru, Ms. Song Yi and Mr. Ma Liang, with Dr. Chen Wei Ru as the chairperson.

Corporate Governance Code

We aim to implement a high standard of corporate governance, which we believe is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code after the [REDACTED], save that Mr. Liang Pengfei will serve as both the chairman of the Board and president as discussed below.

Pursuant to code provision A.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive and Mr. Liang Pengfei currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the president of our Company if and when it is appropriate taking into account the circumstances of our Group as a whole.

Board Diversity

We have adopted a board diversity policy which sets out the approach to achieve diversity of the Board. We recognize and embrace the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. In particular, our Company currently has three female Directors in the Board and will continue to work towards

DIRECTORS AND SENIOR MANAGEMENT

enhancing the gender diversity of the Board. Our Directors have a balanced mix of knowledge and skills, and our Company has seven non-executive Directors, including three independent non-executive Directors, with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of the Board satisfies our board diversity policy. Pursuant to the board diversity policy, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

REMUNERATION

Our Directors and senior management receive their remuneration in the form of basic annual payments and performance-related annual payments, including fees, salaries, share-based compensation, pension schemes contribution and other benefits in kind.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the total remuneration (including the share-based compensation mentioned below) paid to our Directors amounted to RMB13.0 million, RMB10.4 million, RMB12.4 million and RMB5.5 million, respectively.

For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the total remuneration (including the share-based compensation mentioned below) paid to the five highest paid individuals (including Directors) amounted to RMB21.7 million, RMB20.1 million, RMB23.1 million and RMB10.4 million, respectively.

Pursuant to the share incentive plans of Midea Group and the previous share option scheme of our Company, certain executive Directors were granted shares incentives. During the six months ended June 30, 2025, the share option scheme of our Company was cancelled and no replacement compensation arrangement was implemented. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the share-based compensation expenses affected by such cancellation recognized by our Group in relation to the Directors were nil, RMB0.6 million, RMB0.9 million and RMB2.7 million, respectively. During the same year/period, the share-based compensation expenses affected by such cancellation recognized by our Group in relation to the five highest paid individuals (including Directors) were nil, RMB0.8 million, RMB1.3 million and RMB3.8 million, respectively. For details, see Note 29 to the Accountants’ Report as set out in Appendix I to this document.

During the Track Record Period, no payment was made by us to any of the Directors or the five highest paid individuals as an inducement to join us or as compensation for loss of office. None of the Directors waived their remuneration during the relevant period.

DIRECTORS AND SENIOR MANAGEMENT

Under the arrangements in force, we estimate the total remuneration payable to the Directors for the year ended December 31, 2025 to be approximately RMB15.2 million.

Save as disclosed above, no other payments have been made or are payable by our Group to the Directors in respect of the Track Record Period.

See “Appendix IV — Statutory and General Information — Share Incentive Scheme” in this document for details of the Employee Stock Ownership Plan for our Company’s employees, including the incentive plans for our Directors and senior management.

COMPLIANCE ADVISOR

We have appointed Shenwan Hongyuan Capital (H.K.) Limited as the Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will, amongst other things, advise us in the following circumstances:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues, sales or transfers of treasury shares and share repurchases;
- (c) where our Group proposes to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this document; and
- (d) where the Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Listing Rules.

The term of appointment of the Compliance Advisor shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the [REDACTED] and such appointment may be subject to extension by mutual agreement.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, see “Business — Strategies.”

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the midpoint of the range of the [REDACTED] stated in this document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] commissions and other estimated expenses in connection with the [REDACTED] (assuming the [REDACTED] is not exercised). We intend to use our [REDACTED] for the purposes and in the amounts set forth below.

- Approximately [REDACTED]%, or HK\$[REDACTED], will be used over the next 12 to 36 months to expand the depth and breadth of our logistics solutions offerings domestically. Specifically, we plan to enhance our capabilities in complex supply chain logistics solutions, expand sales channels and customer coverage, and strengthen network development, with the aim of further reinforcing our competitive advantages.
- For enhancing our capabilities in complex supply chain logistics solutions:
 - We plan to further strengthen our industry-specific solutions by expanding into additional vertical sectors, with a focus on customers in general consumer goods, new energy, and automotive and auto parts industries, in order to meet the specific needs of each sector. We will bring in industry-leading talent and experts to (i) further accelerate the implementation of in-depth services in key industries, enhance the standardization and iteration of industry-specific solutions, and deliver end-to-end, efficiency-leading value-added services; (ii) modularize our solutions, thereby enabling us to provide customized solutions to other industry customers with shorter delivery cycles and lower costs; and (iii) further enhance the digital capabilities of our supply chain logistics solutions, improve the commercial effectiveness of our systems and empower clients to achieve business growth while reducing costs and increasing efficiency.
 - We plan to expand our sales and marketing team, whose primary responsibilities will include identifying logistics needs of existing and potential enterprise customers, increasing the development of market benchmark projects and leveraging new media channels to achieve more

FUTURE PLANS AND USE OF [REDACTED]

efficient market coverage and customer acquisition. We also plan to invest in marketing strategies, advertising campaigns, and other promotional initiatives to further enhance our brand’s market awareness and customer reach.

- For building and strengthening our domestic networks:
 - We plan to expand the layout of service infrastructure such as the warehousing network, delivery, and installation points, to further enhance coverage density.
 - We plan to improve delivery efficiency for both B2B and B2C segments by enhancing the management of our urban distribution capacity and implementing a more precise pricing mechanism, which will enable us to serve the growing e-commerce traffic and supply chain service demands, and strengthen the direct user experience.
 - We plan to invest in the research and deployment of automation equipment, including sorting machines, autonomous forklifts, autonomous stackers, and AGV intelligent handling robots, to increase automation in various stages such as within plants and warehouses, thus creating more efficient supply chain logistics solutions.
 - We plan to develop standardized service processes and a training and governance system and to strengthen the end-point service team.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used over the next 12 to 36 months to develop our international supply chain business and leverage the advantages of deep collaboration with Midea Group’s global business coverage for the construction of international supply chain infrastructure, in order to seize the opportunities in the development of overseas supply chains.
- For strengthening and enhancing our logistics solutions services and network coverage in key overseas regions (such as Southeast Asia), and gradually establishing a seamless supply chain node management link from domestic to overseas:
 - We plan to establish component centers at selected domestic ports to complete raw material preparation in advance based on order requirements, thereby improving operational efficiency.

FUTURE PLANS AND USE OF [REDACTED]

- We plan to deploy intelligent logistics resources overseas according to standard scenarios, and promote automation and unmanned operations in overseas warehouses. For key development regions such as Southeast Asia, we will invest in VMI warehouse construction, intelligent vertical storage, and other smart warehousing resources;
- We plan to promote the application of reusable packaging in overseas warehouses to facilitate the implementation of green logistics.
- We plan to drive the digitalization of the supply chain in key overseas regions through both self-built data center models and public cloud models, including investment in hardware facilities such as servers, networks, and data centers, as well as the deployment of application systems and software.
- For enhancing international supply chain operations capabilities through the construction of overseas logistics infrastructure and personnel deployment, we plan to station professional operation personnel in key overseas regions to gradually accumulate local operational management experience, laying the foundation for the in-depth development of our international supply chain business.
- For implementing our strategic initiatives, we plan to selectively explore mergers and acquisitions, strategic alliances, joint ventures or other minority investments in order to expand our business capabilities and market coverage in the international supply chain sector.
- Approximately [REDACTED]%, or HK\$[REDACTED], are expected to be used over the next 12 to 36 months for digital and intelligent research and development, with a view to advancing the application of AI and algorithms to the digitalization of the entire supply chain, and enhancing operational quality and efficiency.
- For enhancing our end-to-end digital and intelligent capabilities:
 - We plan to upgrade the end-to-end digital operation platform to support business model transformation, expand industry and scenario applications and improve overall end-to-end fulfillment service efficiency and quality. This includes investment in core application systems for the digital platform, servers, cloud services, network communication expansion and other hardware facilities.

FUTURE PLANS AND USE OF [REDACTED]

- We plan to enhance smart supply chain solution capabilities by introducing industry experts and deploying AI tools to achieve continuous product iteration and upgrades.
- We plan to focus on the intelligent applications of supply chain planning, scheduling, and execution. This includes strengthening the development of algorithmic models and promoting the upgrading of consulting and planning capabilities. The core research and development directions include digital transformation consulting, warehouse and network planning, product layout, sales forecasting and replenishment, inventory simulation, and algorithmic support for supply chain optimization decisions.
- For enhancing our AI smart application and big data service capabilities:
 - We plan to establish an independent intelligent application R&D team and expand our big data and algorithm teams.
 - We plan to invest in building intelligent capabilities for vertical industries within the supply chain field, further enhancing our ability to apply large models and upgrading our big data and algorithmic platform capabilities. Specifically, this includes recruiting AI technical experts and algorithm engineers, investing in the development of intelligent software capabilities, construction and expansion of data center infrastructure, procurement of GPU servers, model training and fine-tuning, and procurement of general-purpose large model APIs.
- Approximately [REDACTED]%, or HK\$[REDACTED], will be used over the next 12 to 36 months for working capital and other general corporate purposes.

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED] range, the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED], respectively. We intend to apply the additional or reduced net [REDACTED] to the above uses on a pro rata basis.

FUTURE PLANS AND USE OF [REDACTED]

The additional net [REDACTED] that we would receive if the [REDACTED] were exercised in full would be (i) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the maximum [REDACTED] of the indicative [REDACTED] range), (ii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range) and (iii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the minimum [REDACTED] of the indicative [REDACTED] range). We intend to apply the additional net [REDACTED] to the above uses on a pro rata basis.

To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

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APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages [I-1] to [I-•], received from the Company’s reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

Deloitte.

德勤

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ANNTO SUPPLY CHAIN TECHNOLOGY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND MORGAN STANLEY ASIA LIMITED

Introduction

We report on the historical financial information of Annto Supply Chain Technology Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages [I-1] to [I-86], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and 30 June 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2024 and the six months ended 30 June 2025 (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages [I-4] to [I-86] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “**Document**”) in connection with the initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s and the Company’s financial position as at 31 December 2022, 2023 and 2024 and 30 June 2025, and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in note 1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the “**Stub Period**”).

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Comparative Financial Information”). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]

Certified Public Accountants

Hong Kong

[Date]

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ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the “**IASB**”) and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (“**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
Revenue	5	14,172,818	16,224,032	18,663,340	9,053,184	10,884,715
Cost of services		(13,204,161)	(15,038,846)	(17,307,880)	(8,355,309)	(10,079,483)
Gross profit		968,657	1,185,186	1,355,460	697,875	805,232
Other income	6	41,230	80,086	120,902	69,112	65,319
Other gains and losses, net	7	(5,687)	(50,483)	703	2,468	(2,191)
Net impairment losses on financial assets	8	(34,411)	(10,813)	(27,773)	(29,566)	(8,714)
Distribution and selling expenses . . .		(111,031)	(160,702)	(194,898)	(85,316)	(119,064)
Research and development expenses .		(103,902)	(170,675)	(199,042)	(105,708)	(124,339)
Administrative expenses		(423,845)	(447,535)	(499,408)	(238,524)	(248,428)
Finance costs	9	(55,865)	(67,856)	(83,433)	(48,507)	(35,268)
[REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Profit before taxation		275,146	357,208	472,511	261,834	321,362
Income tax expense	10	(60,011)	(69,253)	(92,183)	(57,875)	(73,042)
Profit and total comprehensive income for the year/period	11	215,135	287,955	380,328	203,959	248,320
Earnings per share						
— Basic and diluted in RMB . . .	14	0.40	0.53	0.70	0.38	0.44

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	NOTES	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current Assets					
Property, plant and equipment	15	1,148,365	1,110,870	1,022,162	957,604
Right-of-use assets	16	1,449,661	1,745,174	1,623,123	1,653,263
Intangible assets	17	4,989	7,030	19,951	19,573
Term deposits	20	—	193,156	942,710	2,417,931
Prepayments for property, plant and equipment	19	6,239	4,521	1,538	15,125
Deferred tax assets	18	36,862	47,388	49,189	56,757
		<u>2,646,116</u>	<u>3,108,139</u>	<u>3,658,673</u>	<u>5,120,253</u>
Current Assets					
Trade and other receivables and prepayments	19	2,378,331	2,258,629	2,607,862	3,444,227
Term deposits	20	—	—	374,567	440,363
Restricted cash	20	4,149	4,993	273,820	1,072,509
Cash and cash equivalents	20	441,803	2,169,962	617,816	1,057,394
		<u>2,824,283</u>	<u>4,433,584</u>	<u>3,874,065</u>	<u>6,014,493</u>
Current Liabilities					
Trade and other payables	21	3,008,665	3,515,262	3,899,860	4,708,229
Contract liabilities	22	114,247	84,010	126,894	90,435
Current income tax liabilities		66,209	52,917	39,514	50,066
Lease liabilities due within one year	23	486,539	562,322	558,901	642,675
Bank borrowings	24	21,325	1,080,410	547,941	1,400,351
		<u>3,696,985</u>	<u>5,294,921</u>	<u>5,173,110</u>	<u>6,891,756</u>
Net Current Liabilities		<u>(872,702)</u>	<u>(861,337)</u>	<u>(1,299,045)</u>	<u>(877,263)</u>
Total Assets Less Current Liabilities		<u>1,773,414</u>	<u>2,246,802</u>	<u>2,359,628</u>	<u>4,242,990</u>
Non-current Liabilities					
Provision	25	10,607	62,082	61,196	62,383
Lease liabilities due after one year	23	501,585	732,439	625,443	577,754
		<u>512,192</u>	<u>794,521</u>	<u>686,639</u>	<u>640,137</u>
Net assets		<u>1,261,222</u>	<u>1,452,281</u>	<u>1,672,989</u>	<u>3,602,853</u>
Capital and Reserves					
Share capital	26	540,000	540,000	540,000	745,200
Reserves		721,222	912,281	1,132,989	2,857,653
Total Equity		<u>1,261,222</u>	<u>1,452,281</u>	<u>1,672,989</u>	<u>3,602,853</u>

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ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	NOTES	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current Assets					
Investments in subsidiaries	27	904,978	904,978	904,978	944,578
Other receivables	19	—	—	—	1,903,822
Deferred tax assets	18	—	11,488	11,314	14,038
		<u>904,978</u>	<u>916,466</u>	<u>916,292</u>	<u>2,862,438</u>
Current Assets					
Other receivables	19	—	70,385	208,902	205,206
Cash and cash equivalents	20	13,372	14,038	6,634	98,606
		<u>13,372</u>	<u>84,423</u>	<u>215,536</u>	<u>303,812</u>
Current Liabilities					
Other payables	21	51,771	614	173	9,608
Current income tax liabilities		17	24	524	—
		<u>51,788</u>	<u>638</u>	<u>697</u>	<u>9,608</u>
Net Current (Liabilities) Assets . .		<u>(38,416)</u>	<u>83,785</u>	<u>214,839</u>	<u>294,204</u>
Total Assets Less Current					
Liabilities		<u>866,562</u>	<u>1,000,251</u>	<u>1,131,131</u>	<u>3,156,642</u>
Non-current Liability					
Provision	25	—	44,235	45,258	45,723
Net assets		<u>866,562</u>	<u>956,016</u>	<u>1,085,873</u>	<u>3,110,919</u>
Capital and Reserves					
Share capital	26	540,000	540,000	540,000	745,200
Reserves	28	326,562	416,016	545,873	2,365,719
Total Equity		<u>866,562</u>	<u>956,016</u>	<u>1,085,873</u>	<u>3,110,919</u>

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Capital reserve	Other reserve	Statutory reserve	Share-based compensation expenses reserve	Retained profits	Total
	RMB'000	RMB'000 (note a)	RMB'000 (note b)	RMB'000 (note c)	RMB'000	RMB'000 (note c)	RMB'000
At 1 January 2022	540,000	261,719	17,607	55,578	—	236,031	1,110,935
Profit and total comprehensive income for the year	—	—	—	—	—	215,135	215,135
Dividends paid to the Company’s shareholders (note 13)	—	—	—	—	—	(80,053)	(80,053)
Share-based compensation expenses (note 29).	—	—	15,205	—	—	—	15,205
Appropriation to reserve.	—	—	—	8,787	—	(8,787)	—
At 31 December 2022	540,000	261,719	32,812	64,365	—	362,326	1,261,222
Profit and total comprehensive income for the year	—	—	—	—	—	287,955	287,955
Dividends paid to the Company’s shareholders (note 13)	—	—	—	—	—	(108,000)	(108,000)
Share-based compensation expenses (note 29).	—	—	9,719	—	1,385	—	11,104
Appropriation to reserve.	—	—	—	19,607	—	(19,607)	—
Converting the Company to a joint stock company	—	64,779	—	(64,365)	—	(414)	—
At 31 December 2023	540,000	326,498	42,531	19,607	1,385	522,260	1,452,281
Profit and total comprehensive income for the year	—	—	—	—	—	380,328	380,328
Dividends paid to the Company’s shareholders (note 13)	—	—	—	—	—	(167,400)	(167,400)
Share-based compensation expenses (note 29).	—	—	5,632	—	2,148	—	7,780
Appropriation to reserve.	—	—	—	29,511	—	(29,511)	—
At 31 December 2024	540,000	326,498	48,163	49,118	3,533	705,677	1,672,989
Profit and total comprehensive income for the period	—	—	—	—	—	248,320	248,320
Issuance of ordinary shares (note 26)	205,200	1,694,800	—	—	—	—	1,900,000
Dividend paid to the Company’s shareholders (note 13)	—	—	—	—	—	(226,800)	(226,800)
Share-based compensation expenses (note 29)	—	—	1,816	—	6,528	—	8,344
Transfer in relation to cancelled share options (note 29)	—	10,061	—	—	(10,061)	—	—
As at 30 June 2025	745,200	2,031,359	49,979	49,118	—	727,197	3,602,853
(Unaudited)							
As at 1 January 2024	540,000	326,498	42,531	19,607	1,385	522,260	1,452,281
Profit and total comprehensive income for the period	—	—	—	—	—	203,959	203,959
Share-based compensation expenses (note 29)	—	—	3,080	—	1,648	—	4,728
As at 30 June 2024.	540,000	326,498	45,611	19,607	3,033	726,219	1,660,968

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Notes:

- (a) Capital reserve consists of (i) the capital contributed by immediate holding company amounted to RMB261,719,000 prior to the Track Record Period; (ii) the transfer of RMB64,779,000 from statutory reserve and retained profits upon its conversion into a joint stock company in August 2023; (iii) the share premium of RMB1,694,800,000 arising from the issue of 205,200,000 ordinary shares to certain investors (“**Pre-[REDACTED] Investors**”) during the six months ended 30 June 2025; and (iv) transfer from the share-based compensation expenses reserve of RMB10,061,000 as a result of the cancellation of the share options during the six months ended 30 June 2025.
- (b) Other reserve represents the deemed contribution from immediate holding company, in relation to the share-based compensation expenses to certain employees of the Group.
- (c) The statutory reserve represents the amount transferred from net profit for the year of the Company established in the People’s Republic of China (the “**PRC**”) in accordance with the relevant PRC laws until the statutory reserve reaches 50% of the registered capital of the subsidiaries. The statutory reserve cannot be reduced except either using to set off the accumulated losses or increasing capital.

As at 31 December 2022, 2023 and 2024 and 30 June 2025, statutory reserve of subsidiaries amounting to RMB56,051,000, RMB79,152,000, RMB99,153,000 and RMB99,153,000, respectively, are included in the retained profits of the Group.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
OPERATING ACTIVITIES					
Profit before taxation	275,146	357,208	472,511	261,834	321,362
Adjustments for:					
Depreciation of property, plant and equipment	104,606	114,463	127,696	61,760	64,514
Depreciation of right-of-use assets	554,187	587,261	627,044	333,139	327,993
Amortisation of intangible assets	530	749	3,726	537	4,096
Net impairment losses on financial assets	34,411	10,813	27,773	29,566	8,714
Net (gains) losses on disposal/written off of property, plant and equipment	(935)	(124)	(204)	(306)	259
Net gains on disposal of right-of-use assets	—	(2,668)	(1,560)	(1,560)	—
Share-based compensation expenses	15,205	11,104	7,780	4,728	8,344
Finance costs	55,865	67,856	83,433	48,507	35,268
Interest income	(7,833)	(24,805)	(55,632)	(33,106)	(29,187)
Provision (reversal of provision) for claims	5,522	51,475	(886)	(1,289)	1,187
Operating cash flows before movements in working capital .	1,036,704	1,173,332	1,291,681	703,810	742,550
Changes in trade and other receivables and prepayments .	(835,820)	(87,148)	(631,503)	(795,757)	(1,037,131)
Changes in trade and other payables	634,567	506,597	384,598	750,853	807,147
Changes in contract liabilities . .	(7,521)	(30,237)	42,884	49,287	(36,459)
Cash generated from operations .	827,930	1,562,544	1,087,660	708,193	476,107
Income taxes paid	(46,387)	(93,071)	(107,387)	(74,689)	(70,058)
NET CASH FROM OPERATING ACTIVITIES	781,543	1,469,473	980,273	633,504	406,049

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	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
INVESTING ACTIVITIES					
Payments for purchase of financial assets	(150,000)	(440,000)	(1,750,000)	(1,400,000)	(2,250,000)
Proceeds from disposal of financial assets	150,000	250,000	650,000	—	720,000
Interests received	7,833	21,649	31,511	21,276	18,170
Payment for purchase and deposits paid for acquisition of property, plant and equipment .	(54,706)	(75,691)	(37,621)	(13,514)	(26,732)
Payment for purchase of intangible assets	(2,589)	(2,790)	(16,647)	(1,905)	(3,718)
Proceeds from disposal of property, plant and equipment .	1,351	565	1,820	1,290	12,930
Proceeds from disposal of right-of-use assets	—	12,094	2,487	1,560	—
Placement of restricted cash . . .	(3,330)	(4,263)	(273,720)	(388,904)	(1,070,198)
Release of restricted cash	2,489	3,419	4,893	4,642	271,509
NET CASH USED IN INVESTING ACTIVITIES . . .	(48,952)	(235,017)	(1,387,277)	(1,775,555)	(2,328,039)
FINANCING ACTIVITIES					
Interest paid	(6,471)	(8,587)	(25,037)	(18,718)	(8,588)
Repayment of interest elements of lease liabilities	(49,394)	(59,269)	(58,396)	(29,789)	(26,680)
New bank borrowings raised . . .	482,600	1,255,122	1,437,164	880,252	1,419,727
Repayments of bank borrowings .	(440,000)	—	(1,715,136)	(1,000,000)	(373,661)
Payment of lease liabilities	(517,408)	(585,563)	(616,337)	(325,679)	(322,048)
Dividends paid to the Company’s shareholders	(80,053)	(108,000)	(167,400)	—	(226,800)
Share issue costs paid	—	—	—	—	(382)
Issuance of ordinary shares	—	—	—	—	1,900,000
NET CASH (USED IN) FROM FINANCING ACTIVITIES . . .	(610,726)	493,703	(1,145,142)	(493,934)	2,361,568
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	121,865	1,728,159	(1,552,146)	(1,635,985)	439,578
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	319,938	441,803	2,169,962	2,169,962	617,816
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	441,803	2,169,962	617,816	533,977	1,057,394

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ACCOUNTANTS’ REPORT

NOTES TO HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Company was established in the PRC on 24 February 2011 as a limited liability company under the Company Law of the PRC. In August 2023, the Company was converted into a joint stock company with limited liability with the name changed from Annto Supply Chain Technology Co., Ltd.* (安得智聯供應鏈科技有限公司) to Annto Supply Chain Technology Co., Ltd.* (安得智聯供應鏈科技股份有限公司). The address of the registered office and principal place of business of the Company are stated in the section headed “Corporate Information” of the Document.

The Company acts as an investment holding company. Its subsidiaries are engaged in provision of integrated supply chain logistics solutions and basic logistics services in the PRC. The Group’s principal operations and geographical markets are in the PRC, and the particulars of the Company’s subsidiaries are set out in note 34.

The immediate holding company of the Company is Midea Zhilian (Shanghai) Supply Chain Technology Co., Ltd.* (“**Midea Zhilian**”) (美的智聯(上海)供應鏈科技有限公司) which was established in the PRC with limited liability. The intermediate holding company of the Company is Midea Group Co., Ltd., which was a company registered with limited liability in the PRC, with its shares listed on both the Shenzhen Stock Exchange and the Stock Exchange. Midea Group Co., Ltd. and its subsidiaries, excluding the Group, are collectively referred to as “Midea Group”. The ultimate holding company of the Company is Midea Holding Co., Ltd. (the “**Midea Holding**”), which was established in the PRC with limited liability.

The Historical Financial Information is presented in RMB, which is the same as the functional currency of the Company and its subsidiaries.

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards. Taking into account the factors as detailed in note 31(b), the directors of the Company have, at the time of approving the Historical Financial Information, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Historical Financial Information.

* English name is for identification purpose only.

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The statutory financial statements of the Company for the year ended 31 December 2022, 2023 and 2024 were prepared in accordance with Accounting Standards for Business Enterprises of the PRC and were audited by Grant Thornton Zhitong Certified Public Accountants LLP Shenzhen Branch (致同會計師事務所(特殊普通合夥)深圳分所), certified public accountants registered in the PRC.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on 1 January 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Finance Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature — Dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvement to IFRS Accounting Standards — Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

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IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and consolidated statements of cash flows and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group’s consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

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The material accounting policy information are set out below:

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in subsidiaries

Investments in subsidiaries are stated in the statements of financial position of the Company at cost less identified impairment loss, if any.

Revenue from contracts with customers

Information about the Group’s accounting policies relating to revenue from contracts with customers is provided in notes 5 and 22.

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Research and development expenses

Research expenditures are recognised as expenses as incurred. For expenditures incurred during the development phases where the recognition criteria for intangible assets is not met, they are recognised as expenses in the period in which it is incurred.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 *Leases* at inception of the contract, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the Historical Financial Information would not differ materially from individual leases within the portfolio.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.

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Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* and initially measured at fair value.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liabilities at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “**lease modifications**”).

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Employee benefits

Retirement benefit costs

Payments to state-managed defined contribution to pension plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

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A liability is recognised for benefits accruing to employees after deducting any amount already paid.

Share-based compensation expenses

Equity-settled share-based compensation expenses transactions

Share-based compensation expenses to the Group’s employees are granted under a share incentive plan of Midea Group (the “**Midea Group Share Incentive Plan**”). The Historical Financial Information includes allocation of the expenses recorded at Midea Group based on the Group’s employees participation in under Midea Group Share Incentive Plan. Midea Group grants its service-based restricted shares and share options to the Group’s eligible employees, which are treated as deemed contribution from Midea Group and recorded in other reserve in the Group’s consolidated statements of changes in equity.

In addition, the Group operates a share incentive plan, under which it receives services from employees as consideration for share options of the Company (the “**Share Option Scheme**”). The fair value of the services received in exchange for the grant of options is recognised as an expense on the consolidated statements of profit or loss with a corresponding increase in equity.

Equity-settled share-based compensation expenses to employees providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based compensation expenses determined at the grant date without taking into consideration all non-market vesting conditions is expensed using graded vesting method over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (other reserve for Midea Group Share Incentive Plan and share-based compensation expenses reserve for Share Option Scheme). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserve/share-based compensation expenses reserve. For restricted shares/share options that vest immediately at the date of grant, the fair value of the restricted shares/share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in other reserve will continue to be held in other reserve and share-based compensation expenses reserve will be transferred to capital reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve

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will be transferred to capital reserve. When share options are cancelled during the vesting period, it is treated as if they had been vested on the date of cancellation, and any expense not yet recognised for the share options is recognised immediately and the amount previously recognised in share-based compensation expenses reserve is transferred to capital reserve.

Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit before taxation because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current income tax is calculated using tax rates that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

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For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for supply of services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts

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and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is

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recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in “other income”.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables, term deposits, restricted cash and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade and note receivables (including trade related amounts due from related parties). The ECL on these assets are assessed individually for debtors with significant balances and credit-impaired and/or collectively using a collective basis with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

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(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event; or
- (c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade and note receivables (other than notes issued by banks) using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

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Lifetime ECL for trade and note receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information. For collective assessment, the Group takes into consideration the nature, size and industry of debtors when formulating the grouping.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

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Financial liabilities at amortised cost

Financial liabilities of the Group (including trade and other payables and bank borrowings) and financial liabilities of the Company (including other payables) are subsequently measured at amortised cost using effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include cash and cash equivalents, of which cash comprises of cash on hand and demand deposits, and cash equivalents comprises of short-term (generally with original maturity of three months or less) and highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above and form an integral part of the Group’s cash management.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Provision of ECL of trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually.

In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group’s historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The measurement of ECL requires the application of significant judgment which includes the expected future cash flows and forward-looking macroeconomic factors. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the carrying amounts of trade receivables are RMB1,540,199,000, RMB1,517,299,000, RMB1,541,593,000 and RMB2,238,994,000, net of allowance of RMB65,716,000, RMB73,551,000, RMB87,098,000 and RMB93,019,000, respectively.

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5. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Types of service offerings					
Integrated supply chain					
logistics solutions					
— Production logistics	971,574	1,563,151	1,997,496	989,959	1,138,580
— Omni-channel shared					
inventory and distribution	9,588,804	10,653,931	12,052,774	6,054,344	6,937,598
— Delivery and installation . .	1,604,084	1,880,999	2,292,403	983,836	1,209,566
Subtotal	12,164,462	14,098,081	16,342,673	8,028,139	9,285,744
Basic logistics services	2,008,356	2,125,951	2,320,667	1,025,045	1,598,971
Total	14,172,818	16,224,032	18,663,340	9,053,184	10,884,715
Timing of revenue					
 recognition					
Over time	14,166,006	16,016,444	18,411,458	8,935,469	10,729,917
At point in time	6,812	207,588	251,882	117,715	154,798
	14,172,818	16,224,032	18,663,340	9,053,184	10,884,715

The Group provides integrated supply chain logistics solutions (including production logistics, omni-channel shared inventory and distribution, and delivery and installation) and basic logistics services through its comprehensive logistics network and technology infrastructure to corporate customers in the PRC.

Revenue generated from integrated supply chain logistics solutions and basic logistics services are comprised of provision of (i) warehousing services, (ii) freight transportation services, (iii) installation services and (iv) sales of goods.

Warehousing services

Warehousing services are integrated and highly interdependent services which include comprehensive inbound, outbound, inspection, storage management and various warehouse management services and they are considered as one single performance obligation.

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The Group recognises revenue from warehousing services over time as the customers simultaneously receive and consume the benefits provided by the Group’s performance as the Group performs. The Group bills the customers on a monthly or periodically basis.

Freight transportation services

Freight transportation services are provided for heavy load parcels. Freight transportation services mainly include parcel pickup, parcel sorting and line-haul transportation. Each order for transportation of parcels from the point of receiving the parcels from senders all the way through to the point when the parcels are delivered to end recipients, is considered as a performance obligation.

As such, revenue from freight transportation services is recognised proportionally as parcels are transported from one location to another and the related costs are recognised as incurred. The Group uses an output method of progress based on distance as it best depicts the transfer of control to the customer. The Group bills the customers upon the completion of the freight transportation services.

Installation services

Installation services are provided for appliances and home furnishings and completed within short period of time i.e. one day and the revenue is recognised over time. The Group bills the customers upon the completion of the installation services.

Sales of goods

The Group recognises revenue from the sale of goods including refining oil, packaging materials and equipments, that the performance obligations are satisfied when the goods are delivered to the destination specified by the customers. Performance obligations are satisfied at a point in time once control of the goods has been transferred to the customers.

Contracts with multiple performance obligations

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction

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price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Transaction price allocated to the remaining performance obligation for contracts with customers

The performance obligation under the contract for the integrated supply chain logistics solutions and basic logistics services has original expected duration of less than one year and as permitted under IFRS 15, the transaction price allocated to these unsatisfied (or partially unsatisfied) contracts is not disclosed.

Segment information

The Group’s chief operating decision maker, who has been identified as the Chief Executive Officer (the “CEO”), reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and no other discrete financial information is provided to the CEO. Hence, the Group has only one reportable segment. As all of the Group’s non-current assets are located in the PRC and all of the Group’s revenue is derived from the PRC, no geographical information is presented.

During the Track Record Period, other than the Group’s largest customer i.e. Midea Group, as disclosed in note 30, no other single customer contributed over 10% of the total revenue of the Group.

6. OTHER INCOME

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Government grants	30,867	52,134	61,360	34,369	35,015
Interest income	7,833	24,805	55,632	33,106	29,187
Others	2,530	3,147	3,910	1,637	1,117
	<u>41,230</u>	<u>80,086</u>	<u>120,902</u>	<u>69,112</u>	<u>65,319</u>

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The government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives, to reward the Group’s contribution to the local economic growth. There were no unfulfilled conditions or contingencies relating to these government grants at the end of each reporting period and during the Track Record Period.

7. OTHER GAINS AND LOSSES, NET

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(Unaudited)	
Net gains (losses) on disposal/written off of property, plant and equipment (<i>note</i>)	935	124	204	306	(259)
Net gains on disposal of right-of-use assets.	—	2,668	1,560	1,560	—
(Provision) reversal of provision for claims	(5,522)	(51,475)	886	1,289	(1,187)
Others	(1,100)	(1,800)	(1,947)	(687)	(745)
	<u>(5,687)</u>	<u>(50,483)</u>	<u>703</u>	<u>2,468</u>	<u>(2,191)</u>

Note:

During the six months ended 30 June 2025, a warehouse owned by the Group was damaged in a fire-accident, resulting in the loss on written-off of property, plant and equipment of RMB10,319,000, fully netting against the reimbursement which was received from insurance claim, has been presented in other gains and losses, net.

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8. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Net impairment losses on:					
— Trade and note receivables .	(33,472)	(6,436)	(13,493)	(25,009)	(5,912)
— Other receivables	(939)	(4,377)	(14,280)	(4,557)	(2,802)
	<u>(34,411)</u>	<u>(10,813)</u>	<u>(27,773)</u>	<u>(29,566)</u>	<u>(8,714)</u>

Details of impairment assessment are set out in note 31.

9. FINANCE COSTS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Interest expense on lease liabilities	(49,394)	(59,269)	(58,396)	(29,789)	(26,680)
Interest expense on bank borrowings	(6,471)	(8,587)	(25,037)	(18,718)	(8,588)
	<u>(55,865)</u>	<u>(67,856)</u>	<u>(83,433)</u>	<u>(48,507)</u>	<u>(35,268)</u>

10. INCOME TAX EXPENSE

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Current income tax	(78,048)	(79,779)	(93,984)	(65,025)	(80,610)
Deferred income tax (note 18) .	18,037	10,526	1,801	7,150	7,568
	<u>(60,011)</u>	<u>(69,253)</u>	<u>(92,183)</u>	<u>(57,875)</u>	<u>(73,042)</u>

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Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the Company and its PRC subsidiaries are 25% for the Track Record Period except that:

- (i) certain subsidiaries of the Company were registered in the western region of the PRC and engaged in the business encouraged by the PRC government. These subsidiaries are entitled to the preferential enterprise income tax (“**EIT**”) rate of 15%.
- (ii) certain subsidiaries of the Company located in mainland China fulfill the micro and small enterprises qualification under Chinese corporate income tax system. Therefore, these subsidiaries were subject to the EIT rate from 2.5% to 10% during the Track Record Period.

The additional tax deduction of the qualified research and development expenses is 100% throughout the Track Record Period (“**Super Deduction**”).

The income tax expense for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 can be reconciled to the profit before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Profit before taxation	275,146	357,208	472,511	261,834	321,362
Tax at the PRC EIT rate of 25%	(68,787)	(89,302)	(118,128)	(65,459)	(80,341)
Tax effect of expenses not deductible for tax purpose . .	(10,947)	(6,196)	(3,617)	(3,417)	(5,392)
Tax effect of Super Deduction .	13,578	18,060	19,134	6,575	9,265
Tax effect of preferential tax treatments	6,145	8,185	10,428	4,426	8,500
Tax effect of tax losses not recognised	—	—	—	—	(5,074)
Total	(60,011)	(69,253)	(92,183)	(57,875)	(73,042)

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11. PROFIT FOR THE YEAR/PERIOD

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
				(Unaudited)	
Profit for the year/period has been arrived at after charging:					
Auditors’ remuneration.	822	1,159	895	234	448
Directors’ remuneration	16,503	15,717	18,974	4,030	7,105
Other staff’s salaries wages, bonuses and benefits in kind (including contributions to pension plans)	1,080,059	1,185,277	1,352,454	662,542	734,256
Other staff’s share-based compensation expenses.	13,752	10,006	5,556	4,042	4,634
Total staff costs*	1,110,314	1,211,000	1,376,984	670,614	745,995
Depreciation of property, plant and equipment*	104,606	114,463	127,696	61,760	64,514
Depreciation of right-of-use assets*	554,187	587,261	627,044	333,139	327,993
Amortisation of intangible assets*	530	749	3,726	537	4,096

* The staff costs, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets related to research and development amounting to RMB74,448,000, RMB113,440,000, RMB140,448,000, RMB83,600,000 (unaudited) and RMB89,594,000, in aggregate, for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, respectively, are included in “research and development expenses” in the consolidated statements of profit or loss and other comprehensive income.

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12. DIRECTORS’, CHIEF EXECUTIVE’S AND EMPLOYEES’ EMOLUMENTS

Details of the emoluments paid/payable to the directors and chief executive of the Company during the Track Record Period are as follow:

	Director’s Fee	Salaries, wages, bonuses and benefits in kind (including contributions to pension plans)	Total
	RMB’000	RMB’000	RMB’000
Year ended 31 December 2022			
Executive directors			
Mr. Liang Pengfei (梁鵬飛) (note a)	—	9,727	9,727
Mr. Ma Liang (馬良) (note b)	—	2,461	2,461
	—	12,188	12,188
Year ended 31 December 2023			
Executive directors			
Mr. Liang Pengfei (梁鵬飛) (note a)	—	7,130	7,130
Mr. Ma Liang (馬良) (note b)	—	2,349	2,349
	—	9,479	9,479
Independent non-executive directors			
Dr. Chen Wei Ru (陳威如) (note e)	23	—	23
Dr. Lin Zhong (林忠) (note f)	23	—	23
	46	—	46
	46	9,479	9,525

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	Director’s Fee	Salaries, wages, bonuses and benefits in kind (including contributions to pension plans)	Total
	RMB’000	RMB’000	RMB’000
Year ended 31 December 2024			
Executive directors			
Mr. Liang Pengfei (梁鵬飛) (note a)	—	8,785	8,785
Mr. Ma Liang (馬良) (note b)	—	2,388	2,388
	—	11,173	11,173
Independent non-executive directors			
Dr. Chen Wei Ru (陳威如) (note e)	150	—	150
Dr. Lin Zhong (林忠) (note f)	150	—	150
	300	—	300
	300	11,173	11,473
	Director’s Fee	Salaries, wages, bonuses and benefits in kind (including contributions to pension plans)	Total
	RMB’000	RMB’000	RMB’000
Six months ended 30 June 2024			
(Unaudited)			
Executive directors			
Mr. Liang Pengfei (梁鵬飛) (note a)	—	1,309	1,309
Mr. Ma Liang (馬良) (note b)	—	500	500
	—	1,809	1,809
Independent non-executive directors			
Dr. Chen Wei Ru (陳威如) (note e)	75	—	75
Dr. Lin Zhong (林忠) (note f)	75	—	75
	150	—	150
	150	1,809	1,959

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	Director’s Fee	Salaries, wages, bonuses and benefits in kind (including contributions to pension plans)	Total
	RMB’000	RMB’000	RMB’000
Six months ended 30 June 2025			
Executive directors			
Mr. Liang Pengfei (梁鵬飛) (note a)	—	1,682	1,682
Mr. Ma Liang (馬良) (note b)	—	513	513
	—	2,195	2,195
Independent non-executive directors			
Dr. Chen Wei Ru (陳威如) (note e)	75	—	75
Dr. Lin Zhong (林忠) (note f)	75	—	75
Ms. Song Yi (宋屹) (note g)	—	—	—
	150	—	150
	150	2,195	2,345

Notes:

- (a) Mr. Liang Pengfei acts as chief executive of the Company and a director of the Company throughout the Track Record Period and his emoluments disclosed above included those for services rendered by him as the chief executive in management of the affairs of the group entities.
- (b) Mr. Ma Liang served as the Group’s chief financial officer and executive director throughout the Track Record Period and his emoluments disclosed above included those for services rendered by him as the chief financial officer and executive director in management of the affairs of the group entities.
- (c) Mr. Liu Xiao (劉嘯), Ms. Luo Wenhui (駱文輝) and Ms. Chen Lihong (陳麗紅) were appointed as directors in August 2025 and were redesignated as non-executive directors in August 2025 with effect from date of [REDACTED] of the Company’s shares on the Stock Exchange. They joined Midea Group prior to Track Record Period and they have not received any remuneration from the Group during the Track Record Period.
- (d) Mr. Duan Yuebin (段躍斌) was appointed as director in August 2025 and was redesignated as a non-executive director in August 2025 with effect from the date of [REDACTED] of the Company’s shares on the Stock Exchange. He has not received any remuneration from the Group during the Track Record Period.
- (e) Dr. Chen Wei Ru was appointed as independent director in August 2023 and was redesignated as an independent non-executive director in August 2025 with effect from the date of [REDACTED] of the Company’s shares on the Stock Exchange. The remuneration shown above represents his capacity as an independent director.
- (f) Dr. Lin Zhong was appointed as independent director in August 2023 and was redesignated as an independent non-executive director in August 2025 with effect from the date of [REDACTED] of the Company’s shares on the Stock Exchange. The remuneration shown above represents his capacity as an independent director.
- (g) Ms. Song Yi was appointed as independent director in May 2025 and was redesignated as an independent non-executive director in August 2025 with effect from the date of [REDACTED] of the Company’s shares on the Stock Exchange. She has not received any remuneration from the Group during the Track Record Period.
- (h) Mr. Wang Yang (汪洋) was the director of human resources of the Group in October 2024 and served as a director of the Company for the period from October 2024 to August 2025. Mr. Qiang Lei (羌磊) served as a director of the Company for the period from February 2021 to August 2023. Mr. Su Xinlong (蘇新龍) served as a director of the

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Company for the period from August 2023 to May 2025. Mr. Dong Wentao (董文濤) served as a director of the Company for the period from August 2023 to August 2025. Mr. Wang Weihai (王衛海) served as a director of the Company for the period from August 2023 to October 2024. The directors’ fee and salaries, wages, bonuses and benefits in kind (including contributions to pension plans) recognised by the Group in relation to the aforesaid directors were RMB2,862,000, RMB5,094,000, RMB5,277,000, RMB1,385,000 (unaudited) and RMB1,050,000 for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025.

The discretionary bonus is determined based on the performance of individual and market trend during the Track Record Period.

Pursuant to Midea Group Share Incentive Plans and Share Option Scheme, certain executive directors were granted shares incentives. During the six months ended 30 June 2025, the Share Option Scheme was cancelled and no replacement compensation arrangement was implemented, as details in note 29.

For the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, the share-based compensation expenses recognised by the Group in relation to the eligible executive directors were RMB1,453,000, RMB1,098,000, RMB2,224,000, RMB686,000 (unaudited) and RMB3,710,000, respectively.

Five highest paid employees

The five highest paid individuals of the Group include 3 directors for the year ended 31 December 2022, 1 director for the year ended 31 December 2023 and 2024, and 2 directors for the six months ended 30 June 2024 and 2025. The remunerations of the remaining individuals for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 are set out below:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Employees					
— Salaries, wages, bonuses and benefits in kind (including contributions to pension plans).	5,220	11,806	13,007	2,897	3,328
— Share-based compensation expenses .	596	594	503	311	1,479
Total	5,816	12,400	13,510	3,208	4,807

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The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> (Unaudited)	<i>RMB’000</i>
HK\$1,000,001 to					
HK\$1,500,000	—	—	—	3	—
HK\$1,500,001 to					
HK\$2,000,000	—	—	—	—	3
HK\$3,000,001 to					
HK\$3,500,000	2	2	—	—	—
HK\$3,500,001 to					
HK\$4,000,000	—	2	4	—	—
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

During the Track Record Period, no emoluments were paid by the Group to any of the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no directors waived any emoluments during the Track Record Period.

13. DIVIDENDS

During the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, dividends of RMB80,053,000, RMB108,000,000, RMB167,400,000, nil (unaudited) and RMB226,800,000, respectively, were declared and paid by the Company.

14. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company during the Track Record Period are based on the following data.

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	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(Unaudited)	
Earnings (RMB’000)					
Earning attributable to the					
owners of the Company for					
the purpose of calculation of					
basic and diluted earnings					
per share	215,135	287,955	380,328	203,959	248,320
Number of shares (’000)					
Weighted average number of					
ordinary shares for the					
purposes of calculation of					
basic and diluted earnings					
per share	540,000	540,000	540,000	540,000	564,225

The number of ordinary shares for the purpose of calculation of basic earnings per share has been determined on the assumption that the conversion to a joint stock company as detailed in note 26 been effective on 1 January 2022.

No diluted earnings per share is presented for the year ended 31 December 2022 as there is no potential ordinary shares in issue during the year ended 31 December 2022.

There are potential ordinary shares in issue in relation to Share Option Scheme of the Company launched during the year ended 31 December 2023 and cancelled during the six months ended 30 June 2025 (note 29). However, the share options are subject to the successful listing of the Company in the stock exchange in the PRC which has not yet been met during the Track Record Period. Therefore, they are not included in the calculation of the diluted earnings per share for each of the year ended 31 December 2023 and 2024 and the six months ended 30 June 2024 and 2025.

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15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Warehouses	Logistics equipment	Vehicles	Electronic equipment and others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST						
At 1 January 2022.	1,960,309	4,878	14,444	58,690	28,312	2,066,633
Additions	11,974	33,096	785	11,857	—	57,712
Transfer	—	28,312	—	—	(28,312)	—
Disposals/written-off	—	(24)	(2,923)	(5,236)	—	(8,183)
At 31 December 2022	1,972,283	66,262	12,306	65,311	—	2,116,162
Additions	199	33,876	6,481	36,853	—	77,409
Disposals/written-off	—	(92)	(1,018)	(2,869)	—	(3,979)
At 31 December 2023	1,972,482	100,046	17,769	99,295	—	2,189,592
Additions	—	4,402	5,221	30,981	—	40,604
Disposals/written-off	(90)	(24)	(2,644)	(6,142)	—	(8,900)
At 31 December 2024	1,972,392	104,424	20,346	124,134	—	2,221,296
Additions	99	1,391	3,153	8,502	—	13,145
Disposals/written-off	(25,860)	(301)	(2,360)	(1,908)	—	(30,429)
At 30 June 2025	1,946,631	105,514	21,139	130,728	—	2,204,012
DEPRECIATION						
At 1 January 2022.	811,260	977	12,338	46,383	—	870,958
Charged for the year	96,607	1,556	748	5,695	—	104,606
Eliminated on disposals/written-off	—	(13)	(2,784)	(4,970)	—	(7,767)
At 31 December 2022	907,867	2,520	10,302	47,108	—	967,797
Charged for the year	94,056	8,686	863	10,858	—	114,463
Eliminated on disposals/written-off	—	(29)	(988)	(2,521)	—	(3,538)
At 31 December 2023	1,001,923	11,177	10,177	55,445	—	1,078,722
Charged for the year	93,670	9,749	2,426	21,851	—	127,696
Eliminated on disposals/written-off	—	(17)	(1,903)	(5,364)	—	(7,284)
At 31 December 2024	1,095,593	20,909	10,700	71,932	—	1,199,134
Charged for the period	46,385	4,975	1,145	12,009	—	64,514
Eliminated on disposals/written-off	(15,523)	(202)	(161)	(1,354)	—	(17,240)
At 30 June 2025	1,126,455	25,682	11,684	82,587	—	1,246,408

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	Warehouses	Logistics equipment	Vehicles	Electronic equipment and others	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
CARRYING VALUES						
At 31 December 2022	1,064,416	63,742	2,004	18,203	—	1,148,365
At 31 December 2023	970,559	88,869	7,592	43,850	—	1,110,870
At 31 December 2024	876,799	83,515	9,646	52,202	—	1,022,162
At 30 June 2025	820,176	79,832	9,455	48,141	—	957,604

The above items of property, plant and equipment, except for construction in progress, after taking into account the residual values, are depreciated on a straight-line basis over their estimated useful lives, as follows:

Warehouses	20 years
Logistics equipment	3 to 10 years
Vehicles	3 to 5 years
Electronic equipment and others	3 years

16. RIGHT-OF-USE ASSETS

The Group

	Land use rights	Leased warehouses	Leased logistics equipment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
CARRYING VALUE				
At 31 December 2022	503,569	930,751	15,341	1,449,661
At 31 December 2023	481,338	1,231,466	32,370	1,745,174
At 31 December 2024	467,757	1,113,748	41,618	1,623,123
At 30 June 2025	461,432	1,147,792	44,039	1,653,263

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	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Additions to right-of-use assets	556,749	892,200	505,920	271,978	358,133
Depreciation charge	554,187	587,261	627,044	333,139	327,993
Expenses relating to short-term leases and leases of low-value assets	428,510	529,922	596,731	298,565	358,642
Total cash outflow for leases . .	995,312	1,174,754	1,271,464	654,033	707,370

The Group leases various warehouses and logistic equipment for its operations. Lease contracts are entered into for fixed term of 1 to 10 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several warehouses where its logistics facilities are primarily located. The Group is the registered owner of these property interests, including the underlying land use rights. Lump sum payments were made upfront to acquire these property interests. The land use rights components of these owned properties are presented separately only if the payments made can be allocated reliably.

The Group has obtained the land use right certificates for all land use rights as at 31 December 2022, 2023 and 2024 and 30 June 2025.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group regularly entered into short-term leases for office, warehouses and logistic equipment. As of 31 December 2022, 2023 and 2024 and 30 June 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Lease liabilities recognised relation to leased warehouses and logistic equipment of RMB988,124,000, RMB1,294,761,000, RMB1,184,344,000 and RMB1,220,429,000 are recognised with related right-of-use assets of RMB946,092,000, RMB1,263,836,000, RMB1,155,366,000 and

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RMB1,191,831,000 as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in note 23.

17. INTANGIBLE ASSETS

The Group

	Software
	<i>RMB’000</i>
COST	
At 1 January 2022	2,955
Additions	2,589
At 31 December 2022	5,544
Additions	2,790
At 31 December 2023	8,334
Additions	16,647
At 31 December 2024	24,981
Additions	3,718
At 30 June 2025	28,699
AMORTISATION	
At 1 January 2022	25
Charge for the year	530
At 31 December 2022	555
Charge for the year	749
At 31 December 2023	1,304
Charge for the year	3,726
At 31 December 2024	5,030
Charge for the period	4,096
At 30 June 2025	9,126
CARRYING VALUES	
At 31 December 2022	4,989
At 31 December 2023	7,030
At 31 December 2024	19,951
At 30 June 2025	19,573

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All of the Group’s software were acquired from third parties and the amortisation of the Group’s software begins when it is available for use. Software were amortised on a straight-line basis over 3 to 10 years.

18. DEFERRED TAX

The Group

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The followings are the major deferred tax assets recognised and movements thereon during the Track Record Period:

	Tax losses	Loss allowance, provision and others	Rights-of-use assets	Leases liabilities	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At 1 January 2022	2,522	11,762	(232,655)	237,196	18,825
Credit (charge) to profit or loss	801	11,271	(3,868)	9,833	18,037
At 31 December 2022 . . .	3,323	23,033	(236,523)	247,029	36,862
(Charge) credit to profit or loss	(2,384)	15,685	(79,436)	76,661	10,526
At 31 December 2023 . . .	939	38,718	(315,959)	323,690	47,388
(Charge) credit to profit or loss	(939)	3,227	27,117	(27,604)	1,801
At 31 December 2024 . . .	—	41,945	(288,842)	296,086	49,189
Credit (charge) to profit or loss	4,970	2,693	(9,116)	9,021	7,568
At 30 June 2025	4,970	44,638	(297,958)	305,107	56,757

At 31 December 2022, 2023 and 2024 and 30 June 2025, the Group had unused tax losses of RMB13,291,000, RMB3,757,000, nil and RMB40,176,000, respectively, available to offset against future profits. At 31 December 2022, 2023 and 2024 and 30 June 2025, deferred tax assets have been recognised in respect of RMB13,291,000, RMB3,757,000, nil and RMB19,880,000 of such tax losses and no deferred tax asset has been recognised in respect of the remaining unused tax losses due to the unpredictability of future profits schemes. The unrecognised tax losses will be expired gradually in various dates within the next five years from the end of each reporting period.

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The Company

The followings are the major deferred tax assets recognised and movements thereon during the Track Record Period:

	Tax losses	Provision	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2022 and 31 December 2022 .	—	—	—
Credit to profit or loss	428	11,060	11,488
At 31 December 2023	428	11,060	11,488
(Charge) credit to profit or loss.	(428)	254	(174)
At 31 December 2024	—	11,314	11,314
Credit to profit or loss	2,608	116	2,724
At 30 June 2025	2,608	11,430	14,038

At 31 December 2022, 2023 and 2024 and 30 June 2025, the Group had unused tax losses of nil, RMB1,712,000, nil and RMB10,432,000, respectively, available to offset against future profits and deferred tax assets have been recognised in respect of these tax losses.

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19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and note receivables				
— Trade receivables	1,605,915	1,590,850	1,628,691	2,332,013
— Note receivables	395,164	303,996	375,253	416,657
	<u>2,001,079</u>	<u>1,894,846</u>	<u>2,003,944</u>	<u>2,748,670</u>
Less: allowance for credit losses				
— Trade receivables	(65,716)	(73,551)	(87,098)	(93,019)
— Note receivables	(1,480)	(81)	(27)	(18)
	<u>(67,196)</u>	<u>(73,632)</u>	<u>(87,125)</u>	<u>(93,037)</u>
	<u>1,933,883</u>	<u>1,821,214</u>	<u>1,916,819</u>	<u>2,655,633</u>
Other receivables				
Refundable deposits	257,551	303,874	437,311	493,986
Prepayments to suppliers	183,568	125,966	245,057	287,645
Prepayments for property, plant and equipment	6,239	4,521	1,538	15,125
Other taxes recoverables	8,311	21,209	28,180	24,886
Deferred issue costs	—	—	—	1,604
Prepaid [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	8,293	2,519	6,129	7,911
	<u>463,962</u>	<u>458,089</u>	<u>718,215</u>	<u>832,131</u>
Less: allowance for credit losses	<u>(13,275)</u>	<u>(16,153)</u>	<u>(25,634)</u>	<u>(28,412)</u>
	<u>450,687</u>	<u>441,936</u>	<u>692,581</u>	<u>803,719</u>
	<u>2,384,570</u>	<u>2,263,150</u>	<u>2,609,400</u>	<u>3,459,352</u>
Less: Prepayments shown under non-current assets	<u>(6,239)</u>	<u>(4,521)</u>	<u>(1,538)</u>	<u>(15,125)</u>
	<u>2,378,331</u>	<u>2,258,629</u>	<u>2,607,862</u>	<u>3,444,227</u>

As of 1 January 2022, trade and note receivables amounted to RMB1,398,316,000.

As at 31 December 2022, 2023 and 2024 and 30 June 2025, total notes received amounting to RMB26,404,000, RMB96,864,000, RMB190,427,000 and RMB161,712,000, respectively, were held by the Group for future settlement of trade receivables, and were further discounted/endorsed by the Group. The Group continues to recognise their full carrying amounts at the end of the reporting period and details are disclosed in note 31(c). All notes received by the Group are with a maturity period of less than one year.

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The Group mainly allows a credit period of 0 to 90 days to its trade customers. The following is an aging analysis of trade and note receivables, net of allowance for credit losses, presented based on the invoice dates.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
0–90 days	1,833,378	1,689,287	1,743,182	2,481,092
91–180 days	99,651	131,927	173,637	173,958
181 days–1 year	854	—	—	583
	<u>1,933,883</u>	<u>1,821,214</u>	<u>1,916,819</u>	<u>2,655,633</u>

As of 31 December 2022, 2023 and 2024 and 30 June 2025, included in the Group’s trade receivables balance are debtors with aggregate carrying amount of RMB127,843,000, RMB117,586,000, RMB119,058,000 and RMB244,667,000, respectively, which are past due. Out of the past due balances, RMB897,000, RMB403,000, RMB733,000 and RMB2,335,000 have been past due 90 days or more but not considered as in default, as the Group is satisfied with the credit quality of these customers. The Group does not hold any collateral over these balances.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Other receivables				
Amounts due from subsidiaries (<i>note</i>)	—	70,021	208,902	2,106,218
Deferred issue costs	—	—	—	1,604
Prepaid [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	—	364	—	232
	—	70,385	208,902	2,109,028
Less: Other receivables shown under non-current assets	—	—	—	(1,903,822)
	<u>—</u>	<u>70,385</u>	<u>208,902</u>	<u>205,206</u>

Note: Except for the amounts due from subsidiaries shown under non-current assets, the above amounts due from subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts due from subsidiaries shown under non-current assets are non-trade in nature and unsecured, which carried interest at a fixed rate of 3.00% per annum and will mature on 31 December 2026.

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Details of impairment assessment of trade and other receivables are set out in note 31.

20. RESTRICTED CASH, TERM DEPOSITS AND CASH AND CASH EQUIVALENTS

The Group and the Company

Cash and cash equivalents mainly include demand deposits, which carry interest at market rates range from 0.20% per annum to 2.60% per annum, 0.20% per annum to 3.00% per annum, 0.10% per annum to 1.35% per annum, and 0.05% per annum to 1.35% per annum at 31 December 2022, 2023 and 2024 and 30 June 2025.

The bank balances of the Group and the Company are all denominated in RMB.

The Group

As of 31 December 2022, 2023 and 2024 and 30 June 2025, restricted cash mainly represent guarantee deposits held in designated bank accounts for issuance of bank notes (see note 35).

Term deposits with original maturity over three months carry interest rate from 3.10% per annum to 3.45% per annum, 1.55% per annum to 3.45% per annum, and 1.75% per annum to 3.30% per annum at 31 December 2023 and 2024 and 30 June 2025, respectively.

At 31 December 2023 and 2024 and 30 June 2025, certain term deposits have been pledged to issuance of bank notes, details are set out in note 35.

Details of impairment assessment of restricted cash, term deposits and cash and cash equivalents are set out in note 31.

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21. TRADE AND OTHER PAYABLES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and note payables				
— Trade payables	2,223,587	2,602,176	2,899,544	3,670,548
— Note payables	64,844	104,499	82,766	79,927
	<u>2,288,431</u>	<u>2,706,675</u>	<u>2,982,310</u>	<u>3,750,475</u>
Other payables				
Payroll payables	248,890	304,436	317,831	253,118
Deposits received	450,101	476,820	536,423	637,046
Accrued issue costs	—	—	—	1,222
Accrued [REDACTED] expenses . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other tax payables	18,985	24,962	60,032	55,610
Others	2,258	2,369	3,264	2,404
	<u>720,234</u>	<u>808,587</u>	<u>917,550</u>	<u>957,754</u>
	<u><u>3,008,665</u></u>	<u><u>3,515,262</u></u>	<u><u>3,899,860</u></u>	<u><u>4,708,229</u></u>

The credit period of trade and note payables is mainly ranging from 0 to 120 days. The following is an aging analysis of trade and note payables presented based on the invoice dates at the end of each reporting period.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 90 days	2,094,091	2,459,457	2,730,608	3,530,440
91 to 180 days	114,737	116,197	129,942	74,887
181 to 365 days	30,792	48,266	46,720	66,538
Over 1 year	48,811	82,755	75,040	78,610
	<u>2,288,431</u>	<u>2,706,675</u>	<u>2,982,310</u>	<u>3,750,475</u>

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The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Amounts due to subsidiaries (<i>note</i>) . . .	51,771	—	—	—
Accrued issue costs	—	—	—	1,222
Accrued [REDACTED] expenses . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	—	614	173	32
	<u>51,771</u>	<u>614</u>	<u>173</u>	<u>9,608</u>

Note: The amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

22. CONTRACT LIABILITIES

The Group

The contract liabilities represented the advance payment, received from the customers while the underlying services are yet to be provided.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Advances from customers for				
integrated supply chain logistics				
solutions and basic logistics				
services	<u>114,247</u>	<u>84,010</u>	<u>126,894</u>	<u>90,435</u>

At 1 January 2022, contract liabilities of the Group amounted to RMB121,768,000.

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The amount of contract liabilities includes the revenue to be recognised. The contract liabilities balance varies in accordance with the number of contracts outstanding at the end of reporting period. The following table shows how much of the revenue recognised during the Track Record Period relates to carried-forward contract liabilities:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised that was included in the contract liabilities balances at the beginning of the year/period . . .	121,768	114,247	84,010	126,894

The Group requires a deposit on acceptance of orders from certain customers. When the Group receives a deposit before the provision of integrated supply chain logistics solutions and basic logistics services, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

The contract liabilities of the Group are denominated in RMB.

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23. LEASE LIABILITIES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities payable:				
Within one year	486,539	562,322	558,901	642,675
More than one year but not more				
than two years	246,894	336,999	358,364	357,029
More than two years but not more				
than five years	215,543	335,498	247,385	204,144
More than five years	39,148	59,942	19,694	16,581
	988,124	1,294,761	1,184,344	1,220,429
Less: Amount due for settlement				
within one year shown under				
current liabilities	(486,539)	(562,322)	(558,901)	(642,675)
Amount due for settlement after one				
year shown under non-current				
liabilities	501,585	732,439	625,443	577,754

Lease liabilities of the Group are denominated in RMB.

24. BANK BORROWINGS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	—	1,000,000	—	—
Notes discounted with recourse	21,325	80,410	547,941	1,400,351
	21,325	1,080,410	547,941	1,400,351
Secured borrowings	21,325	80,410	547,941	1,400,351
Unsecured borrowings	—	1,000,000	—	—
	21,325	1,080,410	547,941	1,400,351

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The carrying amount of bank borrowings is repayable within one year, based on scheduled repayment dates set out in the loan agreements.

Unsecured bank borrowings

The bank borrowings of RMB1,000,000,000 at 31 December 2023 carried at fixed interest rates ranged from 2.30% per annum to 2.85% per annum. The bank borrowings were unsecured and no financial covenants need to be fulfilled by the Group. The bank borrowings were used for general working capital of the Group.

Notes discounted with recourse

As at 31 December 2024 and 30 June 2025, notes discounted with recourse included the proceeds received from the discounting of notes issued by group entities of RMB370,142,000 and RMB1,246,467,000 to banks with recourse, respectively.

The bank borrowings of the Group are all denominated in RMB.

25. PROVISION

The Group

	Trade disputes and litigation
	<i>RMB’000</i>
At 1 January 2022	5,085
Provision for the year	5,522
At 31 December 2022	10,607
Provision for the year	51,475
At 31 December 2023	62,082
Reversal for the year	(886)
At 31 December 2024	61,196
Provision for the period	1,187
At 30 June 2025	62,383

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The Company

	Litigation
	<i>RMB’000</i>
At 1 January 2022 and 31 December 2022	—
Provision for the year	44,235
At 31 December 2023	44,235
Provision for the year	1,023
At 31 December 2024	45,258
Provision for the period	465
At 30 June 2025	45,723

During the Track Record Period, the Group has made a provision of RMB30 million and related interest in relation to a litigation claim by the creditors of a former subsidiary. The Group has successfully appealed it during the year ended 31 December 2023. However, as advised by legal counsel and taking into account that the dispute with the creditors is still ongoing, the directors of the Company consider that the provision made by the Group is sufficient and not excessive.

26. SHARE CAPITAL

The Group and the Company

All shares issued by the Company are fully paid domestic shares. The par value is RMB1.00. The Company’s number of shares issued and their nominal value are as follows:

	Number of shares	Authorised share capital
	<i>’000</i>	<i>RMB’000</i>
Authorised:		
At 1 January 2022, 31 December 2022 and 1 January 2023 . .	—	—
Effect of converting the Company into a joint stock company (note a)	540,000	540,000
At 31 December 2023 and 2024	540,000	540,000
Issuance of ordinary shares (note c)	205,200	205,200
At 30 June 2025	745,200	745,200

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	Number of shares	Share capital
	‘000	RMB’000
Issued and fully paid:		
At 1 January 2022, 31 December 2022 and 1 January 2023 . .	—	540,000
Effect of converting the Company into a joint stock company (note a)	540,000	—
At 31 December 2023 and 2024	540,000	540,000
Issuance of ordinary shares (note c)	205,200	205,200
At 30 June 2025	745,200	745,200

Notes:

- (a) In August 2023, the Company was converted into a joint stock company with limited liability, converting the total registered capital of RMB540,000,000 into 540,000,000 shares with a nominal value of RMB1.00 each, which were subscribed by all the then shareholders in proportion to their respective equity interest in the Company before the conversion.
- (b) Prior to the Track Record Period, Midea Group Co., Ltd. adopted the employee stock ownership plan for Midea Group and the Company, pursuant to which 10 limited liability partnerships (“**Shareholding Platforms**”) were established under the laws of the PRC serving as the shareholding platforms for the Company’s and Midea Group’s employees. In October 2021, Midea Zhilian transferred 24.39% shareholding of the Company to the Shareholding Platforms at a total consideration of RMB501.52 million, which was determined after arm’s length negotiations. During the Track Record Period, the shareholdings of the Company held by the Shareholdings Platforms varied as certain shares of the Company were further transferred from Midea Zhilian to the Shareholding Platforms and certain shares were acquired by Midea Zhilian from the Shareholding Platforms. At 31 December 2022, 2023 and 2024 and 30 June 2025, the shareholdings of the Company held by the Shareholdings Platforms were 24.39%, 26.15%, 26.15% and 19.53%, respectively. The directors of the Company consider that the considerations for the equity transfers between Midea Zhilian and the Shareholding Platforms were determined after arm’s length negotiations and do not involve share based payment to the employees of the Group.
- (c) During the six months ended 30 June 2025, the Company issued 205,200,000 ordinary shares to Pre-[REDACTED] Investors at a total consideration of RMB1,900,000,000. All of the shares shall rank pari passu in all respects with the then existing shares of the Company.

27. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Investment in subsidiaries, at cost. . . .	904,978	904,978	904,978	944,578

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During the six months ended 30 June 2025, the Company made capital contribution to subsidiaries of the Company amounting to RMB9,900,000 and RMB29,700,000 in respect of Shanghai Annto Supply Chain Technology Co., Ltd.* (上海安得智聯供應鏈科技有限公司) and Lianyungang Antu Supply Chain Management Co., Ltd.* (連雲港安途供應鏈管理有限公司), respectively.

* English name is for identification purpose only.

28. RESERVES OF THE COMPANY

The Company

	Capital reserve	Statutory reserve	Share-based compensation expenses reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	261,719	55,578	—	1,451	318,748
Profit and total comprehensive income for the year	—	—	—	87,867	87,867
Dividends paid to the Company’s shareholders (note 13).	—	—	—	(80,053)	(80,053)
Appropriation to reserve.	—	8,787	—	(8,787)	—
At 31 December 2022	261,719	64,365	—	478	326,562
Profit and total comprehensive income for the year	—	—	—	196,069	196,069
Dividends paid to the Company’s shareholders (note 13).	—	—	—	(108,000)	(108,000)
Share-based compensation expenses (note 29) . .	—	—	1,385	—	1,385
Appropriation to reserve.	—	19,607	—	(19,607)	—
Converting the Company to a joint stock company	64,779	(64,365)	—	(414)	—
At 31 December 2023	326,498	19,607	1,385	68,526	416,016
Profit and total comprehensive income for the year	—	—	—	295,109	295,109
Dividends paid to the Company’s shareholders (note 13).	—	—	—	(167,400)	(167,400)
Share-based compensation expenses (note 29) . .	—	—	2,148	—	2,148
Appropriation to reserve.	—	29,511	—	(29,511)	—
At 31 December 2024	326,498	49,118	3,533	166,724	545,873

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	Capital reserve	Statutory reserve	Share-based compensation expenses reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit and total comprehensive income					
for the period.	—	—	—	345,318	345,318
Issuance of ordinary shares (<i>note 26</i>)	1,694,800	—	—	—	1,694,800
Dividend paid to the Company’s shareholders					
(<i>note 13</i>).	—	—	—	(226,800)	(226,800)
Share-based compensation expenses (<i>note 29</i>) . .	—	—	6,528	—	6,528
Transfer in relation to cancelled share options					
(<i>note 29</i>).	10,061	—	(10,061)	—	—
As at 30 June 2025.	<u>2,031,359</u>	<u>49,118</u>	<u>—</u>	<u>285,242</u>	<u>2,365,719</u>

29. SHARE-BASED COMPENSATION EXPENSES

During the Track Record Period, certain employees of the Group are eligible for the share options or restricted shares granted under the Midea Group Share Incentive Plans. In addition, share options were granted to eligible employees of the Group during the year ended 31 December 2023 pursuant to the Share Option Scheme.

Midea Group Share Incentive Plans

The share options or restricted shares were granted to the Group’s employees under the Midea Group Share Incentive Plans. The Historical Financial Information includes allocation of the expenses recorded at Midea Group based on the Group’s employees’ participating in the Midea Group Share Incentive Plans.

The Group accounted for the Midea Group Share Incentive Plans by measuring the services received from the grantees in accordance with the requirement applicable to equity-settled share-based payment transactions in accordance with IFRS 2 and recognised a corresponding increase in equity as a deemed contribution from Midea Group.

The share options or restricted shares are generally service-based and scheduled to be vested over one to four years from the grant date and subject to the Midea Group’s performance appraisal and individual performance appraisal.

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The Group recognised share-based compensation expenses in its consolidated statements of profit or loss based on awards ultimately expected to vest, after considering estimated forfeitures of the Group. Forfeitures are estimated based on the historical experience and revised in the subsequent periods if actual forfeitures differ from those estimates. The impact of the revision of the original estimates on non-market vesting conditions, if any, is recognised in the profit or loss over the remaining vesting period, with a corresponding adjustment to other reserve.

Stock Option Incentive Plans

A summary of the shares options granted by Midea Group is presented as follows:

	Number of share options	Weighted average exercise price	Weighted average remaining contract life
		<i>RMB</i>	<i>Years</i>
Outstanding as of 1 January 2022	2,056,000	52.67	1.22
Exercised	(696,000)	51.85	
Forfeited	(106,000)	52.11	
Transfer.	90,000	80.96	
Outstanding as of 31 December 2022	1,344,000	55.03	0.79
Exercised	(835,000)	51.54	
Forfeited	(146,000)	63.32	
Transfer.	369,000	61.39	
Outstanding as of 31 December 2023	732,000	60.55	0.94
Exercised	(502,000)	60.01	
Forfeited	(177,000)	69.29	
Transfer.	263,000	67.64	
Outstanding as of 31 December 2024	316,000	62.41	0.84
Exercised	(213,000)	66.77	
Forfeited	(23,000)	56.01	
Transfer.	62,700	57.17	
Outstanding as of 30 June 2025	142,700	54.61	0.94

The number of exercisable share options as of 31 December 2022, 2023 and 2024 and 30 June 2025 was 598,000, 283,000, 122,000 and 85,000, respectively.

The fair value of share options was estimated using the Black-Scholes. The determination of estimated fair value of share options on the grant date is affected by the fair value of Midea Group’s ordinary shares as well as assumptions regarding a number of complex and subjective

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variables. These variables include the expected volatility of the shares of Midea Group over the expected term of the share options, actual and projected employee share option exercise behaviors, the risk-free interest rate and expected dividends, if any.

Restricted Share Incentive Schemes

A summary of the restricted shares granted by Midea Group is presented as follows:

	Number of restricted shares	Weighted average remaining vesting period <i>Years</i>
Outstanding as of 1 January 2022	1,353,000	1.18
Vested	(552,000)	
Lapsed	(258,000)	
Transferred	461,000	
Outstanding as of 31 December 2022	1,004,000	0.74
Vested	(674,000)	
Lapsed	(42,000)	
Transferred	167,000	
Outstanding as of 31 December 2023	455,000	0.84
Vested	(297,000)	
Lapsed	(59,000)	
Transferred	104,000	
Outstanding as of 31 December 2024	203,000	0.97
Vested	(146,000)	
Lapsed	(34,000)	
Transferred	84,000	
Outstanding as of 30 June 2025	107,000	1.22

The Group determines the fair value of restricted shares on the basis of the single-day closing price of the circulating shares on the date when the equity instruments are granted, less the exercise price.

The Group recognised the total expenses of RMB15,205,000, RMB9,719,000, RMB5,632,000, RMB3,080,000 (unaudited) and RMB1,816,000, respectively, in relation to Midea Group Share Incentive Plans for the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025.

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Share Option Scheme

On 31 July 2023, the Company granted 10,050,000 share options to 21 eligible employees pursuant to the Share Option Scheme, which governs the terms of the share options. The purpose of the Share Option Scheme is to attract and retain the best available personnel, provide additional incentives to employees, and promote the success of the Group.

During the six months ended 30 June 2025, the Group cancelled the Share Option Scheme of the Company.

At 31 December 2023 and 2024, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 10,050,000 and 9,550,000, respectively, representing 1.861% and 1.769% of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 1.862% of the shares of the Company in issue before listing, without prior approval from the Company’s shareholders.

The exercise price of the share options is RMB4.85 per option. No consideration is payable on the grant of an option. Options may only be exercised upon fulfillment of certain performance conditions of the Group and the grantees and the successful listing of the Company in the stock exchange in the PRC. The share options are scheduled to be exercisable in 3 tranches. The first tranche of share options is exercisable within 12 months upon the successful listing of the Company in the stock exchange in the PRC. The second tranche of share options is exercisable within 12 months starting from the day after the expiry date of the excisable period of the first tranche of share options. The third tranche of share options is exercisable within 12 months starting from the day after the expiry date of the excisable period of the second tranche of share options.

None of the share options were exercisable as of 31 December 2023 and 2024. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on performance conditions, with the impact of the revision to original estimates, if any, in profit or loss, along with a corresponding adjustment to equity.

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Set out below are details of the movements of the outstanding shares granted under Share Option Scheme during the years ended 31 December 2023 and 2024 and the six months ended 30 June 2025:

	Outstanding at 1 January					Outstanding at 31 December
	2023	Granted	Exercised	Forfeited	Cancelled	2023
	'000	'000	'000	'000	'000	'000
Tranche 1	—	3,015	—	—	—	3,015
Tranche 2	—	3,015	—	—	—	3,015
Tranche 3	—	4,020	—	—	—	4,020
	—	10,050	—	—	—	10,050
Weighted average exercise price . .	—	4.85	—	—	—	4.85

	Outstanding at 1 January					Outstanding at 31 December
	2024	Granted	Exercised	Forfeited	Cancelled	2024
	'000	'000	'000	'000	'000	'000
Tranche 1	3,015	—	—	(150)	—	2,865
Tranche 2	3,015	—	—	(150)	—	2,865
Tranche 3	4,020	—	—	(200)	—	3,820
	10,050	—	—	(500)	—	9,550
Weighted average exercise price . .	4.85	—	—	4.85	—	4.85

	Outstanding at 1 January					Outstanding at 30 June 2025
	2025	Granted	Exercised	Forfeited	Cancelled	30 June 2025
	'000	'000	'000	'000	'000	'000
Tranche 1	2,865	—	—	(210)	(2,655)	—
Tranche 2	2,865	—	—	(210)	(2,655)	—
Tranche 3	3,820	—	—	(280)	(3,540)	—
	9,550	—	—	(700)	(8,850)	—
Weighted average exercise price . .	4.85	—	—	4.85	4.85	—

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The fair value has been arrived at based on a valuation carried out by China United Assets Appraisal Group Limited (中聯資產評估集團有限公司), with registered address of Room 939, Floor F4, East Tower, Kaichen World Trade Center, No. 28 Fuxingmennei Street, Xicheng District, Beijing, the PRC, professional valuer not connected with the Group. The estimated fair value of each option grant is estimated on the date of grant using the binominal option-pricing model with the following assumptions:

	Year ended 31 December 2023
Expected volatility	41.94%–42.72%
Risk-free interest rate (per annum)	2.14%–2.42%
Expected dividend yield	Nil
Expected term (in years)	2.51–4.51
Weighted average share price	RMB4.85

For share options outstanding at 31 December 2023 and 2024, the weighted average remaining contractual lives was 3.19 years and 2.19 years.

The volatility factor estimated was based on the historical share price movement of the comparable companies for the period of time close to the expected time to exercise. The expected life used in the model has been adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The weighted average grant date fair value of options granted for the year ended 31 December 2023 was RMB1.14 per share.

The Group recognised the total expenses of RMB1,385,000, RMB2,148,000, RMB1,648,000 (unaudited) and RMB6,528,000 in relation to Share Option Scheme of the Group for the years ended 31 December 2023 and 2024 and the six months ended 30 June 2024 and 2025, respectively.

30. RELATED PARTY DISCLOSURES

Other than as disclosed elsewhere in the Historical Financial Information, the following significant transactions and balances were carried out between the Group and its related parties during the Track Record Period. In the opinion of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

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(a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the Track Record Period.

Name of related parties	Relationship
Midea Group	Intermediate holding company and its subsidiaries, excluding the Group
Hisense Group	Hisense Group Holdings Co., Ltd., and its subsidiaries, including Qingdao Hisense Electronic Technology Service Co., Ltd., a shareholder of the Company

(b) Significant transactions with related parties

		Year ended 31 December			Six months ended 30 June	
	Notes	2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
Rendering of services to						
— Midea Group	(i)	5,341,926	5,937,717	7,675,154	3,668,711	4,398,418
— Hisense Group	(i)	—	—	—	—	5,037
		<u>5,341,926</u>	<u>5,937,717</u>	<u>7,675,154</u>	<u>3,668,711</u>	<u>4,403,455</u>
Purchase of goods and services from Midea Group	(ii)	<u>27,935</u>	<u>34,037</u>	<u>39,880</u>	<u>9,632</u>	<u>16,727</u>
Purchase of equipment from Midea Group	(iii)	<u>2,248</u>	<u>33,597</u>	<u>5,440</u>	<u>1,867</u>	<u>1,903</u>
Purchase of intangible assets from Midea Group	(iii)	<u>—</u>	<u>—</u>	<u>2,473</u>	<u>—</u>	<u>—</u>
Leases of properties and property management services from Midea Group	(iv)	<u>24,396</u>	<u>26,685</u>	<u>53,389</u>	<u>17,144</u>	<u>32,180</u>

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Notes:

- (i) The Group provided integrated supply chain logistics solutions to Midea Group and Hisense Group.
- (ii) The Group procured relevant products (including office supplies) and services (including IT support services) from Midea Group.
- (iii) The Group procured equipment and intangible assets (including software) from Midea Group.
- (iv) The Group leased certain properties (including property management services) from Midea Group, including offices and warehouses.
- (v) The prices of these transactions were carried out in the normal course of business and at terms negotiated between the Group and Midea Group.

(c) Significant balance with related parties

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and note receivables from				
— Midea Group	392,945	186,122	238,321	823,562
— Hisense Group	—	—	—	7,001
	<u>392,945</u>	<u>186,122</u>	<u>238,321</u>	<u>830,563</u>
Trade payables to Midea Group.	58,019	113,996	153,714	93,231
Contract liabilities received from				
Midea Group	73,108	41,375	74,143	18,015
	<u>131,127</u>	<u>155,371</u>	<u>227,857</u>	<u>111,246</u>

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(d) Key management personnel compensation

The remuneration of directors and other key management personnel is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Salaries, wages, bonuses and benefits in kind (including contributions to pension plans)	20,688	18,399	22,464	4,706	6,832
Share-based compensation expenses	857	1,119	2,644	997	5,189
	<u>21,545</u>	<u>19,518</u>	<u>25,108</u>	<u>5,703</u>	<u>12,021</u>

31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at amortised cost	<u>2,632,404</u>	<u>4,479,565</u>	<u>4,543,538</u>	<u>8,117,315</u>
Financial liabilities				
Financial liabilities at amortised cost .	<u>3,011,005</u>	<u>4,570,710</u>	<u>4,387,578</u>	<u>6,043,394</u>

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The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at amortised cost	13,372	84,423	215,536	2,205,056
Financial liabilities				
Financial liabilities at amortised cost .	51,771	614	173	32

(b) Financial risk management objectives and policies

The Group’s financial instruments include trade and other receivables, term deposits, restricted cash and cash and cash equivalents, trade and other payables and bank borrowings. The Company’s financial instruments include cash and cash equivalents, other receivables and other payables. Details of these financial instruments are disclosed in respective notes.

The directors of the Company monitor and manage the financial risks relating to the operations of the Group through internal risk assessment which analyses exposures by degree and magnitude of risks. The risks included market risk (representing interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below and remained unchanged during the Track Record Period. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

The Group’s and the Company’s activities expose primarily to the market risks of changes in interest rates. There are no significant change to the Group’s and the Company’s exposure to market risks or the manner in which it manages and measures the risk.

Interest rate risk

The Group and the Company are exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on restricted cash and bank balances, which incurred at prevailing market interest rates and variable rate.

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The management considered that interest rate risk of restricted cash and bank balances is insignificant and accordingly no sensitivity analysis is presented.

The Group is exposed to fair value interest rate risk in relation to term deposits, bank borrowings and lease liabilities. The Company is exposed to fair value interest rate risk in relation to interest-bearing amounts due from subsidiaries.

The Group and the Company manage its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

Credit risk and impairment assessment

Trade and note receivables (other than notes issued by banks) arising from contracts with customers at amortised cost

The Group has concentration of credit risk as 20.01%, 9.32%, 12.25% and 30.54% of the total trade and note receivables, respectively, as at 31 December 2022, 2023 and 2024 and 30 June 2025, was due from Midea Group. In order to minimise the credit risk, the management of the Group has delegated the responsible personnel for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group may require a deposit to be received from most of the customers before acceptance of orders. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group’s credit risk is significantly reduced.

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In addition, the Group performs impairment assessment under ECL model on trade and note receivables (other than notes issued by banks) which are credit-impaired individually. The remaining trade and note receivables (other than notes issued by banks) are grouped and assessed on collective basis based on customers’ aging of outstanding balances. Impairment losses of RMB33,472,000, RMB6,436,000, RMB13,493,000, RMB25,009,000 (unaudited) and RMB5,912,000, are recognised in profit or loss for each of the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, respectively. Details of the quantitative disclosures are set out below in this note.

Other receivables

The credit risk of other receivables managed through an internal process. The credit quality of each counterparty is investigated before an advance is made. The Group and the Company also actively monitor the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. The Group and the Company perform impairment assessment under ECL model on other receivables which are credit-impaired individually. The remaining other receivables are grouped and assessed on collective basis based on historical credit loss experience and forward-looking information that is available without undue cost or effort.

Impairment losses of RMB939,000, RMB4,377,000, RMB14,280,000, RMB4,557,000 (unaudited) and RMB2,802,000, are recognised in profit or loss of the Group for each of the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, respectively. No impairment losses are recognised in profit or loss of the Company for each of the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025.

Note receivables (issued by banks), term deposits, restricted cash and cash and cash equivalents

The credit risk on note receivables (issued by banks), term deposits, restricted cash and cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies or state-owned banks in the PRC. In the opinion of the directors of the Company, the risk of default by these counterparties is not significant and the Group and the Company assessed that the ECL on these balances are insignificant.

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The Group’s and the Company’s internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description
Performing	The counterparty has a low risk of default and does not have any past-due amounts or debtor repays after due dates but usually settle in full
Loss	There is evidence indicating the asset is credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery

The tables below detail the gross carrying amount of the Group’s and the Company’s financial assets which are subject to ECL assessment:

The Group

	External credit rating	Internal credit rating	12m or life-time ECL	Gross carrying amount			
				As at 31 December			As at 30 June
				2022	2023	2024	2025
				RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at amortised cost							
Trade and note receivables (other than notes issued by banks)	N/A	(i)	Life-time ECL (not credited-impaired)	1,731,617	1,639,101	1,726,069	2,421,388
			Life-time ECL (credited-impaired)	31,128	34,164	48,583	52,675
Note receivables (issued by banks) .	AAA	N/A	Life-time ECL (not credited-impaired)	238,334	221,581	229,292	274,607
Other receivables. . .	N/A	(ii)	12m ECL	265,844	306,393	443,440	501,897
Term deposits, restricted cash, cash and cash equivalents	AAA	N/A	12m ECL	445,952	2,368,111	2,208,913	4,988,197

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The Company

	External credit rating	Internal credit rating	12m or life-time ECL	Gross carrying amount			
				As at 31 December			As at 30 June
				2022	2023	2024	2025
				RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at amortised cost							
Other receivables. . .	N/A	(ii)	12m ECL	—	70,385	208,902	2,106,450
Cash and cash equivalents	AAA	N/A	12m ECL	13,372	14,038	6,634	98,606

Notes:

- (i) For trade and note receivables (other than notes issued by banks), the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors credit-impaired, the Group determines the ECL on these items on provision matrix, grouped by nature, size and industry of debtors.

Set out below is the information about the credit risk exposure on the Group’s trade receivables using provision matrix:

	As at 31 December 2022			As at 31 December 2023			As at 31 December 2024			As at 30 June 2025		
	Average loss rate	Gross carrying amount	Impairment loss allowance	Average loss rate	Gross carrying amount	Impairment loss allowance	Average loss rate	Gross carrying amount	Impairment loss allowance	Average loss rate	Gross carrying amount	Impairment loss allowance
		RMB'000	RMB'000		RMB'000	RMB'000		RMB'000	RMB'000		RMB'000	RMB'000
Not past due.	0.9%	1,581,161	13,455	0.9%	1,496,100	14,053	0.8%	1,581,435	12,966	0.7%	2,150,850	14,491
Past due 1-30 days . . .	6.4%	110,545	7,115	7.0%	106,451	7,460	6.9%	108,556	7,450	4.1%	201,730	8,311
Past due 31-90 days . .	29.7%	33,431	9,915	34.4%	27,739	9,547	32.5%	25,520	8,301	18.1%	59,718	10,805
Past due 91-180 days . .	73.6%	3,397	2,500	94.4%	7,148	6,745	78.6%	3,422	2,689	54.3%	5,107	2,772
Past due 180 days . . .	100.0%	3,083	3,083	100.0%	1,663	1,663	100.0%	7,136	7,136	100.0%	3,983	3,983
		<u>1,731,617</u>	<u>36,068</u>		<u>1,639,101</u>	<u>39,468</u>		<u>1,726,069</u>	<u>38,542</u>		<u>2,421,388</u>	<u>40,362</u>

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The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping by nature, size and industry of debtors is regularly reviewed by management to ensure relevant information about specific debtors is updated.

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As of 1 January 2022	32,684	1,040	33,724
Net impairment losses	3,609	29,863	33,472
Transfer	(225)	225	—
As of 31 December 2022	36,068	31,128	67,196
Net impairment losses	5,395	1,041	6,436
Transfer	(1,995)	1,995	—
As of 31 December 2023	39,468	34,164	73,632
Net impairment losses	7,842	5,651	13,493
Transfer	(8,768)	8,768	—
As of 31 December 2024	38,542	48,583	87,125
Net impairment losses	3,926	1,986	5,912
Transfer	(2,106)	2,106	—
As of 30 June 2025	40,362	52,675	93,037

- (ii) For all other instruments, the Group and the Company measure the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, on which the Group and the Company recognise lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Group has provided impairment allowance for other receivables of RMB13,275,000, RMB16,153,000, RMB25,634,000 and RMB28,412,000, respectively. As at 31 December 2022, 2023 and 2024 and 30 June 2025, no impairment allowance was provided by the Company for other receivables.

Liquidity risk

In the management of liquidity risk, the Group’s and the Company’s management monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group’s and the Company’s operations and mitigate the effects of fluctuations in cash flows.

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As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Group had net current liabilities of approximately RMB872,702,000, RMB861,337,000, RMB1,299,045,000 and RMB877,263,000, respectively. The directors of the Company have carefully assessed the Group’s liquidity position by taking into account: (a) included in the current liabilities were the contract liabilities of RMB114,247,000, RMB84,010,000, RMB126,894,000 and RMB90,435,000, respectively, with no expected future cash outflows; (b) the Group’s expected cash flows from operating activities, taking into account the historical collection patterns of trade receivables in different months of a year; (c) the availability of undrawn banking facilities amounted to RMB580,627,000 at 30 June 2025; and (d) the term deposits of RMB2,400,000,000 as of 30 June 2025 included in non-current assets, if necessary, can be withdrawn by the Group to settle the current liabilities with the forfeiture of interest income. The directors of the Company believe that the Group has adequate resources to continue operations and meet its abilities as at when they fall due for the foreseeable future of not less than 12 months from the end of the reporting period. Therefore, the directors of the Company are of the opinion that it is appropriate to prepare the Historical Financial Information on a going concern basis.

The following table details the Group’s and the Company’s remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the discounted amount is derived from interest rates existing at the end of the reporting period. For the Group’s bank borrowings which arising from notes issued by third parties and discounted with recourse of RMB21,325,000, RMB80,410,000, RMB177,799,000 and RMB153,884,000, respectively, at the end of 31 December 2022, 2023 and 2024 and 30 June 2025, the amounts are expected to be derecognised upon the maturity of the notes and no cash outflows are expected on these bank borrowings.

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	On demand and less than 1 year	1–5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2022					
Trade and other payables . . .	2,989,680	—	—	2,989,680	2,989,680
Bank borrowings	21,543	—	—	21,543	21,325
Lease liabilities	518,168	495,848	41,275	1,055,291	988,124
	<u>3,529,391</u>	<u>495,848</u>	<u>41,275</u>	<u>4,066,514</u>	<u>3,999,129</u>
As at 31 December 2023					
Trade and other payables . . .	3,490,300	—	—	3,490,300	3,490,300
Bank borrowings	1,094,052	—	—	1,094,052	1,080,410
Lease liabilities	607,490	721,417	63,364	1,392,271	1,294,761
	<u>5,191,842</u>	<u>721,417</u>	<u>63,364</u>	<u>5,976,623</u>	<u>5,865,471</u>
As at 31 December 2024					
Trade and other payables . . .	3,839,637	—	—	3,839,637	3,839,637
Bank borrowings	550,026	—	—	550,026	547,941
Lease liabilities	599,063	636,484	21,089	1,256,636	1,184,344
	<u>4,988,726</u>	<u>636,484</u>	<u>21,089</u>	<u>5,646,299</u>	<u>5,571,922</u>
As at 30 June 2025					
Trade and other payables . . .	4,643,043	—	—	4,643,043	4,643,043
Bank borrowings	1,401,204	—	—	1,401,204	1,400,351
Lease liabilities	679,347	585,786	17,559	1,282,692	1,220,429
	<u>6,723,594</u>	<u>585,786</u>	<u>17,559</u>	<u>7,326,939</u>	<u>7,263,823</u>

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	On demand and less than 1 year	1–5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at 31 December 2022					
Other payables	51,771	—	—	51,771	51,771
As at 31 December 2023					
Other payables	614	—	—	614	614
As at 31 December 2024					
Other payables	173	—	—	173	173
As at 30 June 2025					
Other payables	32	—	—	32	32

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged throughout each of the year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025.

The capital structure of the Group consists of net debts, which includes, where appropriate, bank borrowings, net of cash and cash equivalent and equity attributable to the owners of the Company, comprising share capital and reserves.

The capital structure of the Company consists of net debts, which includes, where appropriate, amounts due to subsidiaries, net of cash and cash equivalent and equity attributable to the owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital, and takes appropriate actions to balance its overall capital structure.

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(c) Transfers of financial assets

The following were the Group’s notes as at 31 December 2022, 2023 and 2024 and 30 June 2025 that were transferred to banks or suppliers by discounting or endorsing on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to the notes, it continues to recognise the full carrying amount of the related note receivables and trade payables and has recognised the cash received from banks on the transfer as a secured borrowings (note 24). The notes from external customers are carried at amortised cost. Notes arising from intra-group transactions in which the relevant group entities discounted to banks, such note receivables and related intra-group payables have been eliminated in the Group’s consolidated statements of financial position.

	As at 31 December 2022		
	Notes discounted to banks with recourse	Notes endorsed to suppliers with recourse	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount of note receivables	21,543	4,861	26,404
Carrying amount of trade payables	—	(4,861)	(4,861)
Carrying amount of bank borrowings	(21,325)	—	(21,325)
Net position	<u>218</u>	<u>—</u>	<u>218</u>

	As at 31 December 2023		
	Notes discounted to banks with recourse	Notes endorsed to suppliers with recourse	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount of note receivables	81,495	15,369	96,864
Carrying amount of trade payables	—	(15,369)	(15,369)
Carrying amount of bank borrowings	(80,410)	—	(80,410)
Net position	<u>1,085</u>	<u>—</u>	<u>1,085</u>

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	As at 31 December 2024		
	Notes discounted to banks with recourse	Notes endorsed to suppliers with recourse	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount of note receivables	179,884	10,543	190,427
Carrying amount of trade payables	—	(10,543)	(10,543)
Carrying amount of bank borrowings	(177,799)	—	(177,799)
Net position	<u>2,085</u>	<u>—</u>	<u>2,085</u>

	As at 30 June 2025		
	Notes discounted to banks with recourse	Notes endorsed to suppliers with recourse	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount of note receivables	154,737	6,975	161,712
Carrying amount of trade payables	—	(6,975)	(6,975)
Carrying amount of bank borrowings	(153,884)	—	(153,884)
Net position	<u>853</u>	<u>—</u>	<u>853</u>

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or the future cash flow will be, classified in the Group’s consolidated financial statements of cash flows from financing activities.

	Bank borrowings	Lease liabilities	Dividend payables	Accrued issued costs	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At 1 January 2022	213,453	948,783	—	—	1,162,236
Financing cash flows	36,129	(566,802)	(80,053)	—	(610,726)
Finance costs	6,471	49,394	—	—	55,865
Inception of leases	—	556,749	—	—	556,749
Derecognition of note receivables upon maturity	(234,728)	—	—	—	(234,728)
Dividend declared.	—	—	80,053	—	80,053

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	Bank borrowings	Lease liabilities	Dividend payables	Accrued issued costs	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At 31 December 2022.	21,325	988,124	—	—	1,009,449
Financing cash flows	1,246,535	(644,832)	(108,000)	—	493,703
Finance costs	8,587	59,269	—	—	67,856
Inception of leases	—	892,200	—	—	892,200
Derecognition of note receivables upon maturity	(196,037)	—	—	—	(196,037)
Dividend declared.	—	—	108,000	—	108,000
At 31 December 2023.	1,080,410	1,294,761	—	—	2,375,171
Financing cash flows	(303,009)	(674,733)	(167,400)	—	(1,145,142)
Finance costs	25,037	58,396	—	—	83,433
Inception of leases	—	505,920	—	—	505,920
Derecognition of note receivables upon maturity	(254,497)	—	—	—	(254,497)
Dividend declared.	—	—	167,400	—	167,400
At 31 December 2024.	547,941	1,184,344	—	—	1,732,285
Financing cash flows	1,037,478	(348,728)	(226,800)	(382)	461,568
Finance costs	8,588	26,680	—	—	35,268
Inception of leases	—	358,133	—	—	358,133
Derecognition of note receivables upon maturity	(193,656)	—	—	—	(193,656)
Dividend declared.	—	—	226,800	—	226,800
Share issue costs accrued	—	—	—	1,604	1,604
As at 30 June 2025	<u>1,400,351</u>	<u>1,220,429</u>	<u>—</u>	<u>1,222</u>	<u>2,622,002</u>
<i>(Unaudited)</i>					
At 1 January 2024	1,080,410	1,294,761	—	—	2,375,171
Financing cash flows	(138,466)	(355,468)	—	—	(493,934)
Finance costs	18,718	29,789	—	—	48,507
Inception of leases	—	271,978	—	—	271,978
Derecognition of note receivables upon maturity	(95,106)	—	—	—	(95,106)
As at 30 June 2024.	<u>865,556</u>	<u>1,241,060</u>	<u>—</u>	<u>—</u>	<u>2,106,616</u>

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ACCOUNTANTS’ REPORT

33. MAJOR NON-CASH TRANSACTIONS

During the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, the Group entered into certain new lease agreements for the use of warehouses and logistic equipment. On the date of commencement of leases, the Group recognised right-of-use assets of RMB556,749,000, RMB892,200,000, RMB505,920,000, RMB271,978,000 (unaudited) and RMB358,133,000, and lease liabilities of RMB556,749,000, RMB892,200,000, RMB505,920,000, RMB271,978,000 (unaudited) and RMB358,133,000, respectively.

During the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, short-term bank borrowings on bills discounted with recourse of RMB259,582,000, RMB196,197,000, RMB172,776,000, RMB80,410,000 (unaudited) and RMB177,799,000, respectively, have been settled on maturity of the note receivables discounted to the relevant financial institutions.

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ACCOUNTANTS’ REPORT

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES

At the date of this report, the Company has direct interests in the following subsidiaries:

Name of companies	Place and date of incorporation/establishment	Issued and fully paid share capital/registered capital	Equity interest attributable to the Group					Legal form	Principal activities	
			As at 31 December			As at 30 June				As at the date of this report
			2022	2023	2024	2025				
<i>RMB'000</i>										
佛山安得智聯科技有限公司 Foshan Annto Technology Co., Ltd.*	PRC 27 October 2004	5,000	100%	100%	100%	100%	100%	Limited liability company	Provision of warehousing services	
合肥安得智聯科技有限公司 Hefei Annto Technology Co., Ltd.*	PRC 17 August 2007	20,000	100%	100%	100%	100%	100%	Limited liability company	Provision of supply chain management, cargo transportation and warehousing services	
武漢安得智聯科技有限公司 Wuhan Annto Technology Co., Ltd.*	PRC 5 June 2009	20,000	100%	100%	100%	100%	100%	Limited liability company	Provision of warehousing services	
重慶安得智聯科技有限公司 Chongqing Annto Technology Co., Ltd.*	PRC 16 September 2010	20,000	100%	100%	100%	100%	100%	Limited liability company	Provision of warehousing services	
徐州安得智聯科技有限公司 Xuzhou Annto Technology Co., Ltd.*	PRC 25 November 2010	20,000	100%	100%	100%	100%	100%	Limited liability company	Provision of warehousing services	

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Name of companies	Place and date of incorporation/establishment	Issued and fully paid share capital/registered capital	Equity interest attributable to the Group					Legal form	Principal activities	
			As at 31 December		As at 30 June	As at the date of this report				
			2022	2023						2024
			2022	2023	2024	2025				
RMB'000										
蕪湖安得智聯科技有限公司 Wuhu Annto Technology Co., Ltd.*	PRC 7 December 2010	198,063	100%	100%	100%	100%	Limited liability company	Provision of supply chain management, cargo transportation, warehousing and installation services		
瀋陽安得智聯科技有限公司 Shenyang Annto Technology Co., Ltd.*	PRC 17 January 2011	40,000	100%	100%	100%	100%	Limited liability company	Provision of warehousing services		
貴陽安得智聯科技有限公司 Guiyang Annto Technology Co., Ltd.*	PRC 24 February 2011	20,000	100%	100%	100%	100%	Limited liability company	Provision of warehousing services		
天津安得智聯科技有限公司 Tianjin Annto Technology Co., Ltd.*	PRC 3 March 2011	80,000	100%	100%	100%	100%	Limited liability company	Provision of warehousing services		
南京美安物流有限公司 Nanjing Meian Logistics Co., Ltd.*	PRC 15 April 2011	250,000	100%	100%	100%	100%	Limited liability company	Provision of warehousing services		
齊河安得智聯科技有限公司 Qihe Annto Technology Co., Ltd.*	PRC 3 June 2011	20,000	100%	100%	100%	100%	Limited liability company	Provision of warehousing services		
荊州美安儲運有限公司 Jingzhou Meian Storage and Transportation Co., Ltd.*	PRC 7 June 2011	20,000	100%	100%	100%	100%	Limited liability company	Provision of warehousing services		

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Name of companies	Place and date of incorporation/establishment	Issued and fully paid share capital/registered capital	Equity interest attributable to the Group					Legal form	Principal activities	
			As at 31 December		As at 30 June	As at the date of this report				
			2022	2023			2024			2025
			2022	2023	2024	2025				
RMB '000										
鄭州安得智聯科技有限公司 Zhengzhou Annto Technology Co., Ltd.*	PRC 13 June 2011	50,000	100%	100%	100%	100%	100%	Limited liability company	Provision of warehousing services	
上海安得智聯供應鏈科技有限公司 Shanghai Annto Supply Chain Technology Co., Ltd.*	PRC 22 November 2011	20,000	100%	100%	100%	100%	100%	Limited liability company	Provision of cargo transportation and warehousing services	
寧波安得智聯科技有限公司 Ningbo Annto Technology Co., Ltd.*	PRC 15 October 2015	10,000	100%	100%	100%	100%	100%	Limited liability company	Provision of supply chain management, cargo transportation, warehousing and installation services	
深圳安得智能科技有限公司 Shenzhen Annto Intelligent Technology Co., Ltd.*	PRC 4 November 2015	10,000	100%	100%	100%	100%	100%	Limited liability company	Provision of green recycling services	
天津安得網絡科技有限公司 Tianjin Annto Network Technology Co., Ltd.*	PRC 16 April 2020	10,000	100%	100%	100%	100%	100%	Limited liability company	Provision of network cargo transportation services	

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Name of companies	Place and date of incorporation/establishment	Issued and fully paid share capital/registered capital	Equity interest attributable to the Group					Legal form	Principal activities	
			As at 31 December			As at 30 June	As at the date of this report			
			2022	2023	2024					
			2025							
RMB'000										
海南安得智联供應鏈管理有限公司 Hainan Antto Supply Chain Management Co., Ltd.*	PRC 7 January 2021	5,000	100%	100%	100%	100%	100%	Limited liability company	Provision of cargo transportation and warehousing services	
天津安途供應鏈管理有限公司 Tianjin Antu Supply Chain Management Co., Ltd.*	PRC 25 January 2022	50,000	100%	100%	100%	100%	100%	Limited liability company	Provision of services related to trading of refined oil products	
連雲港安途供應鏈管理有限公司 Lianyungang Antu Supply Chain Management Co., Ltd.*	PRC 6 December 2024	30,000	N/A	N/A	100%	100%	100%	Limited liability company	Provision of services related to trading of refined oil products	
Singapore Annto Logistics Technology Pte. Ltd. (“Singapore Annto”) [^]	Singapore 19 August 2025	—	N/A	N/A	N/A	N/A	100%	Limited liability company	Investment holding	

Notes:

The statutory financial statements of the above subsidiaries for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with Accounting Standards for Business Enterprises of the PRC and audited by Grant Thornton Zhitong Certified Public Accountants LLP Shenzhen Branch (致同會計師事務所(特殊普通合伙)深圳分所).

None of the subsidiaries had issued any debt securities at 31 December 2022, 2023 and 2024 and 30 June 2025.

[^] Singapore Annto was incorporated on 19 August 2025 with registered capital of SGD10,000. Up to the date of this report, the registered capital is not yet paid up.

* English name is for identification purpose only.

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35. PLEDGE OF ASSETS

At 31 December 2022, 2023 and 2024 and 30 June 2025, certain assets of the Group were pledged to issuance of bank notes and secure banking facilities granted to the Group at the end of the reporting period:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Note receivables	21,543	81,495	179,884	154,737
Term deposits	—	20,000	120,000	20,000
Restricted cash	819	630	270,100	1,070,000
	<u>22,362</u>	<u>102,125</u>	<u>569,984</u>	<u>1,244,737</u>

36. CAPITAL COMMITMENTS

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Consideration committed in respect of acquisition of property, plant and equipment contracted for but not provided in the Historical Financial Information	<u>53,266</u>	<u>19,101</u>	<u>6,024</u>	<u>18,682</u>

37. EVENTS AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 30 June 2025.

38. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the subsidiaries of the Group in respect of any period subsequent to 30 June 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix mainly provides investors with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to investors.

SHARES AND REGISTERED CAPITAL

The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by any entity or individual.

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase and Decrease of Shares

According to the operation and development needs of the Company, subject to the laws, regulations, the Company may increase the capital in the following ways upon approval of resolutions at the general meetings:

- i. Issuance of shares to unspecific parties;
- ii. Issuance of shares to specific parties;
- iii. Distribution of bonus shares to existing shareholders;
- iv. Converting the reserve funds into share capital;
- v. Other means stipulated by laws and administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed.

The Company may decrease the registered capital. When the Company reduces its registered capital, it shall comply with the procedures stipulated in the Company Law and other regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

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SUMMARY OF THE ARTICLES OF ASSOCIATION

Repurchase of Shares

The Company shall not repurchase its own shares, save as under any one of the following circumstances:

- i. Reducing the Company's registered capital;
- ii. Merging with other companies holding the Company's shares;
- iii. Using the shares as an employee stock ownership plan or equity incentives;
- iv. Purchasing its shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a general meeting upon their request;
- v. Use of shares for conversion of convertible corporate bonds issued by the Company;
- vi. Necessary for the Company to maintain its value and protect the interests of the shareholders.

A resolution shall be passed at the general meeting when the Company is to repurchase its own shares under the circumstances stipulated in (i) and (ii) of the preceding paragraph. In case of the circumstances stipulated in (iii), (v) and (vi) of the preceding paragraph, a resolution of the Company's Board shall be passed by more than two-thirds of the Directors attending the Board meeting in accordance with the applicable securities regulatory rules of the place where the Company's shares are listed.

After the Company has repurchased its own shares in accordance with the provisions in the preceding paragraph, the shares repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (i) above), or shall be transferred or canceled within six months (under the circumstances set out in (ii) and (iv) above). If the Company repurchases its shares under the circumstances set out in (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

When the Company repurchases its own shares, it shall perform the obligation of information disclosure in accordance with the relevant laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

Transfer of Shares

Shares of the Company held by the founders shall not be transferred within one year from the date of incorporation of the Company. Shares issued prior to the public offering of shares of the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange.

The Directors and senior management of the Company shall declare the Company of their holdings of shares of the Company and the changes therein. The shares transferred by them during each year of their tenures as determined at the time of appointment shall not exceed 25% of their total holdings of shares of the same class of the Company. The shares of the Company held by them shall not be transferred within one year from the date on which the Company’s shares are listed for trading. The shares of the Company held by them shall not be transferred within half a year from their departure from the Company. Where laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, or the CSRC imposes other provisions on the transfer of the Company’s shares held by a shareholder, those provisions shall prevail.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The Company shall establish a register of shareholders in accordance with laws. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company’s Shares. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The rights of our shareholders are as follows:

- i. To receive dividends and other forms of interest distribution according to the number of shares held;
- ii. To legally require, convene, preside over, participate in or authorize proxies of shareholders to attend the general meeting and speak and exercise corresponding voting rights at the general meeting;
- iii. To supervise operations of the Company, provide suggestions or submit queries;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- iv. To transfer, grant or pledge the shares held according to the provisions of the laws, administrative regulations and the Articles of Association;
- v. To read and copy the Articles of Association, the register of shareholders, general meeting minutes, resolutions of meetings of the Board of Directors and financial and accounting reports, and shareholders who meet the requirements may also inspect the accounting books and vouchers of the Company;
- vi. To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;
- vii. To require our Company to acquire the shares from shareholders voting against any resolutions adopted at the general meeting concerning the merger and division of the Company;
- viii. Other rights conferred by laws, administrative regulations, regulations of the authorities, regulatory rules of the place where the Company’s shares are listed, or the Articles of Association.

If the shareholders request access to relevant information mentioned in the above article or ask for relevant materials, they shall provide the Company with written documents evidencing the class and number of the shares held by them in the Company, upon verification of their status as shareholders, the Company shall provide such shareholders with the information as required by them.

If the content of the resolution of the Company’s general meeting or Board of Directors violates laws, administrative regulations, the Shareholders have the right to request the people’s court to clarify it invalid. If the convening procedures or voting methods of the general meeting or the Board of Directors violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the Shareholders have the right to request the people’s court to revoke the resolution within 60 days from the date on which the resolution is made, except, however, where there are only minor defects in the convening procedure or voting method of the general meeting or Board meeting, which do not have substantive effect on the resolution.

The obligations of the Company’s Shareholders are as follows:

- i. To abide by laws, administrative regulations and the Articles of Association;

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

- ii. To provide Share capital according to the Shares subscribed and the subscription methods;
- iii. Not to withdraw Shares unless prescribed otherwise in laws and regulations;
- iv. Not to abuse Shareholders' rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company's creditors;

Shareholders of the Company who abuse their Shareholders' rights and cause the Company or other Shareholders to suffer damages shall bear compensation liability in accordance with the law.

Shareholders of the Company who abuse the independent legal person status of the Company and limited liability of Shareholders to evade debts and cause damage to the interests of the creditors of the Company shall bear joint liability for the Company's debt.

- v. To perform other duties prescribed in laws, administrative regulations and the Articles of Association.

In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or Articles of Association by the Directors or senior management when performing their duties in the Company, the shareholders holding more than 1% shares separately or jointly for over 180 consecutive days are entitled to submit a written request to the Audit Committee to file an action with the people's court. Where the Audit Committee violates laws, administrative regulations or the Articles of Association in their duty performance and causes losses to the Company, the Shareholders may submit a written request to the Board of Directors to file an action with the people's court.

In the event that the Audit Committee or the Board of Directors refuse to file an action upon receipt of the Shareholders' written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the Shareholder(s) specified in the preceding paragraph may, in their own name, directly file an action to the people's court for the interest of the Company.

In the event of any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the Shareholder(s) specified in the Articles of Association may file an action with the people's court pursuant to the provisions of the preceding two paragraphs.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

If Directors or senior management violate laws, administrative regulations, or the provisions of the Articles of Association and harm the interests of Shareholders, Shareholders may file an action with the people's court.

The controlling shareholders and actual controllers of the Company shall not use their connected relationships to harm the interests of the Company. Those who violate regulations and cause losses to the Company shall be liable for compensation.

The controlling shareholders and actual controllers of the Company have a fiduciary obligation towards the Company and other Shareholders of the Company. The controlling shareholder shall strictly exercise the rights of the investor in accordance with the law. The controlling shareholder shall not use profit distribution, asset restructuring, external investment, fund occupation, loan guarantee, etc. to harm the legitimate rights and interests of the Company and other Shareholders of the Company, and shall not use their controlling position to harm the interests of the Company and other Shareholders of the Company.

General Provisions for General Meetings

The general meetings shall be divided into annual general meetings (AGM) and extraordinary general meetings (EGM). The annual general meeting shall be convened once a year, and shall be held within 6 months after the prior accounting year.

The general meeting is the organ of authority of the Company, which exercises its powers in accordance with the law:

- i. To decide on the Company's operational policies and investment plans;
- ii. To elect or replace any Director (not including employee representative(s)), and to determine the remuneration of the relevant Directors;
- iii. To examine and approve reports of the Board of Directors;
- iv. To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;
- v. To decide on any increase or decrease of the Company's registered capital;
- vi. To decide on the issue of corporate bonds by the Company;

APPENDIX III**SUMMARY OF THE ARTICLES OF ASSOCIATION**

- vii. To decide on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;
- viii. To amend the Articles of Association;
- ix. To decide on the appointment and dismissal of the accounting firm that provides audits for the Company;
- x. To examine and approve the guarantees stipulated in Article 43 of the Articles of Association;
- xi. To examine and approve the financial assistance stipulated in Article 44 of the Articles of Association;
- xii. To examine matters relating to the total value of assets purchased or sold by the Company or the amount of the transaction calculated cumulatively within 12 consecutive months exceeds 30% of the audited total assets of the Company for the latest period;
- xiii. To examine and approve matters relating to changes in the use of proceeds;
- xiv. To examine the equity incentive plans and employee stock ownership plans;
- xv. To examine the cash dividend distribution plan;
- xvi. To decide on the Company's repurchase of its own shares under the circumstances stipulated in (i) and (ii) of Article 21 of the Articles of Association;
- xvii. To examine other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, which shall be decided by the general meeting.

The following guarantee matters of the Company shall be submitted to the general meeting for review and approval after being examined by the Board of Directors:

- i. The single guarantee for an amount more than 10% of the Company's net assets audited in the latest period;

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- ii. Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 50% of the Company's net assets as audited in the latest period;
- iii. Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 30% of the Company's total assets as audited in the latest period;
- iv. A guarantee provided to a party with an asset-liability ratio of over 70% as shown in its latest financial statement;
- v. The cumulative guarantee amount in the last twelve months has exceeded 30% of the Company's latest audited total assets;
- vi. The guarantee to be provided to a Shareholder, or to an actual controller or connected party thereof;
- vii. Other external guarantee matters that shall be decided at the general meeting as required by the relevant laws and regulations or the securities regulatory rules of the place where the Company's shares are listed.

The guarantee specified in (v) of the preceding paragraph shall be approved by a special resolution of the general meeting.

If the Company provides guarantees for the controlling shareholders, actual controller, and their connected parties, the controlling shareholder, actual controller, and their connected parties shall provide counter-guarantees. When the general meeting reviews proposals for guarantees provided to Shareholders, actual controller, and their connected parties, the Shareholder in question or the Shareholder under the control of the actual controller shall not participate in the voting on such proposals. The voting on such proposals shall be passed by a majority of the voting rights held by the other Shareholders present at the general meeting.

The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

- i. The number of Directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;
- ii. The uncovered losses of our Company reach one-third of its total paid-in share capital;

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- iii. A request from Shareholders who separately or jointly hold 10% or more shares in the Company;
- iv. The Board of Directors considers it necessary;
- v. The Audit Committee proposes that such a meeting shall be held;
- vi. Other circumstances conferred by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Assembling of General Meetings

Shareholders who individually or collectively hold more than 10% of the Company's shares have the right to request the Board of Directors to convene an extraordinary general meeting and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene an extraordinary general meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days after making the Board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders.

If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to provide feedback within 10 days of receipt, Shareholders who individually or collectively hold more than 10% of the Company's shares have the right to propose to the Audit Committee to convene an extraordinary general meeting and shall submit such request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days after receiving the request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant Shareholders.

If the Audit Committee fails to issue a notice of the general meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the general meeting. In such cases, Shareholders who individually or collectively hold more than 10% of the Company's shares for a continuous period of 90 days or more may convene and preside over the meeting on their own.

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Where the Audit Committee or Shareholders decide to convene a general meeting by themselves, they shall notify the Board of Directors in writing. Where there are any other provisions of the securities regulatory rules of the place where the Company's shares are listed and without violating domestic laws, administrative regulations or the Articles of Association, such provisions shall prevail. Prior to the announcement of the resolution of the general meeting, the shareholding ratio of the convening shareholders shall not be less than 10%.

For general meetings convened by the Audit Committee or Shareholder(s) on its/their own, the Board of Directors and the secretary to the Board of Directors shall work in a cooperative manner. The Board of Directors shall provide the register of shareholders of the date of record.

In the event of the Audit Committee or the Shareholder(s) convening and holding a general meeting on its/their own, the necessary expenses incurred for such meeting shall be borne by the Company.

Notices of General Meetings

A notice of a general meeting shall include the following:

- i. the time, venue and duration of the meeting;
- ii. matters and proposals submitted to the meeting for consideration;
- iii. a prominent written statement that all Shareholders are entitled to attend general meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a Shareholder of the Company;
- iv. the record date of registration of Shareholders entitled to attend the general meeting;
- v. the name and telephone number of the regular contact person for the meeting;
- vi. the time and procedure for voting through telephonic, video-conference or other means;
- vii. other requirements stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

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The notice and supplementary notice of the general meeting shall fully and completely disclose all the specific contents of all proposals. The record date of registration shall be determined in accordance with the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

Proposals of General Meetings

The Company may convene a general meeting, and the Board of Directors, the Audit Committee, as well as Shareholders who individually or collectively hold more than 1% of the Company's shares, have the right to submit proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's shares may submit a temporary proposal in writing to the convener 10 days prior to the general meeting. The convener shall issue a supplementary notice of the general meeting within 2 days after receiving the proposal, announcing the content of the temporary proposal. If, according to the securities regulatory rules of the place where the Company's shares are listed, the general meeting must be postponed due to the issuance of a supplementary notice, the meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the Company's shares are listed.

Form of Proxy for the General Meeting

Shareholders may attend the general meeting in person or appoint a proxy to attend and vote on their behalf. Such proxy need not be a Shareholder of the Company.

If an individual Shareholder attends the meeting in person, such Shareholder shall present his/her identity card or other valid certificates or evidence which can be used to substantiate his/her identity. If a proxy is appointed to attend the meeting, the proxy shall present his/her valid identity card and proxy form issued by the Shareholder.

With respect to a corporate Shareholder, its legal representative or a proxy appointed by the legal representative shall attend the meeting. If the legal representative attends the meeting, he/she shall present his/her own identity card, valid proof evidencing his/her qualification of serving as the legal representative. If a proxy is appointed to attend the meeting, the proxy shall present his/her own identity card and the written proxy form issued in accordance with law by the legal representative of the corporate Shareholder, and if a corporate Shareholder appoints a proxy to attend the general meeting, such proxy shall be entitled to vote at the meeting and shall be deemed as the corporate Shareholder's personal attendance at the general meeting.

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The Recognised Clearing House shall have the right to appoint proxies or corporate representatives to attend general meeting and creditors' meetings, and such proxies or corporate representatives shall enjoy statutory rights equivalent to those of other Shareholders, including the rights to speak and vote.

Where H shareholders are involved, compliance shall be effected in accordance with securities regulatory rules of the place where the shares of the Company are listed.

General Meeting Voting

Resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions. An ordinary resolution of the general meeting shall be adopted by a majority of the voting rights held by Shareholders (including Shareholder proxies) present at the general meeting. A special resolution of the general meeting shall require approval by at least two-thirds of the voting rights held by Shareholders (including Shareholder proxies) present at the general meeting.

Shareholders (including Shareholder proxies) shall exercise their voting rights according to the number of voting shares that they represent, with each share carrying one vote.

The shares held by the Company shall have no voting right, and such portion of shares shall not be included in the total number of voting shares of Shareholders attending the general meeting.

If the securities regulatory rules in the place where the shares of the Company are listed require any Shareholder to waive his/her voting right with respect to a matter to be resolved or restrict any Shareholder to vote for or against any matter to be resolved, no votes cast by such Shareholder or his/her proxy shall be counted in the event of any violation of such regulations or restrictions.

The Board of Directors, independent executive directors, and Shareholders who meet the eligibility conditions prescribed by relevant laws, administrative regulations, or the securities regulatory authorities of the Company's shares are listed may solicit voting rights from Shareholders.

The following matters shall be passed through ordinary resolutions at a general meeting:

- i. work reports of the Board;
- ii. plans for profit distribution and recovery of losses prepared by the Board;

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- iii. appointment and dismissal of the members of the Board, and their remuneration and payment methods;
- iv. annual budgets and final accounts plans of the Company;
- v. annual report of the Company;
- vi. matters other than those which shall be passed by special resolutions as specified by laws, administrative regulations, securities regulatory rules of the places where the shares of the Company are listed, or the Articles of Association.

The following matters shall be approved through special resolution at a general meeting:

- i. increase or decrease of the Company’s registered capital;
- ii. division, merger, dissolution and liquidation or change of organizational form of the Company (including voluntary winding-up) ;
- iii. amendments to the Articles of Association and its appendices (including the rules of procedure of the general meeting and the rules of procedure for the Board of Directors);
- iv. matters involving the Company’s purchase or sale of major assets reaching more than 30% of the Company’s most recently audited total assets within one year;
- v. any external guarantees provided after the Company’s aggregate guarantee amount exceeds 30% of its most recently audited total assets, calculated on a rolling 12-month cumulative basis of the guarantee amount;
- vi. equity incentive plan;
- vii. issuance of shares, convertible corporate bonds, preference shares, and other securities products approved by CSRC in accordance with the securities regulatory rules of the place where the shares of the Company are listed;
- viii. repurchase of the Company’s shares under the circumstances specified in Article 21 (1) and (2) of the Articles of Association;
- ix. major asset restructuring;

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- x. other matters stipulated by laws, administrative regulations, the securities regulatory rules of the places where the shares of the Company are listed, or the Articles of Association, as well as matters that the general meeting determines by ordinary resolution to have a material impact on the Company and require approval by special resolution.

Directors and the Board of Directors

Directors

Directors shall be elected or replaced by the general meeting, with a term of three years. Directors whose terms have expired may be re-elected for consecutive terms. Director may concurrently hold the position of general manager or other senior management positions. However, the total number of directors who concurrently hold the positions of general manager or other senior management positions, as well as directors who are employee representatives, shall not exceed one-half of the total number of directors of the Company.

The Company appoints one director who is employee representative. The employee director is elected by the Company's employees through the employee representatives meeting, employee meeting or otherwise democratically, and does not need to be submitted to the general meeting for review. The Company may appoint independent directors, and the number of independent directors shall not be less than one-third of the number of members of the board of directors.

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, and owe the following duties of loyalty to the Company. They shall also take measures to avoid conflicts between their own interests and the interests of the Company and shall not use their positions to seek improper benefits:

- i. not to abuse their powers to accept bribes or other illegal income or misappropriate the Company's properties;
- ii. not to misappropriate the Company's capital;
- iii. not to deposit the Company's assets or capital into accounts under his/her own name or the name of other individuals;

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- iv. not to lend funds of the Company to any other person or use the property of the Company to provide guarantee for any other person without the consent of the general meeting or the Board of Directors in contravention of the provisions of the Articles of Association;
- v. not to report to the Board of Directors or the general meeting and obtaining approval through a resolution of the Board of Directors or the general meeting in accordance with the provisions of the Articles of Association, and shall not directly or indirectly enter into contracts or conduct transactions with the Company;
- vi. not to take advantage of their positions to procure business opportunities for themselves or others, unless it is reported to the Board of Directors or general meeting and approved by a resolution of the general meeting, or the Company is unable to take advantage of the business opportunity in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association that should have otherwise been available to the Company;

to operate for their own benefits or manage on behalf of others businesses similar to that of the Company without reporting to the Board of Directors or the general meeting and obtaining approval through a resolution of the general meeting;
- vii. not to accept and possess commissions paid by a third party for transactions conducted with the Company;
- viii. not to disclose confidential information of the Company without permission;
- ix. not to use their connected relationship to damage the interests of the Company;
- x. other fiduciary obligations as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any income derived by a director in violation of the provisions of this Article shall belong to the Company. The director shall be liable for indemnifying the Company against any loss incurred.

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Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, and owe the following duties of diligence to the Company. In performing their duties, they shall exercise the reasonable attention ordinarily expected of managers to serve the Company's best interests:

- i. to exercise the rights granted to them by the Company with prudence, diligence, and care to ensure that the Company's business activities comply with laws, administrative regulations, and all government economic policies, and that business operations do not exceed the scope of business specified in the business license;
- ii. to treat all Shareholders fairly;
- iii. to promptly understand the status of the Company's business operations and management;
- iv. to sign a written confirmation on the Company's regular reports;
- v. to provide relevant information and materials to the Audit Committee truthfully and not to obstruct the Audit Committee or its members from exercising their powers;
- vi. other duties of diligence as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Upon effectiveness of resignation or expiry of tenure of a director, he shall complete all hand-over procedures with the Board of Directors, and his loyalty duty to the Company and Shareholders will not be terminated as soon as the end of his tenure, and his confidentiality obligations for trade secrets of the Company shall survive the end of his appointment until such secrets become publicly available. The duration of other duty shall be determined according to the equity principle, taking into account the length of time between the occurrence of the event and the resignation, as well as the circumstances and conditions under which the relationship with the Company has ended.

Without the due authorization by the Board of Directors or under the Articles of Association, no director may act for the Company or the Board of Directors in his own name. Where any director acts in his own name but any third party reasonably believes that such director is acting for the Company or the Board of Director, such director shall first state his stance and status.

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Chairman

The Board of Directors shall have one chairman and may have one vice chairman. The chairman and vice chairman are elected by a majority of all the directors.

Board of Directors

The Board of Directors consists of nine directors, including three independent directors and one director who is a representative of the employees.

The Board of Directors shall exercise the following function and powers:

- i. to convene the general meetings and report on its work to such general meeting;
- ii. to implement resolutions passed at the general meeting;
- iii. to decide on the Company's business plans and investment plans;
- iv. to formulate the Company's annual financial budgets and final accounts plans;
- v. to formulate the Company's profit distribution proposals and loss recovery proposals;
- vi. to prepare plans on increase or reduction of registered capital of the Company, issuance of bonds or other securities, and listing of the Company;
- vii. to formulate plans for material acquisitions, purchase of shares of the Company in accordance with the provisions of the Articles of Association, merger, division, dissolution or change of organizational form of the Company;
- viii. to decide on external investment, asset acquisition or disposal, mortgage of assets, external guarantee, entrusted wealth management and connected translations, donations, etc. of the Company, within the scope of delegation by the general meeting;
- ix. to determine on the establishment of the Company's internal management structure;

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- x. to appoint or dismiss the Company's general manager and the secretary of the Board of Directors;

based on the nomination of the chairman, to decide on the appointment or dismissal of the Company's secretary to the Board; based on the nomination of the general manager, to appoint or dismiss other senior management personnel of the Company, and to determine their remuneration and matters of reward and punishment;

- xi. to formulate the Company's basic management system;
- xii. to formulate proposals for amendments to the Articles of Association;
- xiii. to manage information disclosures of the Company;
- xiv. to propose to the general meeting to engage or replace the accounting firm which provides audit services to the Company;
- xv. to listen to work reports presented by the general manager of the Company and inspect the work of the general manager;
- xvi. to formulate the Company's equity incentive plan;
- xvii. to decide on the establishment of Special Committees under the Board;
- xviii. to decide on the Company's repurchase of its own shares in accordance with the provisions of the Articles of Association;
- xix. to exercise other functions and powers as stipulated by laws, administrative regulations, department rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The Board meeting shall be held only if more than half of the directors are present. Resolutions of the Board of Directors must be passed by a majority of all directors, unless otherwise stipulated by laws, regulations, and the Articles of Association.

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Special Committees under the Board

The Company's Board of Directors shall establish an Audit Committee and may, as needed, set up relevant specialized committees such as strategy, nomination, and compensation and assessment committees. These specialized committees are accountable to the Board of Directors and shall perform their duties in accordance with the Articles of Association, the working rules of each specialized committee, and the authorization granted by the Board of Directors. Proposals from the specialized committees shall be submitted to the Board of Directors for deliberation and decision.

Secretary to the Board

The Company shall have a secretary to the Board, and shall be responsible for the preparation of the general meeting and Board meeting of the Company, the filing of documents and management of information regarding the Shareholders of the Company, and shall deal with information disclosure and other matters. The secretary to the Board shall comply with the relevant provisions of the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

General Manager and Other Senior Management Personnel

The Company shall have one general manager, who shall be appointed or dismissed by the Board.

The general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

- i. to be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board of Directors and report on works to the Board of Directors;
- ii. to organize and implement the Company's annual business plan and investment proposals;
- iii. in accordance with the instruction of the Board of Directors to draft the annual financial budget and final accounts plans of our Company;

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- iv. to draft plans for the subsidiaries of the Company of merger, division and reorganization;
- v. to draft the employee of the Company of salaries, benefits and incentives/disincentives policy and plans;
- vi. to draft plans for the establishment of the Company's internal management organizations;
- vii. to draft plans for the establishment of the Company's branches;
- viii. to draft the Company's basic management system;
- ix. to formulate specific rules and regulations for the Company;
- x. to propose to the Board of Directors on the appointment or dismissal of financial officer and other senior management personnel of the Company;
- xi. to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- xii. other functions and powers conferred by the Articles of Association or the Board of Directors.

Audit Committee

The Audit Committee exercises the powers of the supervisory board as stipulated in the Company Law. The Audit Committee shall convene at least one meeting every quarter. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary. A meeting of the Audit Committee requires the attendance of more than two-thirds of its members to be held. Resolutions made by the Audit Committee shall be passed by more than half of its members. Voting on Audit Committee resolutions shall be on a one-person, one-vote basis. Meeting minutes of Audit Committee resolutions shall be prepared in accordance with regulations, and the Audit Committee members attending the meeting shall sign the meeting minutes. The working rules of the Audit Committee shall be formulated by the Board of Directors.

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Qualifications and Obligations of Directors and Senior Management Personnel of the Company

A person may not serve as a director or senior management personnel if any of the following circumstances apply:

- i. a person who has no civil capacity or has restricted civil capacity;
- ii. a person who has been punished because of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order; or who has been deprived of his/her political rights because of committing offence, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation, or who has been declared on probation, where less than two years have elapsed since the date of the completion of the probation period;
- iii. a person who is a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- iv. a person who was a legal representative of a company or enterprise which had its business licence revoked and was ordered to close down due to violation of the law and was personally liable, where less than three years have elapsed since the date of the revocation of the business licence of the company or enterprise;
- v. a person who has a relatively large amount of debts due and outstanding and has been listed as a dishonest debtor by the people's court;
- vi. the person is currently being prohibited from participating in securities market by the CSRC and such barring period has not elapsed;
- vii. other circumstances stipulated by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed.

Financial and Accounting Systems

The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations, and the provisions of relevant state departments.

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The Company shall prepare the annual financial report within four months from the end of each fiscal year.

The above-mentioned financial and accounting reports shall be prepared in accordance with relevant laws, administrative regulations, departmental rules and securities regulatory rules of the place where the Company’s shares are listed.

The Company shall not establish an accounting book other than those required by laws. No assets of the Company shall be deposited under any account opened in the name of any individual.

When the Company distributes the after-tax profits of the current year, it shall allocate 10% of the profits into the statutory reserve of the Company. If the accumulated amount of the statutory reserve of the Company reaches more than 50% of the registered capital of the Company, the Company is released from the obligation of withholding such statutory reserve.

Where the Company’s statutory reserve is insufficient to cover the previous year’s losses, the Company shall first use the profits of the current year to cover the losses before withholding the statutory reserve according to the provisions of the previous paragraph.

After the Company withholds the statutory reserve from the after-tax profit, it may also withhold optional reserve fund from the after-tax profit upon the resolution of the general meeting.

The remaining after-tax profits of the Company after making up the losses and withdrawing the reserve funds may be distributed according to the proportion of shares held by the Shareholders, unless otherwise agreed upon by all Shareholders.

If the general meeting violates the provisions of the preceding paragraph and distributes profits to Shareholders before the Company has made up for losses and withdrawn the statutory reserves, the Shareholders must return the profits distributed in violation of the provisions to the Company.

Shares held by the Company itself do not participate in the profit distribution.

The Company must appoint one or more collection agents in Hong Kong for H shareholders. The collection agents shall collect and hold on behalf of the relevant H shareholders the dividends distributed to and other payables of the Company in respect of the H Shares, pending payment to such H shareholders. The collection agents appointed by the Company shall meet the requirements of laws and regulations and the securities regulatory rules at the place where the shares of the Company are listed.

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The Company's reserves are used to make up for the Company's losses, to expand the Company's production and operation, or to increase the Company's capital. When using reserves to make up for the Company's losses, the discretionary reserves and statutory reserves shall be used first; if they are still insufficient to make up for the losses, the capital reserves may be used in accordance with the provisions.

When the statutory reserves are converted into capital, the remaining amount of such reserves shall not be less than 25% of the Company's registered capital before the increase.

After the general meeting of the Company has resolved on the profit distribution plan, the Board of Directors of the Company shall complete the distribution of the dividends (or shares) within two months after convening of the general meeting. If the specific plan cannot be implemented within two months due to the requirements of laws and regulations and the securities regulatory rules at the place where the shares of the Company are listed, the implementation date of the specific plan may be adjusted accordingly in accordance with such requirements and the actual situations.

The Company shall implement an internal audit system, clarifying the leadership structure, responsibility and authority, staffing, financial security, use of audit results and accountability in respect of internal audit work. The internal audit system of the Company shall be implemented upon the approval of the Board of Directors. The internal audit institution of the Company supervises and inspects the business activities, risk management, internal control, financial information and other matters of the Company.

The internal audit institution shall be responsible to the Board of Directors. The internal audit institution shall be subject to the supervision and instruction of the Audit Committee in the course of supervision and inspection of the business activities, risk management, internal control and financial information of the Company. If the internal audit institution identifies relevant material issues or clues, it shall report immediately and directly to the Audit Committee.

The Company shall appoint such accounting firm which has complied with the requirements of relevant laws and regulations and the securities regulatory rules at the place where the shares of the Company are listed for carrying out accounting statement auditing, net asset verification and other relevant consulting service. The term of appointment shall be one year and can be re-appointed.

The appointment and dismissal of an accounting firm by the Company shall be determined at the general meeting by way of an ordinary resolution, and the Board of Directors shall not appoint an accounting firm prior to the decision of the general meeting.

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The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding and misrepresentation.

The auditing fee of the accounting firm shall be determined at the general meeting.

When the Company dismisses or no longer re-appoints the accounting firm, it shall notify the accounting firm 30 days in advance; when the general meeting of the Company votes on dismissal of an accounting firm, the accounting firm shall be allowed to state its opinions.

Dissolution and Liquidation of the Company

The Company shall be dissolved for the following reasons:

- i. the term of business stipulated in the Articles of Association expires or other cause of dissolution stipulated in the Articles of Association arises;
- ii. the general meeting has resolved on the dissolution;
- iii. dissolution is required due to the merger or division of the Company;
- iv. the business license of the Company is revoked or the Company is ordered to close down or deregistered in accordance with laws;
- v. the Company suffers significant difficulties in operation and management that cannot be resolved through other means, and its continued existence will cause significant losses to the interests of Shareholders, in which case Shareholders holding more than 10% of all Shareholders' voting rights of the Company may apply to the people's court for dissolution of the Company.

If the Company is dissolved due to the provisions in items i, ii, iv or v mentioned above, a liquidation shall be conducted. The Directors shall be the obligors for the liquidation of the Company and shall form a liquidation group to carry out the liquidation within 15 days from the date on which the cause of dissolution arises. The liquidation group shall be composed of Directors, unless otherwise stipulated in the Articles of Association or other persons otherwise resolved to be appointed by the general meeting.

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The liquidation group shall notify the creditors within 10 days from the date of its establishment and publish announcements in newspapers within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice.

When declaring claims, creditors shall specify the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims. During the period for declaring claims, the liquidation group shall not make repayments to the creditors.

During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The Company’s assets shall not be distributed to the Shareholders prior to making repayments pursuant to the provisions of the preceding paragraph.

If the liquidation group finds that the Company’s assets are insufficient to repay the debts after sorting out the Company’s assets and preparing the balance sheet and inventory of assets, it shall apply to the people’s court for bankruptcy liquidation in accordance with laws.

After the Company is declared bankrupt in accordance with laws, the bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

- i. after amendments are made to the Company Law or relevant laws, administrative regulations and the securities regulatory rules at the place where the shares of the Company are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws and administrative regulations;
- ii. there are any changes to the Company’s particulars which result in inconsistency with the matters set out in the Articles of Association;
- iii. the general meeting has resolved to amend the Articles of Association.

If the amendments to the Articles of Association passed by resolutions of the general meeting are subject to the approval of the competent authorities, the amendments shall be submitted to the competent authorities for approval; if the amendments involve registration matters of the Company, change registrations shall be completed in accordance with laws.

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FURTHER INFORMATION ABOUT OUR COMPANY

Incorporation

Our Company was established as a limited liability company under the laws of the PRC on February 24, 2011 and was converted into a joint stock company with limited liability on August 16, 2023.

We have established a place of business at Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. We have has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance and the Companies (Non-Hong Kong Companies) Regulation (Chapter 622J of the Laws of Hong Kong) on June 5, 2025, with Ms. Lai Siu Kuen appointed as the Hong Kong authorised representative of our Company for acceptance of the service of process and any notices required to be served on our Company in Hong Kong.

As our Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in “Regulatory Overview” and “Appendix III — Summary of the Articles of Association” in this document, respectively.

Changes in the Share Capital of Our Company

Save as disclosed in the section headed “History, Development and Corporate Structure — Major Shareholding Changes of Our Company”, there has been no alteration in our share capital within two years immediately preceding the date of this document.

Changes in the Share Capital of the Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in note 34 to the Accountants’ Report in Appendix I to this document.

On December 6, 2024, Lianyungang Antu was established as a limited liability company in the PRC with an initial registered capital of RMB30,000,000.

On August 19, 2025, Singapore Annto was incorporated as a private company limited by shares in Singapore with an initial share capital of S\$1,000.

Save as disclosed above, there had been no other alterations of share capital of our subsidiaries within the two years preceding the date of this document.

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Resolutions of the Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of the Shareholders on August 25, 2025, it was resolved, among others, and the followings were approved:

- (i) the issue by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Stock Exchange;
- (ii) the number of H Shares to be issued shall be no more than [REDACTED]% of the total issued share capital of our Company as enlarged by the [REDACTED] (before the exercise of the [REDACTED]), and the grant of the [REDACTED] of not more than [REDACTED]% of the number of H Shares issued pursuant to the [REDACTED];
- (iii) subject to filing with the CSRC, upon completion of the [REDACTED], [REDACTED] Unlisted Shares held by [REDACTED] existing Shareholders will be converted into H Shares, on a one-for-one basis;
- (iv) subject to the completion of the [REDACTED], the Articles of Association have been approved and adopted, which shall become effective on the [REDACTED], and the Board has been authorized to amend the Articles of Association to the extent necessary in accordance with any comments from the relevant regulatory authorities;
- (v) authorization of the Board or its authorized individuals to handle all matters relating to, among other things, the [REDACTED], the issue and [REDACTED] of H Shares on the Stock Exchange;
- (vi) the granting of a general mandate to the Board to (i) allot and issue Shares, and (ii) sell and/or transfer Shares out of treasury that are held as treasury shares, at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes as the Board in their absolute discretion deem fit, provided that, the number of Shares to be issued, or to be sold and/or transferred out of treasury that are held as treasury shares shall not exceed 20% of the number of Shares in issue as of the [REDACTED] (excluding any treasury shares); and
- (vii) the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares as of the [REDACTED] (excluding any treasury shares).

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Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

(a) Reasons for repurchase

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the investors’ confidence in the Company and promote a positive effect on maintaining the Company’s reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit the Company and its Shareholder as a whole.

(b) Exercise of the general mandate to repurchase Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase Shares at annual general meetings, the Board will be granted general mandate to repurchase Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of:

- (a) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions;
- (b) the revocation or variation of the mandate under the resolution by a special resolution at the next general meeting of the Company; or
- (c) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares (on the basis of [REDACTED] H Shares in issue as of the [REDACTED] and no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the next annual general meeting to be held after the [REDACTED]) would result in a maximum of [REDACTED] H Shares being repurchased by the Company during the relevant period, being the maximum of 10% of the H Shares in issue (excluding any treasury shares) as of the [REDACTED].

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(c) Source of funds

In repurchasing its Shares, the Company intends to apply funds from the Company’s internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to repurchase its Shares. Any shares to be repurchased will be cancelled or kept as treasury shares if allowed by the Articles of Association and applicable laws and regulations. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(e) Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, supervisor, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

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(f) Status of repurchased Shares

Subject to the Articles of Association, the Listing Rules and any other applicable laws and regulations, the Shares repurchased by the Company will be cancelled or kept as treasury shares.

(g) Takeover implications

If, as a result of any repurchase of Shares, a Shareholder’s proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

(h) Interim measures

For any treasury shares of the Company deposited with [REDACTED] pending resale on the Stock Exchange, the Company shall, upon approval by the Board, implement the below interim measures which include (without limitation):

- (i) procuring its broker not to give any instructions to [REDACTED] to vote at general meetings for the treasury shares deposited with [REDACTED];
- (ii) in the case of dividends or distributions (if any and where applicable), withdrawing the treasury shares from [REDACTED], and either re-register them in its own name as treasury shares or cancel them, in each case before the relevant record date for the dividend or distributions; or
- (iii) taking any other measures to ensure that it will not exercise any Shareholders’ rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

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(i) General

The Company did not hold any treasury shares as of the Latest Practicable Date and will not hold any treasury shares upon [REDACTED].

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

The Directors will exercise the general mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws in the PRC. Neither this explanatory statement on repurchase of our own securities nor the proposed Share repurchase has any unusual feature.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

Our Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

- (a) a capital increase agreement dated May 2025 entered into among our Company, Midea Zhilian, Qingdao Hisense Technology, Tianjin Shunhe, Eastern Bell Shengguan, Hidden Hill Zhineng and Meike Qixin, pursuant to which Qingdao Hisense Technology, Tianjin Shunhe, Eastern Bell Shengguan, Hidden Hill Zhineng and Meike Qixin agreed to invest in our Company by subscribing for an aggregate of 205,200,000 Shares at a total consideration of RMB1,900,000,000; and
- (b) the [REDACTED].

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Intellectual Property

As at the Latest Practicable Date, the following intellectual property rights are material to our business:

Trademarks

As at the Latest Practicable Date, our Group had registered the following trademarks which are material to our business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1.	直通宝	9	Wuhu Annto	PRC	16576821	May 13, 2026
2.	直通宝	38	Wuhu Annto	PRC	16577012	May 13, 2026
3.	直通宝	39	Wuhu Annto	PRC	16577139	May 13, 2026
4.	直通宝	42	Wuhu Annto	PRC	16577264	May 13, 2026
5.	直通宝	35	Wuhu Annto	PRC	16576969A	May 13, 2026
6.	直通宝	36, 45	Wuhu Annto	PRC	18889404	February 20, 2027
7.	ANNT0	9	Wuhu Annto	PRC	51676906	August 20, 2031
8.	ANNT0	35	Wuhu Annto	PRC	51687948	August 13, 2031
9.	ANNT0	36	Wuhu Annto	PRC	51687989	August 27, 2031

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No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
10.	ANNT0	38	Wuhu Annto	PRC	51666951	August 13, 2031
11.	ANNT0	39	Wuhu Annto	PRC	51647528	August 13, 2031
12.	安得	39	Wuhu Annto	PRC	51681368	August 20, 2031
13.	安得ANNT0	39	Wuhu Annto	PRC	8919491	February 13, 2032
14.	安得	37	Wuhu Annto	PRC	69390030	July 27, 2034
15.	ANNT0	37	Wuhu Annto	PRC	69381492	August 6, 2033
16.	安得	37	Wuhu Annto	PRC	71402319	March 6, 2034
17.	安得1+3模型	39	Wuhu Annto	PRC	73792217	March 20, 2034
18.	ANNT0 1+3模型	35	Wuhu Annto	PRC	73782699	June 13, 2034
19.	ANNT0 1+3模型	39	Wuhu Annto	PRC	73793418	June 13, 2034
20.	安得智联1+3供应链模型	39	Wuhu Annto	PRC	73787893	June 13, 2034

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No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
21.	安得一盘货	39	Wuhu Annto	PRC	73782436	March 27, 2034
22.	ANNT0一盘货	35	Wuhu Annto	PRC	73795999	June 13, 2034
23.	ANNT0一盘货	39	Wuhu Annto	PRC	73782412	March 27, 2034
24.	安得智联一盘货	39	Wuhu Annto	PRC	73778383	March 20, 2034
25.	安得安链云	9	Wuhu Annto	PRC	80125691	February 6, 2035
26.	安得安链云	39	Wuhu Annto	PRC	80123944	February 6, 2035
27.	安得安链云	42	Wuhu Annto	PRC	80132979	February 6, 2035

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As at the Latest Practicable Date, our Group had applied for registration of the following trademarks which are material to our business:

No	Trademark	Class	Applicant	Place of Application	Application Number	Application Date
1.	安得1+3模型	35	Wuhu Annto	PRC	73786855	August 30, 2023
2.	安得智联1+3供应链模型	35	Wuhu Annto	PRC	73790069	August 30, 2023
3.	安得一盘货	35	Wuhu Annto	PRC	73791827	August 30, 2023
4.	安得智联一盘货	35	Wuhu Annto	PRC	73775783	August 30, 2023
5.	安得	35	Wuhu Annto	PRC	75717050	December 11, 2023
6.	安得到家	9	Wuhu Annto	PRC	81111236	September 25, 2024
7.	安得到家	37	Wuhu Annto	PRC	81138386	September 26, 2024
8.	安得到家	39	Wuhu Annto	PRC	81116121	September 25, 2024
9.	安链通	9	Wuhu Annto	PRC	83006019	January 8, 2025
10.	安链通	35	Wuhu Annto	PRC	83014666	January 8, 2025

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No	Trademark	Class	Applicant	Place of Application	Application Number	Application Date
11.	安链通	39	Wuhu Annto	PRC	83009471	January 8, 2025
12.	安链通	42	Wuhu Annto	PRC	83011951	January 8, 2025
13.	安得安链通	35	Wuhu Annto	PRC	83001915	January 8, 2025
14.	安得安链云	35	Wuhu Annto	PRC	83387024	February 10, 2025

Domain Names

As at the Latest Practicable Date, our Group had registered the following domain names which are material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1.	annto.com	Wuhu Annto	January 17, 2026
2.	annto.cloud	Wuhu Annto	April 9, 2026
3.	annto.com.cn.	Wuhu Annto	January 17, 2027
4.	anntontp.com	Tianjin Annto Network	July 13, 2026

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Patents

As at the Latest Practicable Date, our Group had registered the following patents which are material to our business:

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Grant Date
1.	Data analysis methods, systems, equipment and storage media (數據分析方法、系統、設備以及存儲介質) .	Invention	Ningbo Annto and Wuhu Annto	PRC	ZL202410950938.3	November 12, 2024
2.	QR code repair method, apparatus, terminal device and storage medium (二維碼修復方法、裝置、終端設備以及存儲介質)	Invention	Ningbo Annto and Wuhu Annto	PRC	ZL202410472224.6	July 23, 2024
3.	Method, apparatus, device and computer storage medium for time resolution of order (訂單的時效解析方法、裝置、設備及計算機存儲介質)	Invention	Ningbo Annto and Wuhu Annto	PRC	ZL202410488081.8	August 9, 2024

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No	Patent Name	Type	Patent Holder	Jurisdiction of	Patent Number	Grant Date
				Registration		
4.	Capacity allocation method, capacity allocation device and storage medium (運力分配方法、運力分配設備以及存儲介質)	Invention	Ningbo Annto and Foshan Annto	PRC	ZL202410045837.1	April 26, 2024
5.	Scheduling method, apparatus, device and storage medium (調度方法、裝置、設備及存儲介質)	Invention	Ningbo Annto and Foshan Annto	PRC	ZL202410039118.9	May 3, 2024
6.	Generating method, apparatus, device and storage medium for order goods packaging program (訂單商品配裝方案的生成方法、裝置、設備及存儲介質).	Invention	Ningbo Annto and Wuhu Annto	PRC	ZL202310603395.3	October 18, 2024

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No	Patent Name	Type	Patent Holder	Jurisdiction of	Patent Number	Grant Date
				Registration		
7.	Cargo sorting method, apparatus, electronic device and readable storage medium (貨物分揀方法、裝置、電子設備及可讀存儲介質)	Invention	Ningbo Annto and Wuhu Annto	PRC	ZL202310548051.7	November 24, 2023
8.	Platter stacker (疊盤機)	Utility model	Wuhu Annto	PRC	ZL201821154206.X	March 15, 2019
9.	Automatic loading and unloading device (自動裝卸車裝置)	Invention	Wuhu Annto	PRC	ZL201710079998.2	September 4, 2020
10.	Automated material placement device (物料自動化擺放裝置)	Invention	Wuhu Annto	PRC	ZL201710081659.8	September 4, 2020

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No	Patent Name	Type	Patent Holder	Jurisdiction	Patent Number	Grant Date
				of Registration		
11.	Fully automated shelving (全自動出貨架).	Invention	Wuhu Annto	PRC	ZL201710081311.9	March 25, 2022
12.	A sectional multifunctional packing and transporting device (一種分段式多功能裝箱運輸裝置).	Invention	Wuhu Annto	PRC	ZL201710080857.2	March 25, 2022
13.	A multifunctional conveyor belt (一種多功能傳送帶).	Invention	Wuhu Annto	PRC	ZL201310615292.5	March 2, 2016
14.	A logistics box (一種物流箱) . .	Invention	Wuhu Annto	PRC	ZL201310615275.1	August 17, 2016
15.	Automatic screening and transporting device (自動篩選運輸裝置). . .	Invention	Wuhu Annto	PRC	ZL201310615150.9	January 11, 2017

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Copyrights

As of the Latest Practicable Date, our Group had registered the following copyrights which are material to our business:

No	Copyright Name	Registrant	Registration Number	Date of Registration
1.	Annto transportation management system (安得運輸管理系統)	Wuhu Annto	2022SR1244948	August 23, 2022
2.	Annto network freight transportation platform (安得網絡貨運平台)	Wuhu Annto	2022SR1073266	August 10, 2022
3.	Annto manufacturing logistics system (安得生產物流系統)	Wuhu Annto	2022SR1245226	August 23, 2022
4.	Annto logistics warehouse management system (安得物流倉儲管理系統)	Wuhu Annto	2022SR0215036	February 10, 2022
5.	Annto logistics order management system (安得物流訂單管理系統)	Wuhu Annto	2022SR0215039	February 10, 2022
6.	Xiaoan Daojia APP (小安到家APP)	Wuhu Annto	2023SR0251427	February 16, 2023
7.	Annto delivery and installation system (安得送裝系統)	Wuhu Annto	2022SR1244947	August 23, 2022
8.	BMS logistics billing and settlement management system (BMS物流計費結算管理系統)	Wuhu Annto	2021SR0753006	May 24, 2021
9.	Logistics cloud direct pass mobile platform (物流雲直通寶移動平台)	Wuhu Annto	2022SR0592831	May 17, 2022

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DISCLOSURE OF INTERESTS

Disclosure of Interests of Directors and Chief Executive of Our Company

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the interests and/or short positions (as applicable) of our Directors and the chief executive in the Shares, underlying Shares and debentures of our Company and any interests and/or short positions (as applicable) in shares, underlying Shares or debentures of any of our associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, in each case once the H Shares are [REDACTED] on the Stock Exchange, will be as follows:

(i) *Interests in the Shares of our Company*

Name	Nature of interest	Type of Shares	Number of Shares	Approximate percentage of shareholding in the Unlisted Shares/H Shares (where applicable) immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	Approximate percentage of shareholding in our total share capital immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised)
				[REDACTED]%	[REDACTED]%
Mr. Liang Pengfei ⁽¹⁾ . . .	Interest in controlled corporation	[REDACTED]	34,170,000	[REDACTED]%	[REDACTED]%

Note:

- (1) As of the Latest Practicable Date, Mr. Liang Pengfei held approximately 47.41% partnership interests in Ningbo Xunchi as a limited partner. By virtue of the SFO, Mr. Liang Pengfei is deemed to be interested in the Shares held by Ningbo Xunchi.

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(ii) *Interests in our associated corporations*

Name	Nature of interest	Name of Associated Corporation	Number of Shares	Approximate percentage of shareholding ⁽¹⁾
Mr. Liang Pengfei	Beneficial owner	Midea Group	9,000 A shares	0.0001%
Mr. Ma Liang.	Beneficial owner	Midea Group	100,000 A shares	0.001%
Mr. Liu Xiao ⁽²⁾	Beneficial owner	Midea Group	382,190 A shares	0.005%
Ms. Luo Wenhui ⁽³⁾	Beneficial owner	Midea Group	213,900 A shares	0.003%
Ms. Chen Lihong ⁽⁴⁾	Beneficial owner	Midea Group	212,000 A shares	0.003%
Dr. Chen Wei Ru	Beneficial owner	Midea Group	1,400 A shares	0.00002%

Notes:

- (1) Calculation is based on a total of 7,675,588,172 shares of Midea Group in issue as of the Latest Practicable Date, comprising 7,024,739,672 A shares of Midea Group and 650,848,500 H shares of Midea Group.
- (2) As of the Latest Practicable Date, Mr. Liu Xiao was interested in (i) 224,000 A shares of Midea Group directly held by him, (ii) 32,000 restricted shares of Midea Group under its 2022 Restricted Share Incentive Scheme, (iii) 19,190 A shares of Midea Group under its Fifth Business Partner Stock Ownership Scheme, (iv) 42,000 A shares of Midea Group under its 2023 Stock Ownership Scheme and (v) 65,000 A shares of Midea Group under its 2024 Stock Ownership Scheme.
- (3) As of the Latest Practicable Date, Ms. Luo Wenhui was interested in (i) 100,900 A shares of Midea Group directly held by her, (ii) 24,000 restricted shares of Midea Group under its 2022 Restricted Share Incentive Scheme, (iii) 24,000 A shares of Midea Group under its 2023 Stock Ownership Scheme and (iv) 65,000 A shares of Midea Group under its 2024 Stock Ownership Scheme.
- (4) As of the Latest Practicable Date, Ms. Chen Lihong was interested in (i) 188,000 A shares of Midea Group directly held by her and (ii) 24,000 restricted shares of Midea Group under its 2022 Restricted Share Incentive Scheme.

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Disclosure of Interests of Substantial Shareholders

Save as disclosed in “Substantial Shareholders” in this document, immediately following the completion of the [REDACTED] and without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED], the Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company or other members of our Group.

FURTHER INFORMATION ABOUT OUR DIRECTORS

Particulars of the Service Contracts

Each of the Directors [has entered] into a service contract with our Company.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

For details of the remuneration of Directors, see “Directors and Senior Management — Remuneration” and note 12 in “Appendix I — Accountants’ Report” in this document.

Disclaimers

- (a) None of the Directors nor any of the experts referred to in “Other Information — Qualifications and Consents of Experts” below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of our Group, or are proposed to be acquired or disposed of by, or leased to, any member of our Group.
- (b) Save in connection with the [REDACTED], none of the Directors or any of the experts referred to in “Other Information — Qualifications and Consents of Experts” below, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group.

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SHARE INCENTIVE SCHEME

The Employee Stock Ownership Plan for Our Company’s Employees

The below is a summary of the principal terms of the Employee Stock Ownership Plan for our Company’s employees.

Participants

The participants (the “**Employee Stock Ownership Plan Participants**”) include our Directors (excluding independent non-executive Directors), senior management, members of core management and technical team, key employees, and other parties recognized by our Board.

Grants of Interests

In accordance with the procedures and principles stipulated in the Employee Stock Ownership Plan, the Employee Stock Ownership Plan Participants will be granted with the partnership interests in Annto Shareholding Platforms, namely Ningbo Xunchi, Ningbo Haopu, Ningbo Xinyou, Ningbo Jiyue, Ningbo Zhuoran, Ningbo Shuohang and Ningbo Lisheng, so that the Employee Stock Ownership Plan Participants could hold the indirect interests of our Company to achieve the purpose of incentives.

Annto Shareholding Platforms

Set out below is the holding structure of Annto Shareholding Platforms as of the Latest Practicable Date:

- **Ningbo Xunchi:** The general partner of Ningbo Xunchi was Li Jingheng, holding 1.02% partnership interests. Mr. Liang Pengfei, our executive Director, held 47.41% partnership interests in Ningbo Xunchi as a limited partner. The remaining 51.57% partnership interests in Ningbo Xunchi were held by 47 limited partners, among whom, our senior management, Mr. Lin Kai, Dr. Lin Taien and Mr. Shi Xiongfeng held 1.61%, 6.29% and 8.49% partnership interests in Ningbo Xunchi, respectively. None of the other limited partners held more than one third of partnership interests in Ningbo Xunchi.

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- **Ningbo Haopu:** The general partner of Ningbo Haopu was Liu Cheng, holding 7.19% partnership interests in Ningbo Haopu. The remaining 92.81% partnership interests in Ningbo Haopu were held by 30 limited partners, among whom, Mr. Liang Pengfei and Mr. Ma Liang, our executive Directors, and Mr. Lin Kai and Mr. Liu Dan, our senior management, held 19.33%, 10.34%, 8.09% and 9.66% partnership interests in Ningbo Haopu, respectively. None of the limited partners held more than one third of partnership interests in Ningbo Haopu.
- **Ningbo Jiyue:** The general partner of Ningbo Jiyue was Wang Jing, holding 1.96% partnership interests in Ningbo Jiyue. The remaining 98.04% partnership interests in Ningbo Jiyue were held by 32 limited partners, among whom, Mr. Liang Pengfei, our executive Director, held 23.95% partnership interests in Ningbo Jiyue. None of the limited partners held more than one third of partnership interests in Ningbo Jiyue.
- **Ningbo Xinyou:** The general partner of Ningbo Xinyou was He Baohai, holding 8.84% partnership interests in Ningbo Xinyou. The remaining 91.16% partnership interests in Ningbo Xinyou were held by 29 limited partners, among whom, Mr. Liang Pengfei and Mr. Ma Liang, our executive Directors, held 21.33% and 1.33% partnership interests in Ningbo Xinyou, respectively. None of the limited partners held more than one third of partnership interests in Ningbo Xinyou.
- **Ningbo Zhuoran:** The general partner of Ningbo Zhuoran was Ma Jie, holding 3.33% partnership interests in Ningbo Zhuoran. The remaining 96.67% partnership interests in Ningbo Zhuoran were held by 31 limited partners, among whom, Mr. Wang Yang, our senior management, held 16.67% partnership interests in Ningbo Zhuoran. None of the limited partners held more than one third of partnership interests in Ningbo Zhuoran.
- **Ningbo Shuohang:** The general partner of Ningbo Shuohang was Li Jian, holding 6.04% partnership interests in Ningbo Shuohang. The remaining 93.96% partnership interests in Ningbo Shuohang were held by 30 limited partners, among whom, Mr. Lin Kai, Dr. Lin Taien, Mr. Liu Dan and Mr. Wang Yang, our senior management, held 2.68%, 5.37%, 6.71% and 11.01% partnership interests in Ningbo Shuohang, respectively. None of the limited partners held more than one third of partnership interests in Ningbo Shuohang.

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- **Ningbo Lisheng:** The general partner of Ningbo Lisheng was Yang Junhua, holding 19.83% partnership interests in Ningbo Lisheng. The remaining 80.17% partnership interests in Ningbo Lisheng were held by 32 limited partners, among whom, Mr. Ma Liang, our executive Director, held 7.41% partnership interests in Ningbo Lisheng. None of the limited partners held more than one third of partnership interests in Ningbo Lisheng.

Lock-up Period

In order to achieve long-term incentive effect, the Employee Stock Ownership Plan stipulated appropriate lock-up period with respect to the limited partnership interests in Annto Shareholding Platforms. Unless otherwise stipulated in the Employee Stock Ownership Plan, after the [REDACTED] of our Company and expiration of lock-up period in accordance with the terms of the Employee Stock Ownership Plan, the Employee Stock Ownership Plan Participants may be entitled to dispose of the interests through sale of the corresponding Shares of our Company held by relevant Annto Shareholding Platform by the executive partner.

Limited Transferability

Unless otherwise permitted by the Employee Stock Ownership Plan, the Employee Stock Ownership Plan Participants may not transfer all or part of their interests to another party, and may not withdraw from Annto Shareholding Platforms by withdrawal, reduction of interests, or otherwise.

Cessation of Employment or other Circumstances Stipulated under the Employee Stock Ownership Plan

Before the [REDACTED] of our Company, subject to conditions set out in the Employee Stock Ownership Plan, our Company has the right to (i) request an Employee Stock Ownership Plan Participant to transfer all/part (where applicable) of the interests granted to him/her to the executive partners of Annto Shareholding Platforms or other designated parties; or (ii) request Annto Shareholding Platforms to repurchase the interests held by him/her, if such Employee Stock Ownership Plan Participant ceases to be employed by our Group or other circumstances under the Employee Stock Ownership Plan arise (including but not limited to substandard performance appraisal, adjustment of positions and significant negative behaviours of such Employee Stock Ownership Plan Participant).

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After the [REDACTED] of our Company, if an Employee Stock Ownership Plan Participant ceases to be employed by our Group, his/her interests shall be disposed of through sale of the corresponding Shares of our Company held by relevant Annto Shareholding Platform by the executive partner. Under the circumstances of significant negative behaviours of an Employee Stock Ownership Plan Participant, our Company also has the right to (i) request such Employee Stock Ownership Plan Participant to transfer all/part (where applicable) of the interests granted to him/her to the executive partners of Annto Shareholding Platforms or other designated parties; or (ii) request Annto Shareholding Platforms to repurchase the interests held by him/her, subject to conditions set out in the Employee Stock Ownership Plan.

Death or Divorce

In the case of death or divorce, unless otherwise provided by relevant laws and regulations, if the heir or spouse of an Employee Stock Ownership Plan Participant does not meet the qualifications for the Employee Stock Ownership Plan Participant as set out in the Employee Stock Ownership Plan, the heir or spouse of such Employee Stock Ownership Plan Participant shall either withdraw from Annto Shareholding Platforms or transfer all of his/her interests to the relevant transferees at the request of the executive partners.

OTHER INFORMATION

Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on our Group.

Litigation

As of the Latest Practicable Date, we were not engaged in any outstanding litigation or arbitration which may have material adverse effect on the [REDACTED] and, so far as the Directors are aware, no material litigation or claim was pending or threatened by or against our Company.

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Joint Sponsors

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Joint Sponsors, we have agreed to pay each of the Joint Sponsors a fee of US\$200,000 to act as the sponsors in connection with the [REDACTED].

Preliminary Expenses

As of the Latest Practicable Date, we have not incurred any material preliminary expenses.

Promoters

The promoters of our Company are Midea Zhilian, Ningbo Meiyu, Ningbo Xunchi, Ningbo Haopu, Ningbo Meiyue, Ningbo Jiyue, Ningbo Xinyou, Ningbo Zhuoran, Ningbo Shuohang, Ningbo Lisheng and Ningbo Zhuoyi.

Within the two years immediately preceding the date of this document, no cash, securities, or other benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the [REDACTED] or the related transactions described in this document.

Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this document are as follows:

Name of Expert	Qualifications
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO

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Name of Expert	Qualifications
Morgan Stanley Asia Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants and Registered Public Interest Entity Auditor
Jia Yuan Law Offices	Legal advisor as to PRC law
China Insights Industry Consultancy Limited	Independent industry consultant

Each of the experts listed above has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respectively included.

Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided in Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

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Miscellaneous

- (a) save as disclosed in “— Further Information about Our Company” of this section, within the two years preceding the date of this document, no share or loan capital of our Company or any of our subsidiary has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of our Company or any of our subsidiary is under option or is agreed conditionally or unconditionally to be put under option;
- (c) no founder, management or deferred shares of our Company or any of our subsidiary have been issued or have been agreed to be issued;
- (d) we have no outstanding convertible debt securities or debentures; and
- (e) none of the experts listed under “— Qualifications and Consents of Experts”:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group save in connection with the [REDACTED].

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about Our Business — Summary of Material Contracts” in this document; and
- (b) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Qualifications and Consents of Experts” in this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.annto.com during a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report and the report on the unaudited [REDACTED] financial information prepared by Deloitte Touche Tohmatsu, the texts of which are set out in “Appendix I — Accountants’ Report” and “Appendix II — Unaudited [REDACTED] Financial Information”, respectively;
- (c) the audited consolidated financial statements of our Group for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025;
- (d) the legal opinion from Jia Yuan Law Offices, our PRC legal advisor, in respect of, among other things, the general matters and property interests of our Group under the PRC laws;
- (e) the industry report prepared by China Insights Industry Consultancy Limited referred to in the section headed “Industry Overview” in this document;

**APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF
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- (f) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association of Listed Companies issued by the CSRC together with their unofficial English translations;
- (g) the service contracts between each of the Directors and our Company referred to in “Appendix IV — Statutory and General Information — Further Information about Our Directors — Particulars of the Service Contracts”;
- (h) each of the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about Our Business — Summary of Material Contracts”; and
- (i) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Qualifications and Consents of Experts”.