You should read the following discussion and analysis in conjunction with our audited consolidated financial information for the years ended December 31, 2023, 2024 and 2025 together with the accompanying notes included in the Accountants' Report set out in Appendix I to this document. Our consolidated financial information has been prepared in accordance with IFRSs, which may differ in certain aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report in Appendix I to this document and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the sections headed "Risk Factors" and "Business" in this document.

OVERVIEW

We are a leading third-party B2C cross-border e-commerce logistics services provider in China. During the Track Record Period, we generated revenue primarily from cross-border e-commerce express services and local last-mile delivery services. Powered by a stable customer base, established global network, ongoing technological enhancement and an established commercialization model, we recorded revenue of RMB9,482.9 million, RMB5,827.0 million and RMB6,687.1 million in 2023, 2024 and 2025, respectively.

BASIS OF PRESENTATION

Our Company was incorporated in the PRC as a limited liability company on April 16, 1998, and was converted into a joint stock company with limited liability on September 21, 2020. For details, see "History, Development and Corporate Structure." Our historical financial information has been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**"). For the purpose of preparing historical financial information, we have consistently applied the accounting policies which conform with IFRS Accounting Standards, amendments to IFRS Accounting Standards and the related interpretations issued by IASB, which are effective for the accounting period beginning on or after January 1, 2025 throughout the Track Record Period. The historical financial information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. See Note 2 to the Accountants' Report set out in Appendix I to this document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Growth of China's B2C Cross-border E-commerce Export Logistics Service Industry

We operate in China's B2C cross-border e-commerce logistics services market. Our business expansion in the past was partially driven by the growing demand in this industry and our ability to capture market opportunities and trends. We expect that our financial condition and results of operations will continue to be affected by the evolving market conditions in China's B2C cross-border e-commerce logistics services market, the growth of which is, in turn, driven by the continued growth of cross-border e-commerce industry. For details, please see "Industry Overview — China's B2C Cross-border E-commerce Logistics Services Industry."

Our Ability to Enrich Our Service Offerings and Coverage

Our results of operations are partially dependent on our ability to continuously enrich our service offerings and expand service coverage to meet evolving customer demand. During the Track Record Period, we primarily generated revenue from cross-border e-commerce express services and local last-mile delivery services, both of which form the core of our revenue base and growth strategy.

Under our cross-border e-commerce express services, we provide a diversified portfolio of logistics products designed to address diverse customer requirements for delivery speed, destination coverage and service features. Revenue from this business line amounted to RMB7,663.6 million, RMB4,675.2 million and RMB5,737.1 million in 2023, 2024 and 2025, respectively, representing 80.8%, 80.2% and 85.8% of our total revenue for the corresponding years, respectively. In March 2024, we launched our local last-mile delivery services in the U.S., providing domestic "door-to-door" parcel delivery solutions in destination markets. Our local last-mile delivery services generated revenue of RMB91.2 million and RMB385.3 million in 2024 and 2025, respectively. Our ability to further enrich service offerings, including the provision of customized and value-added solutions tailored to customer-specific logistics needs, is material to sustaining revenue growth and long-term business development.

Our Ability to Maintain and Expand Our Logistics Infrastructure and Network Ecosystem

Our operating results are also influenced by our ability to maintain and expand our logistics infrastructure and network ecosystem, which directly underpins the scale, reliability and cost efficiency of our service delivery. Our domestic warehousing facilities form the foundation of our fulfillment capability and our high service coverage in export-oriented e-commerce regions in China. Meanwhile, we had established regional sorting centers and delivery depots in the U.S., building a scalable local delivery network across U.S. major metropolitan and high-density population areas. This network materially enhances our last-mile delivery capability, supports the ramp-up of our local last-mile delivery services, and strengthens our control over service quality and cost performance in the U.S. market. In addition, our global transportation network covered major e-commerce consumption markets across North America, Europe, Asia-Pacific, Latin America and other emerging destinations. Our global logistics infrastructure enables us to serve a diversified customer base, capture customers' demand, and support revenue growth through deeper market penetration.

Our efficient, reliable and synergistic logistics network infrastructure enables us to penetrate new market in a cost-effective manner, while maintaining consistent service quality and operational discipline. We are committed to further enhancing our service capabilities through continued network integration, coverage expansion and infrastructure upgrades. In parallel, we are also dedicated to strengthening our operating systems to support digitalized transportation management, smart terminal operations and more precise demand forecasting and scheduling. We believe that our ability to enrich service offerings and expand network coverage will continue to be a key driver of sustainable revenue growth and operating performance.

Our Ability to Retain and Expand Our Customer Base

Our ability to retain existing customers and expand our customer base is a fundamental driver of our revenue growth, customer concentration profile and overall financial performance. We generate revenue primarily through recurring procurement from cross-border e-commerce platforms, merchants and brand owners. Accordingly, sustained customer acquisition, stable retention and increased customer spending directly influence our revenue scale, operating leverage and margin profile.

We have strategically focused on serving PRC-based cross-border e-commerce third-party platforms and merchants by offering logistics services tailored to their fulfillment models, destination markets and service requirements. The number of customers of our cross-border e-commerce express services increased from 32.3 thousand in 2023 to 32.7 thousand in 2024, and further to 35.9 thousand in 2025.

Our ability to maintain and further expand our customer base, as well as to increase customer spending over time, depends on multiple interrelated factors, including our ability to provide customized logistics services, maintain stable and competitive delivery timeliness, deliver effective customer services, and execute targeted sales and marketing strategies. As customer scale increases, higher parcel volume also enhances our bargaining power with upstream service providers and improves network utilization, supporting operating efficiency.

Our Ability to Manage Costs

Our ability to effectively manage costs is a critical determinant of our profitability and long-term sustainability. By optimizing our supplier network, we are able to secure freight capacity during peak logistics seasons. Simultaneously, through refined digitalized cost management, we continuously improve our cost efficiency. Our cost of sales amounted to RMB9,138.9 million, RMB5,451.0 million and RMB6,225.1 million in 2023, 2024 and 2025, respectively. Cost of sales as a percentage of our total revenue decreased from 96.4% in 2023 to 93.5% in 2024, and further to 93.1% in 2025. During the Track Record Period, our cost of sales primarily consisted of fulfillment costs, staff costs, rent and depreciation and amortization. Fluctuations in any major component of our cost of sales may have a direct impact on our gross profit and gross profit margin.

Cost management related to core logistics resources plays a significant role in shaping our overall cost profile. These resources are essential to the stability and scalability of our cross-border logistics network. Securing charter capacity earlier in the year generally allows us to lock in more favorable pricing compared to spot or ad-hoc arrangements, thereby improving cost predictability and margin visibility. Conversely, unexpected increase in capacity costs may exert pressure on our profitability if such increases cannot be fully passed to customers in a timely manner. Drawing on years of experience, we have amassed substantial resources among service providers. Leveraging our extensive supplier network and economies of scale, we dynamically monitor market demand and flexibly allocate logistics resources accordingly. This ensures both the sufficiency of logistics capacity and the stability of fulfillment costs.

Staff costs also represent a material component of our cost of sales. Our operations depend on a sizable workforce across pickup, sorting, customer services, technology support and management functions. Our ability to enhance labor efficiency through process optimization, automation, digital tools and effective talent management is crucial to maintaining our cost competitiveness and profitability.

Ability to Maintain and Improve Operational Efficiency

Our ability to maintain and enhance operational efficiency directly affects our profitability and overall financial performance. As our business grows in scale and complexity, the effectiveness of our management and operational execution becomes increasingly critical.

Our key operating expenses primarily include administrative expenses, research and development expenses and distribution and selling expenses. In 2023, 2024 and 2025, our administrative expenses amounted to RMB122.2 million, RMB130.7 million and RMB141.2 million, respectively, representing 1.3%, 2.2% and 2.1% of our total revenue for the same years, respectively. During the same years, our research and development expenses were RMB51.4 million, RMB43.3 million and RMB39.3 million, accounting for 0.5%, 0.7% and 0.6% of our total revenue for the same years, respectively, while our distribution and selling expenses amounted to RMB48.5 million, RMB50.0 million and RMB53.8 million, accounting for 0.5%, 0.9% and 0.8% of our total revenue for the same years, respectively.

We continuously review and streamline our internal processes and enhance personnel efficiency to optimize resource allocation, improve cross-functional coordination, and strengthen budgetary management. Enhancing operational efficiency not only helps us better manage costs, but also enables us to respond more swiftly to market demand, support customer expansion, and scale our business in a sustainable and agile manner.

Foreign Exchange Rate Fluctuations

Global operations expose us to certain foreign exchange risks. Our historical financial information is presented in Renminbi. Our exposure to foreign currency exchange risks mainly arises from certain transactions conducted in U.S. dollars, and to a less extent, other foreign currencies, as we received payments from our customers predominantly in RMB, while our payment obligations to certain suppliers are denominated in foreign currencies, such as Hong Kong dollars, U.S. dollars and Euro. As a result, when we consolidate these financial statements into Renminbi, our reported revenue, expenses, assets and liabilities may fluctuate due to changes in foreign exchange rates, even if the underlying business performance in local currency remains unchanged. Movements in foreign exchange rates may therefore cause our financial results expressed in Renminbi to be materially higher or lower than they would be under stable currency conditions. Fluctuations in exchange rates may also affect the comparability of our financial results.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies and accounting judgments and estimates that we believe are significant to the preparation of our consolidated financial statements. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and the exercise of management's judgment in applying our accounting policies. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes to these estimates and assumptions in the foreseeable future. The details of material accounting policies, estimates and judgments, which are important for an understanding of our financial condition and results of operations, are set forth in Note 4 to the Accountants' Report in Appendix I to this document.

DESCRIPTION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth key items of our consolidated statements of profit or loss and other comprehensive income for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		(RMB'000)	
Revenue	**9,482,942**	**5,826,954**	**6,687,050**
Cost of sales	(9,138,935)	(5,450,976)	(6,225,077)
Gross profit	**344,007**	**375,978**	**461,973**
Other income	8,213	10,571	6,378
Other gains and losses	(51,155)	(39,051)	(44,640)
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	(9,577)	(14,875)	(22,555)
Impairment losses under investment in associates, net of reversal	(8,312)	(1,725)	–
Impairment losses under property, plant and equipment, net of reversal	–	(42,103)	–

	Year ended December 31,		
	2023	2024	2025
		(RMB'000)	
Distribution and selling expenses	(48,536)	(49,994)	(53,754)
Administrative expenses	(122,236)	(130,663)	(141,174)
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Research and development expenses	(51,448)	(43,252)	(39,346)
Share of results of associates	(1,766)	(2,582)	–
Finance costs	(3,896)	(5,012)	(6,880)
Profit before tax	**55,294**	**57,292**	**153,314**
Income tax credit/(expense)	2,826	(7,621)	(46,993)
Profit for the year	**58,120**	**49,671**	**106,321**
Other comprehensive income for the year			
Item that will not be reclassified to profit or loss:			
Fair value gain of equity instruments at fair value through other comprehensive income	8,422	3,704	6,164
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations	(3,324)	350	(1,536)
Other comprehensive income for the year	5,098	4,054	4,628
Total comprehensive income for the year	**63,218**	**53,725**	**110,949**

Non-IFRS Measure

To supplement our financial information, which is presented in accordance with IFRS Accounting Standards, we also provide adjusted net profit (non-IFRS measure) as an additional financial measure, which is not presented in accordance with IFRS Accounting Standards ("**non-IFRS measure**"). We believe that this non-IFRS measure (i) facilitates comparisons of operating performance from year to year by eliminating potential impacts of certain items that our management does not consider to be indicative of our operating performance; and (ii) provides useful information to [**REDACTED**] in understanding and evaluating our results of operations in the same manner it helped our management. However, this non-IFRS measure has inherent limitations as an analytical tool and should not be considered in isolation or as a substitute for our results of operations or financial condition presented in accordance with IFRS Accounting Standards. In addition, the calculation of this non-IFRS measure may differ from similarly named measures used by other companies.

We define adjusted net profit (non-IFRS measure) as profit for the year adjusted by adding back [**REDACTED**] expenses. The following table reconciles our adjusted net profit (non-IFRS measure) for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Reconciliation of net profit to adjusted net profit (non-IFRS measure)			
Profit for the year	58,120	49,671	106,321
Add:			
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted net profit (non-IFRS measure) (unaudited)	58,120	49,671	113,009

Revenue

Revenue Breakdown by Business Line

During the Track Record Period, we derived our revenue from the provision of cross-border e-commerce express services, local last-mile delivery services and other cross-border services. See "Business — Our B2C Cross-border E-commerce Logistics Services" for more details.

The following table sets forth a breakdown of our revenue by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
Cross-border e-commerce express services	7,663,633	80.8	4,675,188	80.2	5,737,135	85.8
Local last-mile delivery services	–	–	91,201	1.6	385,322	5.8
Other cross-border services[(1)]	1,819,309	19.2	1,060,565	18.2	564,593	8.4
Total	**9,482,942**	**100.0**	**5,826,954**	**100.0**	**6,687,050**	**100.0**

Note:

(1) Primarily represent revenue derived from last-mile delivery services carried out by other suppliers, customs clearance services, first-leg logistics services for designated cross-border e-commerce platform merchants and international air freight forwarding services.

Revenue from Cross-border E-commerce Express Services

Revenue from our cross-border e-commerce express services contributed a substantial majority of our total revenue during the Track Record Period, amounting to RMB7,663.6 million, RMB4,675.2 million and RMB5,737.1 million in 2023, 2024 and 2025, accounting for 80.8%, 80.2%, and 85.8% of our total revenue for the same years, respectively. See "— Year to Year Comparison of Results of Operations."

The following table sets forth a breakdown of our revenue from cross-border e-commerce express services by destination market for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
North America	5,070,904	66.2	2,583,728	55.3	3,396,996	59.2
Europe	1,860,806	24.3	1,505,635	32.2	1,754,846	30.6
Other countries and regions	731,923	9.5	585,825	12.5	585,293	10.2
Total	**7,663,633**	**100.0**	**4,675,188**	**100.0**	**5,737,135**	**100.0**

During the Track Record Period, a substantial portion of our revenue from cross-border e-commerce express services was derived from parcels delivered to North America and Europe.

Revenue from Local Last-mile Delivery Services

In March 2024, we strategically launched our local last-mile delivery services in the U.S. We recorded revenue of RMB91.2 million from such services in 2024. Revenue from local last-mile delivery services increased significantly from RMB91.2 million in 2024 to RMB385.3 million in 2025. See "— Year to Year Comparison of Results of Operations."

Revenue from Other Cross-border Services

Revenue from other cross-border services decreased throughout the Track Record Period. In 2023, 2024 and 2025, other cross-border services contributed 19.2%, 18.2% and 8.4% of our total revenue for the same years, respectively. The decrease in revenue contribution of our other cross-border services was in line with our growing focus on cross-border e-commerce express services and local last-mile delivery services.

Revenue Breakdown by Customer Type

During the Track Record Period, we generated revenue from (i) cross-border merchants and Chinese brands expanding overseas; and (ii) cross-border e-commerce third-party platforms. The table below sets forth our revenue by customer type during the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
Cross-border merchants and Chinese brands expanding overseas	3,484,543	36.7	4,141,699	71.1	5,824,172	87.1
Cross-border e-commerce third-party platforms	5,998,399	63.3	1,685,255	28.9	862,878	12.9
Total	**9,482,942**	**100.0**	**5,826,954**	**100.0**	**6,687,050**	**100.0**

During the Track Record Period, changes in revenue contribution by customer type were primarily driven by (i) adjustments in customers' logistics procurement strategies; and (ii) our efforts to optimize sales and customer focus in response to the aforesaid adjustments.

Since early 2024, certain large cross-border e-commerce third-party platforms restructured their logistics service procurement model, moving from a centralized, single-supplier model to a segmented transportation approach. By sourcing different service components from multiple logistics services providers, these platforms have reduced the volume of business awarded to any individual logistics services provider, leading to a decline in revenue contribution from this customer type.

In response to these changes, we proactively adjusted our service and sales strategies. While continuing to serve cross-border e-commerce third-party platforms with reliable services, we strategically increased our focus on cross-border merchants and Chinese brands expanding overseas, which typically exhibit higher service customization needs, stronger customer stickiness and more stable demand. As a result, revenue contribution from cross-border merchants and Chinese brands expanding overseas increased steadily throughout the Track Record Period and became the primary driver of our revenue growth, contributing to an optimized customer mix. See "— Year to Year Comparison of Results of Operations."

Cost of Sales

Cost of Sales by Nature

Our cost of sales primarily consists of (i) fulfillment costs; (ii) labor costs; and (iii) rent, depreciation and amortization. The following table sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*
Fulfillment costs	8,556,826	93.6	5,180,167	95.0	5,861,322	94.2
Labor costs	335,792	3.7	150,549	2.8	217,391	3.5
Rent, depreciation and amortization	77,171	0.8	56,062	1.0	68,986	1.1
Others[1]	169,146	1.9	64,198	1.2	77,378	1.2
Total	**9,138,935**	**100.0**	**5,450,976**	**100.0**	**6,225,077**	**100.0**

Note:

(1) Mainly representing transportation-related costs, as well as expenses for utilities.

Our cost structure remained relatively consistent throughout the Track Record Period. In 2023, 2024 and 2025, fulfillment costs constituted the largest component of our cost of sales, amounting to RMB8,556.8 million, RMB5,180.2 million and RMB5,861.3 million, accounting for 93.6%, 95.0% and 94.2% of our cost of sales for the same years, respectively. See "— Year to Year Comparison of Results of Operations."

Cost of Sales by Business Line

The following table sets forth a breakdown of our cost of sales by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Cross-border e-commerce express services	7,425,759	81.3	4,338,907	79.6	5,239,020	84.1
Local last-mile delivery services	–	–	107,137	2.0	416,278	6.7
Other cross-border services[1]	1,713,176	18.7	1,004,932	18.4	569,779	9.2
Total	**9,138,935**	**100.0**	**5,450,976**	**100.0**	**6,225,077**	**100.0**

Note:

(1) Primarily representing our cost of sales incurred by last-mile delivery services carried out by other suppliers, customs clearance services, first-leg logistics services for designated cross-border e-commerce platform merchants and international air freight forwarding services.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit/ (loss)	Gross profit/ (loss) margin	Gross profit/ (loss)	Gross profit/ (loss) margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Cross-border e-commerce express services	237,874	3.1	336,281	7.2	498,115	8.7
Local last-mile delivery services	–	–	(15,936)	(17.5)	(30,956)	(8.0)
Other cross-border services[1]	106,133	5.8	55,633	5.2	(5,186)	(0.9)
Total	**344,007**	**3.6**	**375,978**	**6.5**	**461,973**	**6.9**

Note:

(1) Primarily representing our gross profit or loss derived from last-mile delivery services carried out by other suppliers, customs clearance services, first-leg logistics services for designated cross-border e-commerce platform merchants and international air freight forwarding services.

During the Track Record Period, our gross profit and gross profit margin experienced continuous increase, primarily resulting from the continuous increase in the gross profit and gross profit margin of our cross-border e-commerce express services. Such improvement was mainly attributable to the optimization of our customer and service mix, including the increased contribution from higher-margin service offerings and customer groups, as well as our continued implementation of cost control and operational efficiency enhancement initiatives. Our local last-mile delivery services recorded gross loss during the Track Record Period, primarily due to the upfront investment we spent during the ramp-up stage of local last-mile delivery services.

Other Income

Our other income primarily consists of (i) interest income; and (ii) government subsidies, mainly representing one-off subsidies granted by the government authorities. The following table sets forth a breakdown of our other income for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest income	7,096	5,754	5,795
Government subsidies	1,260	3,249	558
Others[1]	(143)	1,568	25
Total	**8,213**	**10,571**	**6,378**

Note:

(1) Others mainly comprise income from one-off equipment debugging services, which arose from the disposal of certain warehouse equipment.

Impairment Losses Under Expected Credit Loss ("ECL") Model, Net of Reversal

Our net impairment losses under ECL model primarily represent the amount of ECL allowance recognized or reversed in respect of financial assets measured at amortized cost, which include trade receivables, other receivables and contract assets.

We recorded net impairment losses under ECL model of RMB9.6 million, RMB14.9 million and RMB22.6 million in 2023, 2024 and 2025, respectively. The fluctuation during the Track Record Period was primarily caused by changes in expected credit risks of our trade receivables, contract assets and other receivables, reflecting variations in payment behavior and receivable ageing structure.

Other Gains and Losses

We recorded other gains and losses during the Track Record Period, which primarily consist of net foreign exchange losses, which arose mainly from the translation of monetary assets and liabilities denominated in foreign currencies as well as settlement of foreign currency transactions in the ordinary course of our cross-border logistics operations. The following table sets forth a breakdown of our other gains and losses for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		(RMB'000)	
Net foreign exchange losses	45,936	37,518	37,041
Loss on disposal of property, plant and equipment	3,991	422	2,003
Loss/(gain) on early termination of right-of-use assets	262	(1,853)	(206)
Loss/(gain) on disposal of investments in an associate	–	1,715	(1,478)
Loss related to the prepayment for acquisition of investment	–	–	7,960
Others[1]	966	1,249	(680)
Total Losses	**51,155**	**39,051**	**44,640**

Note:

(1) Mainly representing the penalty arising from the early termination of warehouse leases and gains from the sale of scrap materials.

Distribution and Selling Expenses

Our distribution and selling expenses primarily consist of (i) employee benefit expenses; (ii) rent; (iii) utilities and office expenses; and (iv) depreciation and amortization expenses.

The following table sets forth a breakdown of our distribution and selling expenses for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Employee benefit expenses	42,933	44,867	48,708

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Rent[2]	3,290	2,514	2,562
Utilities and office expenses	521	662	511
Depreciation and amortization expenses	319	338	12
Others[1]	1,473	1,613	1,961
Total	**48,536**	**49,994**	**53,754**

Notes:

(1) Mainly representing travel expenses, advertising expenses and transportation expenses.

(2) Including the depreciation of right-of-use assets.

Administrative Expenses

Our administrative expenses primarily consist of (i) employee benefit expenses; (ii) professional service expenses; (iii) depreciation and amortization expenses; (iv) utilities and office expenses; (v) rent; and (vi) share-based payments.

The following table sets forth a breakdown of our administrative expenses for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Employee benefit expenses	89,959	90,942	86,357
Professional service expenses	3,061	8,594	13,903
Depreciation and amortization expenses	3,851	1,331	724
Utilities and office expenses	8,345	14,028	13,936
Rent[2]	7,603	7,275	5,530
Share-based payments	1,542	128	12,299
Others[1]	7,875	8,365	8,425
Total	**122,236**	**130,663**	**141,174**

Notes:

(1) Mainly representing travel expenses.

(2) Including the depreciation of right-of-use assets.

Research and Development Expenses

Our research and development expenses primarily consist of (i) employee benefit expenses; (ii) rent, depreciation and amortization; and (iii) utilities and office expenses.

The following table sets forth a breakdown of our research and development expenses for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Employee benefit expenses	42,741	37,087	33,143
Rent, depreciation and amortization	4,165	2,671	2,386
Utilities and office expenses	4,430	3,463	3,814
Others[(1)]	112	31	3
Total	**51,448**	**43,252**	**39,346**

Note:

(1) Mainly representing travel expenses.

Share of Results of Associates

During the Track Record Period, our share of results of associates arose from our investment in Shanghai PSE Logistics Tech Co., Ltd. (上海派送翼物流科技有限公司), Guangdong Deyun International Logistics Co., Ltd. (廣東德運國際物流有限公司), Shenzhen Gengze Technology Co., Ltd. (深圳市庚澤科技有限公司), and Leading Honour Holdings Limited. We recorded a share of losses of RMB1.8 million and RMB2.6 million in 2023 and 2024, respectively. We did not record any share of results of associates in 2025.

Finance Costs

Our finance costs consist of (i) interest expenses on lease liabilities; and (ii) interest expenses on bank loans. The following table sets forth a breakdown of our finance costs for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expenses on lease liabilities	2,912	4,445	6,880
Interest expenses on bank loans	984	567	–
Total	**3,896**	**5,012**	**6,880**

Impairment Losses under Property, Plant and Equipment, Net of Reversal

Impairment losses recognized on property, plant and equipment ("**PPE**") refer to the amount recognized when the carrying amount of PPE exceeds its recoverable amount. We recorded impairment losses under property, plant and equipment of RMB42.1 million in 2024. We did not record any such impairment losses in 2023 and 2025.

Income Tax Credit/(Expense)

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which our subsidiaries are domiciled and/or operate. We recorded income tax expenses of RMB7.6 million and RMB47.0 million in 2024 and 2025, respectively, while we recorded income tax credit of RMB2.8 million in 2023.

The PRC

Pursuant to the PRC Enterprise Income Tax Law, we and our subsidiaries which operate in China are generally subject to enterprise income tax at the statutory rate of 25% on taxable income. Certain subsidiaries were entitled to preferential tax treatments during the Track Record Period. See Note 11 to the Accountants' Report in Appendix I to this document for details.

Outside the PRC

During the Track Record Period, three of our subsidiaries registered in the United States, one subsidiary in Puerto Rico, one subsidiary in Belgium and one subsidiary in Hong Kong were subject to income tax rates of 21.0%, 18.5%, 25.0% and 16.5%, respectively.

During the Track Record Period and up to the Latest Practicable Date, we paid all relevant taxes that were due and applicable to us and had no material disputes or unresolved tax issues with relevant tax authorities.

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 14.8% from RMB5,827.0 million in 2024 to RMB6,687.1 million in 2025, primarily attributable to (i) an increase of RMB1,061.9 million in revenue derived from cross-border e-commerce express services; and (ii) an increase of RMB294.1 million in revenue derived from local last-mile delivery services, partially offset by a decrease of RMB496.0 million in revenue derived from other cross-border services.

Cross-border E-commerce Express Services

Our revenue derived from cross-border e-commerce express services increased by 22.7% from RMB4,675.2 million in 2024 to RMB5,737.1 million in 2025. In 2025, we executed targeted business strategy and spent efforts on the expansion of cross-border e-commerce express services, especially dedicated parcel services. Attributable to this strategy the total parcel volume of our cross-border e-commerce express services increased from 106.5 million parcels in 2024 to 120.3 million parcels in 2025, along with the expansion of our customer base, growing from 32.7 thousand to 35.9 thousand during the same years. In particular, the parcel volume of dedicated parcel services grew from 93.8 million parcels in 2024 to 115.8 million parcels in 2025. In the meanwhile, the average revenue per parcel increased from RMB43.9 in 2024 to RMB47.7 in 2025, attributable to the growth of dedicated parcel services, the average revenue per parcel of which was relatively high.

From a geographical perspective, the increase in our revenue derived from cross-border e-commerce express services was mainly driven by substantial growth in revenue from parcels delivered to North America, increasing from RMB2,583.7 million in 2024 to RMB3,397.0 million in 2025. This increase was primarily attributable to the increase in parcel volume for our dedicated parcel services, primarily as we strategically spent efforts on developing and diversifying our dedicated parcel services catering to the market trend of China-to-U.S. cross-border e-commerce market. In addition, revenue from cross-border e-commerce express services attributable to parcels delivered to Europe rebounded from RMB1,505.6 million in 2024 to RMB1,754.8 million in 2025, primarily attributable to the increase in parcel volume following the diversification of our dedicated parcel services and improved service quality, along with the growth of China-to-Europe cross-border e-commerce market.

Local Last-mile Delivery Services

Our revenue derived from local last-mile delivery services increased significantly from RMB91.2 million in 2024 to RMB385.3 million in 2025, primarily driven by significant increase in parcel volume from 5.2 million in 2024 to 25.2 million in 2025.

The rapid scale-up of this business line was mainly attributable to (i) the continuous enhancement of our U.S. local logistics infrastructure and delivery network; (ii) the progressive improvement in the efficiency and reliability of sorting and delivery, as well as optimized customer service capacity; and (iii) growing synergies between cross-border e-commerce express services and local last-mile delivery services, which allowed a growing share of cross-border parcels to be fulfilled through our self-operated local delivery infrastructure.

Other Cross-border Services

Our revenue derived from other cross-border services decreased by 46.8% from RMB1,060.6 million in 2024 to RMB564.6 million in 2025, primarily due to a decrease in business volume from certain major customers, as they adjusted their logistics arrangements and increasingly adopted direct cooperation models with customs clearance and delivery service providers. This was also consistent with our continued focus on developing our cross-border e-commerce express services and local last-mile delivery services.

Cost of Sales

Our cost of sales increased by 14.2% from RMB5,451.0 million in 2024 to RMB6,225.1 million in 2025, primarily due to (i) an increase of RMB681.2 million in fulfillment costs; and (ii) an increase of RMB66.8 million in labor costs, both of which were generally in line with the increase in our revenue during the same year.

Gross Profit and Gross Profit Margin

Our gross profit increased by 22.9% from RMB376.0 million in 2024 to RMB462.0 million in 2025, and our gross profit margin increased from 6.5% in 2024 to 6.9% in 2025, primarily driven by the increase in gross profit and gross profit margin of our cross-border e-commerce express services, primarily attributable to (i) the optimization of our service mix, under which we focused on expansion of dedicated parcel services that generally carry higher gross profit margins than other service offerings; and (ii) the continuous implementation of cost control and efficiency enhancement initiatives. These initiatives included refining pricing strategies to better reflect service value and cost structures, as well as reducing unit operating costs through route optimization, supplier integration and operational process improvements, thereby enhancing economies of scale as our operational volume expanded.

Other Income

Our other income decreased by 39.7% from RMB10.6 million in 2024 to RMB6.4 million in 2025, primarily due to a decrease of RMB2.7 million in government subsidies, which are non-recurring in nature and subject to the timing of government grant approvals and disbursements.

Impairment Losses Under Expected Credit Loss ("ECL") Model, Net of Reversal

Our net impairment losses under ECL model increased by 51.6% from RMB14.9 million in 2024 to RMB22.6 million in 2025. This increase was primarily attributable to additional expected credit loss provisions, reflecting a deterioration in the recoverability of certain deposits during 2025.

Other Gains and Losses

Our other gains and losses increased from losses of RMB39.1 million in 2024 to losses of RMB44.6 million in 2025, primarily due to loss related to the prepayment for acquisition of investment of RMB8.0 million. Such loss arose from the difference between the carrying amount of the prepayment and the fair value of the equity interest in Sichuan International Air Cargo Development Co., Ltd. upon initial recognition, when the acquisition was completed on October 16, 2025.

Distribution and Selling Expenses

Our distribution and selling expenses remained relatively stable at RMB50.0 million and RMB53.8 million in 2024 and 2025, respectively.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB130.7 million and RMB141.2 million in 2024 and 2025, respectively.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB43.3 million and RMB39.3 million in 2024 and 2025, respectively.

Share of Results of Associates

We did not record any share of results of associates in 2025, as compared to share of losses of RMB2.6 million in 2024, primarily due to the disposal of investments in associates accounted for using the equity method, and therefore no corresponding share of results of associates was recognized in 2025.

Finance Costs

Our finance costs increased by 37.3% from RMB5.0 million in 2024 to RMB6.9 million in 2025, primarily due to an increase in interest expenses on lease liabilities arising from increased warehouse leasing to support business expansion.

Impairment Losses under Property, Plant and Equipment, Net of Reversal

We recognized impairment losses on property, plant and equipment of RMB42.1 million in 2024, while no such impairment losses were recorded in 2025. The impairment recognized in 2024 was related to the property, plant and equipment that could no longer be used for operations, primarily due to operational adjustments and optimization of certain facilities and equipment in connection with changes in business demand and the expansion of new business initiatives.

Income Tax Expense

Our income tax expense increased significantly from RMB7.6 million in 2024 to RMB47.0 million in 2025, primarily due to the increase in our profit before tax in 2025.

Profit for the Year

As a result of the foregoing, our profit for the year increased significantly from RMB49.7 million in 2024 to RMB106.3 million in 2025.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2024

Revenue

Our revenue decreased by 38.6% from RMB9,482.9 million in 2023 to RMB5,827.0 million in 2024, primarily attributable to (i) the decrease of RMB2,988.4 million in revenue from cross-border e-commerce express services; and (ii) the decrease of RMB758.7 million in revenue from other cross-border services.

Cross-border E-commerce Express Services

Our revenue derived from cross-border e-commerce express services decreased by 39.0% of RMB7,663.6 million in 2023 to RMB4,675.2 million in 2024, primarily due to (i) a decrease in parcel volume under cross-border e-commerce express services from 137.5 million parcels in 2023 to 106.5 million parcels in 2024; and (ii) a decrease in average revenue per parcel from RMB55.8 in 2023 to RMB43.9 in 2024. These changes were largely attributable to certain large cross-border e-commerce third-party platforms reducing purchases since early 2024, as they shifted from a centralized, single-supplier logistics model to a segmented transportation approach to better control costs and manage risk. As these customers had historically contributed higher-than-average revenue due to heavier parcels, the overall average revenue per parcel declined accordingly.

From a geographical perspective, the decrease in revenue from cross-border e-commerce express services attributable to parcels delivered to our key destination markets, including North America, Europe and other countries and regions, was primarily due to reduced purchases from certain customers since early 2024 following changes in their logistics procurement model as discussed above.

Local Last-mile Delivery Services

We launched our local last-mile delivery business in the U.S. in March 2024 and recorded revenue of RMB91.2 million from this business line in 2024.

Other Cross-border Services

Our revenue derived from other cross-border services decreased by 41.7% from RMB1,819.3 million in 2023 to RMB1,060.6 million in 2024, primarily due to (i) a decrease in business volume from certain major customers, as they adjusted their logistics arrangements and increasingly adopted direct cooperation models with customs clearance and delivery service providers, and (ii) our growing focus on developing local last-mile delivery services.

Cost of Sales

Our cost of sales decreased by 40.4% from RMB9,138.9 million in 2023 to RMB5,451.0 million in 2024, primarily due to (i) a decrease of RMB3,376.7 million in fulfillment costs; and (ii) a decrease of RMB185.2 million in labor costs, both of which were broadly in line with the decline in our revenue over the same year.

Gross Profit and Gross Profit Margin

Despite the decline in revenue, our gross profit increased by 9.3% from RMB344.0 million in 2023 to RMB376.0 million in 2024, with our gross profit margin increasing from 3.6% in 2023 to 6.5% in 2024. This improvement was primarily attributable to changes in our customer mix and service structure.

First, revenue contribution from certain large cross-border e-commerce third-party platforms decreased during the year. These customers historically generated lower gross profit margins, as we offered relatively favorable pricing and accepted more stringent KPI requirements in exchange for higher parcel volumes. The reduced contribution from this customer type had a positive impact on our overall margin profile.

Second, we adjusted our business development strategy to place greater emphasis on higher-margin services and customer types, particularly dedicated parcel services as well as cross-border merchants and Chinese brands expanding overseas. This strategic shift improved our revenue mix and enhanced overall profitability, thereby offsetting the impact of lower revenue scale and driving the increase in both gross profit and gross profit margin.

Other Income

Our other income increased by 28.7% from RMB8.2 million in 2023 to RMB10.6 million in 2024, primarily attributable to an increase of RMB2.0 million in government subsidies received, as we received one-off subsidies from the local government to encourage the industry development in 2024.

Impairment Losses Under Expected Credit Loss ("ECL") Model, Net of Reversal

Our net impairment losses under ECL model increased by 55.3% from RMB9.6 million in 2023 to RMB14.9 million in 2024, primarily as we recognized changes in the payment patterns of certain customers, including extended settlement cycles. In particular, certain large cross-border e-commerce third-party platforms experienced payment delays in 2024, which extended the ageing of their outstanding balances and resulted in an increase in the expected credit loss allowance recognized on such receivables in accordance with our ECL model.

Other Gains and Losses

Our other gains and losses decreased by 23.7% from losses of RMB51.2 million in 2023 to losses of RMB39.1 million in 2024, primarily due to a decrease of RMB8.4 million in net foreign exchange losses. This decrease was mainly driven by a narrowing of fluctuations in the exchange rate between the U.S. dollar and Renminbi during the year.

Distribution and Selling Expenses

Our distribution and selling expenses remained relatively stable at RMB48.5 million and RMB50.0 million in 2023 and 2024, respectively.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB122.2 million and RMB130.7 million in 2023 and 2024, respectively.

Research and Development Expenses

Our research and development expenses decreased by 15.9% from RMB51.4 million in 2023 to RMB43.3 million in 2024, primarily due to a decrease of RMB5.7 million in employee benefit expenses mainly resulting from the improvement of our research and development efficiency and our efforts to maintain a nimble and lean organization.

Share of Results of Associates

Our share of losses of associates increased by 46.2% from RMB1.8 million in 2023 to RMB2.6 million in 2024, primarily reflecting the operating performance of certain associates in which we invested.

Finance Costs

Our finance costs increased by 28.6% from RMB3.9 million in 2023 to RMB5.0 million in 2024, primarily due to the increase of RMB1.5 million in interest expenses on lease liabilities, as we entered into new leases to support the scaling of our logistics network and business operations.

Impairment Losses under Property, Plant and Equipment, Net of Reversal

We recognized impairment losses of RMB42.1 million in 2024 on the related property, plant and equipment that could no longer be used for operations, primarily due to operational adjustments and optimization of certain facilities and equipment in connection with changes in business demand and the expansion of new business initiatives. No such impairment losses were recorded in 2023.

Income Tax Credit or Expense

We recorded an income tax credit of RMB2.8 million in 2023, mainly resulting from additional deduction for research and development expenses, while we recorded an income tax expense of RMB7.6 million in 2024, mainly resulting from the increase of our profit before tax in 2024.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 14.5% from RMB58.1 million in 2023 to RMB49.7 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth statements of our financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Property, plant and equipment	116,970	61,317	81,000
Right-of-use assets	100,824	126,073	210,446
Intangible assets	2,208	1,504	524
Investments in associates	17,608	3,760	–
Equity instruments at fair value through other comprehensive income ("**Equity instruments at FVTOCI**")	24,860	19,236	108,658
Prepayment for acquisition of plant and equipment	3,540	–	–
Prepayment for acquisition of investment	–	85,868	–
Rental deposit	8,183	11,622	28,125
Deferred tax assets	2,495	7,524	3,141
Total non-current assets	**276,688**	**316,904**	**431,894**

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
Inventories	2,229	1,571	1,161
Contract assets	49,942	47,343	29,741
Trade and other receivables and prepayments	1,221,955	750,942	432,783
Tax recoverable	3,072	4,126	1,777
Amounts due from related parties	32,078	384	195
Restricted bank deposits	450	1,338	68,010
Cash and cash equivalents	558,312	827,364	935,311
Total current assets	**1,868,038**	**1,633,068**	**1,468,978**
Current liabilities			
Trade and other payables	1,127,258	868,263	893,125
Tax liabilities	6,386	11,221	17,000
Amounts due to related parties	25,135	2,467	26
Lease liabilities	27,395	31,695	65,706
Contract liabilities	67,917	84,473	108,613
Total current liabilities	**1,254,091**	**998,119**	**1,084,470**
Net current assets	**613,947**	**634,949**	**384,508**
Non-current liabilities			
Lease liabilities	79,083	99,168	155,726
Deferred income	1,801	1,280	762
Deferred tax liabilities	13,605	1,406	3,147
Total non-current liabilities	**94,489**	**101,854**	**159,635**
Net assets	**796,146**	**849,999**	**656,767**

Property, Plant and Equipment

Our property, plant and equipment consist of (i) plant, machinery and equipment; (ii) construction in progress; (iii) furniture, fixtures, office and electronic equipment; and (iv) motor vehicles.

The table below sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Plant, machinery and equipment	108,667	50,237	57,906
Construction in progress	–	1,051	13,632
Furniture, fixtures, office and electronic equipment	7,673	8,723	8,095
Motor vehicles	630	1,306	1,367
Total	**116,970**	**61,317**	**81,000**

Our property, plant and equipment decreased by 47.6% from RMB117.0 million as of December 31, 2023 to RMB61.3 million as of December 31, 2024, primarily due to the decrease of RMB58.4 million in plant, machinery and equipment, as we recognized impairment losses on plant, machinery and equipment in 2024. Our property, plant and equipment increased by 32.1% from RMB61.3 million as of December 31, 2024 to RMB81.0 million as of December 31, 2025, primarily due to the increase in construction in progress of RMB12.6 million, resulting from our procurement of automation equipment to expand our operations in the U.S., which was in installation pending final acceptance.

Right-of-use Assets

Our right-of-use assets represent the office buildings and warehouses we leased for our operations. Our right-of-use assets increased by 25.0% from RMB100.8 million as of December 31, 2023 to RMB126.1 million as of December 31, 2024, and further increased by 66.9% to RMB210.4 million as of December 31, 2025, primarily attributable to the expansion of our warehouses footprint as we entered into overseas warehouse lease arrangements to support the continuous development and scaling of our business operations.

Intangible Assets

Other intangible assets comprise software. Our intangible assets decreased by 31.9% from RMB2.2 million as of December 31, 2023 to RMB1.5 million as of December 31, 2024, and further decreased by 65.2% to RMB0.5 million as of December 31, 2025, primarily due to the normal amortization of the software over their respective useful lives.

Investments in Associates

Investments in associates represent our equity investments in certain entities over which we exercise significant influence, excluding subsidiaries. Our investments in associates decreased by 78.6% from RMB17.6 million as of December 31, 2023 to RMB3.8 million as of December 31, 2024, and further decreased to nil as of December 31, 2025, primarily due to the disposal of certain associates during the period.

Equity Instruments at Fair Value through Other Comprehensive Income

Equity instruments at fair value through other comprehensive income represent our equity investments in certain private entities over which we do not have control, joint control or significant influence, and for which we have irrevocably elected to measure changes in fair value through other comprehensive income.

Our equity instruments at fair value through other comprehensive income decreased by 22.6% from RMB24.9 million as of December 31, 2023 to RMB19.2 million as of December 31, 2024, primarily due to the partial disposal of equity interest in Uni Express Inc. from 2.00% to 0.77%. Our equity instruments at fair value through other comprehensive income increased significantly from RMB19.2 million as of December 31, 2024 to RMB108.7 million as of December 31, 2025, primarily attributable to the completion of our equity investments in Sichuan International Air Cargo Development Co., Ltd in 2025.

Prepayment for Acquisition of Plant and Equipment

We recorded prepayment for acquisition of plant and equipment of RMB3.5 million as of December 31, 2023, primarily due to prepayments made for renovation and fit-out works. Upon completion and acceptance of the relevant projects in 2024, these prepayments were recognized as the relevant asset accounts, resulting in nil balances as of December 31, 2024 and 2025, respectively.

Prepayment for Acquisition of Investment

We recorded prepayment for acquisition of investment of RMB85.9 million as of December 31, 2024, representing consideration paid by us for our investment in a private entity in late 2024. This prepayment was subsequently recognized as equity instruments at fair value through other comprehensive income as of December 31, 2025.

Rental Deposit

Our rental deposit represents the deposit of our lease agreements with a term of over 1 year. Our rental deposit increased from RMB8.2 million as of December 31, 2023 to RMB11.6 million as of December 31, 2024 and further increased to RMB28.1 million as of December 31, 2025, primarily caused by our new leases in connection with the expansion of our self-operated overseas logistics network.

Deferred Tax Assets

Deferred tax assets primarily arise from temporary differences between accounting treatments and tax regulations in respect of impairment provisions on PPE, ECL provision, investment in associates, and tax losses, among others. Our deferred tax assets amounted to RMB2.5 million, RMB7.5 million and RMB3.1 million as of December 31, 2023, 2024 and 2025, respectively.

Inventories

Our inventories represent package materials, including cartons, thermal paper and labels.

Our inventories decreased by 29.5% from RMB2.2 million as of December 31, 2023 to RMB1.6 million as of December 31, 2024, and further decreased by 26.1% to RMB1.2 million as of December 31, 2025, primarily due to improved inventory turnover and enhanced inventory management, which reduced inventory holding levels while ensuring sufficient supply for our operations. We did not record provision for write-down of inventories during the Track Record Period.

Contract Assets

Our contract assets represent our rights to consideration for services performed but not yet billed. Payment for logistics services is generally not due from customers until the relevant services are completed. Accordingly, contract assets are recognized over the period during which the services are rendered. Our contract assets remained relatively stable at RMB49.9 million and RMB47.3 million as of December 31, 2023 and 2024, respectively. Our contract assets decreased by 37.2% from RMB47.3 million as of December 31, 2024 to RMB29.7 million as of December 31, 2025, primarily due to an increase in advance payments received from customers during the year.

Trade and Other Receivables and Prepayments

Our trade and other receivables and prepayments primarily comprise (i) trade receivables; (ii) other receivables and deposits, mainly including rent deposit and supplier deposit; (iii) prepayment to suppliers; and (iv) deferred [**REDACTED**] costs.

The following table sets forth a breakdown of our trade and other receivables and prepayments as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	1,038,909	675,588	349,630
Less: allowance for credit losses	(13,732)	(24,192)	(25,608)
	1,025,177	**651,396**	**324,022**
Other receivables and deposits	73,970	93,410	72,550
Less: allowance for credit losses	(4,532)	(8,420)	(21,977)
	69,438	**84,990**	**50,573**
Prepayments to suppliers	127,340	14,556	54,711
Deferred [**REDACTED**] costs	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	**1,221,955**	**750,942**	**432,783**

Our trade and other receivables and prepayments decreased by 38.5% from RMB1,222.0 million as of December 31, 2023 to RMB750.9 million as of December 31, 2024, primarily due to (i) a decrease of RMB363.3 million in trade receivables, which was generally caused by the collection of outstanding balances from certain customers following the strengthening of our receivables collection efforts in 2024; and (ii) a decrease of RMB112.8 million in prepayment to suppliers, as we ceased procuring dedicated capacity services from certain suppliers during 2024. Our trade and other receivables and prepayments decreased by 42.4% from RMB750.9 million as of December 31, 2024 to RMB432.8 million as of December 31, 2025, primarily due to a decrease of RMB327.4 million in trade receivables, primarily resulting from the collection of outstanding balances from certain customers following the strengthening of our receivables management efforts.

Trade Receivables

The following table sets forth an aging analysis of our trade receivables, based on the invoice dates, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 180 days	1,034,292	531,074	348,955
181 days to 365 days	550	139,375	531
One year to two years	1,240	1,584	32
Over two years	2,827	3,555	112
Total	**1,038,909**	**675,588**	**349,630**

We typically grant our customers a credit term of 7 to 90 days. We seek to maintain strict control over our outstanding trade and other receivables and overdue balances are reviewed closely and regularly by our management. There was no material recoverability issue for our trade and other receivables as of the end of each year during the Track Record Period.

The following table sets forth the number of our trade receivables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade receivables turnover days(1)	25	53	27

Note:

(1) Calculated as the average of the opening and closing balances of trade receivables for the year, net of loss allowance, divided by revenue for the relevant year, multiplied by 365 days.

Our trade receivables turnover days increased from 25 days in 2023 to 53 days in 2024, primarily due to prolonged settlement with certain cross-border e-commerce third-party platforms. Our trade receivables turnover days decreased from 53 days in 2024 to 27 days in 2025, primarily due to (i) the increase in our collections from customers attributable to our enhanced collection efforts; and (ii) our optimized customer mix, with an increased contribution from cross-border merchants and Chinese brands expanding overseas that typically exhibit higher turnover rates and shorter settlement cycles.

As of April 30, 2026, RMB302.7 million, or approximately 86.6% of our trade receivables as of December 31, 2025 were subsequently settled.

Tax Recoverable

Our tax recoverable amounted to RMB3.1 million, RMB4.1 million and RMB1.8 million as of December 31, 2023, 2024 and 2025, respectively. The increase in tax recoverable in 2024 was primarily due to the excess of provisional profits tax we paid in Hong Kong over the actual income tax payable for the year.

Restricted Bank Deposits

Our restricted bank deposits primarily consist of deposits pledged to secure bank letters of guarantee issued to suppliers. Our restricted bank deposits amounted to RMB0.5 million and RMB1.3 million as of December 31, 2023 and 2024, respectively. The balance increased significantly to RMB68.0 million as of December 31, 2025, primarily reflecting deposits pledged to secure bank letters of guarantee issued to certain suppliers.

Cash and Cash Equivalents

Our cash and cash equivalents consist of bank balances we maintained. Our cash and cash equivalents during the Track Record Period were mainly denominated in Renminbi, U.S. dollars, Hong Kong dollars, Euro and Great British pounds.

Our cash and cash equivalents amounted to RMB558.3 million, RMB827.4 million and RMB935.3 million as of December 31, 2023, 2024 and 2025, respectively.

Trade and Other Payables

Our trade and other payables consist of (i) trade payables, primarily representing outstanding amounts due to our suppliers of transportation services; (ii) accrued staff costs and retirement benefit scheme contributions, mainly representing the salaries, bonuses, social insurance premiums and housing provident fund contributions and other welfare payable to our employees; (iii) payable for the purchase of property, plant and equipment; (iv) other payables, mainly representing one-off deposits received from the customers of our international air freight forwarding services; (v) accrued [**REDACTED**] costs; and (vi) other tax liabilities, representing taxes payable by us, such as individual income tax, value-added tax and additional tax. The following table sets forth a breakdown of trade and other payables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	1,079,056	834,648	843,358
Accrued staff costs and retirement benefit scheme contributions	30,658	27,479	30,486
Payable for the purchase of property, plant and equipment	13,997	3,178	8,950
Other payables	1,914	1,458	6,866
Accrued [**REDACTED**] costs	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Other tax liabilities	1,633	1,500	1,159
Total	**1,127,258**	**868,263**	**893,125**

Our trade and other payables decreased by 23.0% from RMB1,127.3 million as of December 31, 2023 to RMB868.3 million as of December 31, 2024, primarily due to the continuous decrease in trade payables. The decrease in our trade payables as of December 31, 2024 was mainly caused by our reduced procurement of transportation services from third-party transportation service providers, generally in line with the revenue decline in 2024. Our trade and other payables remained relatively stable at RMB868.3 million and RMB893.1 million as of December 31, 2024 and 2025, respectively.

Trade Payables

The aging analysis of our trade payables based on the invoice dates at the end of each year are as follows:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within one year	1,079,056	834,648	843,358
Total	**1,079,056**	**834,648**	**843,358**

The following table sets forth the number of our trade payables turnover days for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
Trade payables turnover days[(1)]	32	64	49

Note:

(1) Calculated as the average of the opening and closing balances of trade payables for the year divided by the cost of sales for the relevant year, multiplied by 365 days.

Our trade payables turnover days increased from 32 days in 2023 to 64 days in 2024, primarily due to our prolonged settlement with suppliers as we negotiated with certain suppliers to extend the settlement cycle taking advantage of our growing bargaining power. Our trade payables turnover days decreased from 64 days in 2024 to 49 days in 2025, primarily due to our accelerated settlement with our suppliers.

As of April 30, 2026, RMB679.3 million, or approximately 80.6% of our trade payables as of December 31, 2025 were subsequently settled.

Our Directors confirm that we had no material defaults in our trade payables during the Track Record Period and up to the Latest Practicable Date.

Tax Liabilities

Our tax liabilities increased significantly from RMB6.4 million as of December 31, 2023 to RMB11.2 million as of December 31, 2024, and further to RMB17.0 million as of December 31, 2025, primarily reflecting the increase in our taxable income during the relevant years, which was broadly in line with the growth in our profit and overall operating performance.

Contract Liabilities

Our contract liabilities primarily represent advances payments received from customers for the provision of cross-border e-commerce express services. Our contract liabilities increased by 24.4% from RMB67.9 million as of December 31, 2023 to RMB84.5 million as of December 31, 2024, primarily attributable to the expansion of our cross-border merchant and Chinese brands expanding overseas customer base, a significant portion of which settles service fees on a prepayment basis at the initial stage of cooperation. Our contract liabilities increased by 28.6% from RMB84.5 million as of December 31, 2024 to RMB108.6 million as of December 31, 2025, primarily due to increased advance receipts from customers, driven by continued business growth and the further expansion of our customer base of cross-border merchants and Chinese brands expanding overseas during the year.

As of April 30, 2026, all of our contract liabilities as of December 31, 2025 had been recognized as revenue.

Deferred Income

Deferred income during the Track Record Period represented asset-related government grants, which are amortized to income over the useful lives of the related assets. We recorded deferred income of RMB1.8 million, RMB1.3 million and RMB0.8 million as of December 31, 2023, 2024 and 2025, respectively. The gradual decrease throughout the Track Record Period was primarily due to the systematic amortization of such government grants in accordance with the depreciation of the underlying assets.

Deferred Tax Liabilities

Deferred tax liabilities during the Track Record Period primarily arose from temporary differences related to one-off pre-tax deductions for property, plant and equipment, and fair value adjustments on equity instruments at fair value through other comprehensive income. Our deferred tax liabilities decreased by 89.7% from RMB13.6 million as of December 31, 2023 to RMB1.4 million as of December 31, 2024, primarily due to the progressive reversal of the relevant temporary differences as depreciation of the underlying assets was recognized for accounting purposes. It increased by 123.8% to RMB3.1 million as of December 31, 2025, primarily due to an increase in temporary differences arising from the fair value appreciation of our investments in equity instruments at fair value through other comprehensive income during the year.

NET CURRENT ASSETS

The following table sets forth our current assets, current liabilities and net current assets as of the dates indicated:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Current assets				
Inventories	2,229	1,571	1,161	1,266
Contract assets	49,942	47,343	29,741	30,321
Trade and other receivables and prepayments	1,221,955	750,942	432,783	247,550
Tax recoverable	3,072	4,126	1,777	5,517
Amounts due from related parties	32,078	384	195	–
Restricted bank deposits	450	1,338	68,010	9,773
Cash and cash equivalents	558,312	827,364	935,311	1,038,103
Total current assets	**1,868,038**	**1,633,068**	**1,468,978**	**1,332,530**
Current liabilities				
Trade and other payables	1,127,258	868,263	893,125	613,046
Tax liabilities	6,386	11,221	17,000	48,364
Amounts due to related parties	25,135	2,467	26	–
Lease liabilities	27,395	31,695	65,706	65,906
Contract liabilities	67,917	84,473	108,613	105,683
Total current liabilities	**1,254,091**	**998,119**	**1,084,470**	**832,999**
Net current assets	**613,947**	**634,949**	**384,508**	**499,531**

We had net current assets of RMB499.5 million as of April 30, 2026, consisting of current assets of RMB1,332.5 million and current liabilities of RMB833.0 million, which represented an increase of RMB115.0 million from our net current assets of RMB384.5 million as of December 31, 2025. This increase was primarily due to (i) a decrease of RMB280.1 million in trade and other payables; and (ii) an increase of RMB102.8 million in cash and cash equivalents. This was partially offset by a decrease of RMB185.2 million in trade and other receivables and prepayments.

We had net current assets of RMB384.5 million as of December 31, 2025, consisting of current assets of RMB1,469.0 million and current liabilities of RMB1,084.5 million, which represented a decrease of RMB250.4 million from our net current assets of RMB634.9 million as of December 31, 2024. This decrease was primarily due to a decrease of RMB318.2 million in trade and other receivables and prepayments. This was partially offset by an increase of RMB107.9 million in cash and cash equivalents.

We had net current assets of RMB634.9 million as of December 31, 2024, consisting of current assets of RMB1,633.1 million and current liabilities of RMB998.1 million, which represented an increase of RMB21.0 million from our net current assets of RMB613.9 million as of December 31, 2023. This increase was primarily attributable to (i) a decrease of RMB259.0 million in trade and other payables; and (ii) an increase of RMB269.1 million in cash and cash equivalents. This was partially offset by a decrease of RMB471.0 million in trade and other receivables and prepayments.

We had net current assets of RMB613.9 million as of December 31, 2023, consisting of current assets of RMB1,868.0 million and current liabilities of RMB1,254.1 million. Our current assets as of December 31, 2023 primarily comprise (i) trade and other receivables and prepayments of RMB1,222.0 million; (ii) cash and cash equivalents of RMB558.3 million; (iii) contract assets of

RMB49.9 million; and (iv) amounts due from related parties of RMB32.1 million. Our current liabilities as of December 31, 2023 primarily comprise (i) trade and other payables of RMB1,127.3 million; (ii) contract liabilities of RMB67.9 million; and (iii) lease liabilities of RMB27.4 million.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our capital expenditure and working capital requirements mainly through cash generated from operations. Going forward, we believe that our working capital and other liquidity requirements will be satisfied by using a combination of cash flow from our operating activities and the [**REDACTED**] received from the [**REDACTED**]. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB558.3 million, RMB827.4 million and RMB935.3 million, respectively.

Cash Flows

During the Track Record Period, we experienced a turnaround to positive operating cash flow. The following table sets forth certain selected information from our consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash (used in)/generated from operations	(1,042)	418,509	549,937
Income tax paid	(1,525)	(20,679)	(33,959)
Net cash (used in)/from operating activities	(2,567)	397,830	515,978
Net cash from/(used in) investing activities	16,112	(86,464)	(31,837)
Net cash used in financing activities	(52,331)	(42,918)	(375,296)
Net (decrease)/increase in cash and cash equivalents	(38,786)	268,448	108,845
Cash and cash equivalents at the beginning of year	595,171	558,312	827,364
Effect of foreign exchange rate changes	1,927	604	(898)
Cash and cash equivalents at the end of year, represented by bank balance	**558,312**	**827,364**	**935,311**

Net Cash (Used in)/from Operating Activities

Our cash used in or generated from operating activities primarily reflects our profit before tax adjusted for certain non-cash or non-operating activities related items, changes in working capital, interest paid and income taxation paid.

Our net cash generated from operating activities in 2025 was RMB516.0 million, primarily due to our profit before tax of RMB153.3 million, as adjusted by (i) non-cash or non-operating activities related items, which mainly included depreciation of right-of-use assets of RMB57.2 million; and (ii) changes in working capital, which primarily consisted of (a) a decrease in trade and other receivables and prepayments of RMB294.8 million, (b) an increase in restricted bank deposits of RMB66.7 million, and (c) an increase in contract liabilities of RMB24.1 million.

Our net cash generated from operating activities in 2024 was RMB397.8 million, primarily due to our profit before tax of RMB57.3 million, as adjusted by (i) non-cash or non-operating activities related items which mainly included (a) net impairment loss of property, plant and equipment of RMB42.1 million, (b) depreciation of right-of-use assets of RMB39.2 million, and (c) depreciation of property, plant and equipment of RMB21.7 million; and (ii) changes in working capital, which primarily consisted of (a) a decrease in trade and other receivables and prepayments of RMB466.1 million and (b) a decrease in trade and other payables of RMB254.2 million.

Our net cash used in operating activities in 2023 was RMB2.6 million, primarily due to our profit before tax of RMB55.3 million, as adjusted by (i) non-cash or non-operating activities related items, which mainly included (a) depreciation of right-of-use assets of RMB53.5 million, and (b) depreciation of property, plant and equipment of RMB30.2 million; and (ii) changes in working capital, which primarily consisted of (a) an increase in trade and other receivables and prepayments of RMB727.7 million, and (b) an increase in trade and other payables of RMB522.3 million.

Net Cash from/(Used in) Investing Activities

Our cash used in or generated from investing activities primarily reflects (i) purchases of equity instruments; (ii) payment of property, plant and equipment; (iii) payments of intangible assets; (iv) proceeds from disposal of property, plant and equipment; (v) proceeds from disposal of investment in associates; (vi) proceeds from disposal of equity instruments at FVTOCI; and (vii) interests received.

Our net cash used in investing activities in 2025 was RMB31.8 million, primarily due to (i) the payments of property, plant and equipment of RMB26.9 million; (ii) the payments for rental deposits of RMB17.4 million.

Our net cash used in investing activities in 2024 was RMB86.5 million, primarily due to purchases of equity instruments of RMB85.9 million, which was partially offset by proceeds from disposal of equity instruments at FVTOCI of RMB8.9 million.

Our net cash generated from investing activities in 2023 was RMB16.1 million, primarily due to (i) proceeds from disposal of property, plant and equipment of RMB61.3 million; and (ii) interest received of RMB7.1 million, which was partially offset by payments of property, plant and equipment of RMB53.6 million.

Net Cash Used in Financing Activities

Our cash used in financing activities primarily comprises capital elements of lease payments, payments on repurchase of shares, dividends paid and interest paid.

Our net cash used in financing activities in 2025 was RMB375.3 million, primarily due to (i) payments on repurchase of shares of RMB232.0 million; (ii) dividends paid of RMB84.4 million; and (iii) capital elements of lease payments of RMB50.8 million.

Our net cash used in financing activities in 2024 was RMB42.9 million, primarily attributable to (i) repayments of short-term bank loans of RMB90.0 million; and (ii) capital elements of lease payments of RMB37.9 million, which was partially offset by proceeds from short-term bank loans of RMB90.0 million.

Our net cash used in financing activities in 2023 was RMB52.3 million, primarily attributable to (i) repayments of short-term bank loans of RMB183.0 million; and (ii) capital elements of lease payments of RMB48.4 million, which was partially offset by proceeds from short-term bank loans of RMB183.0 million.

WORKING CAPITAL SUFFICIENCY

During the Track Record Period, we met our working capital requirements mainly from cash generated from operations.

Taking into account the financial resources available to us, including cash flow from operating activities and the estimated [**REDACTED**] from the [**REDACTED**], our Directors are of the view that we have sufficient working capital to meet our present requirements and requirements for the next 12 months from the date of this document.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

Lease liabilities

During the Track Record Period, our indebtedness primarily consisted of lease liabilities. Our lease liabilities primarily represent the amount to be paid by us as the lessee for the leases of our offices and warehouses. The lease liabilities are secured by rental deposits and are not otherwise guaranteed. The following table sets forth a breakdown of our lease liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)
Current	27,395	31,695	65,706	65,906
Non-current	79,083	99,168	155,726	126,865
Total	**106,478**	**130,863**	**221,432**	**192,771**

Our lease liabilities increased by 22.9% from RMB106.5 million as of December 31, 2023 to RMB130.9 million as of December 31, 2024, and further by 69.2% to RMB221.4 million as of December 31, 2025, primarily due to the recognition of our new warehouse lease agreements to support the expansion of our logistics network and business operations. Our lease liabilities decreased by 12.9% from RMB221.4 million as of December 31, 2025 to RMB192.8 million as of April 30, 2026, primarily due to the early termination of warehouse lease agreements.

As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, nor was there any breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, we did not have plans for other material external debt financing.

As of April 30, 2026, we had unutilized credit facilities of RMB440.7 million. We do not anticipate any changes to the availability of bank financing to finance our operations in the future, although we cannot assure you that we will be able to access bank financing on favorable terms or at all.

Our Directors confirm that there has been no material change in our indebtedness position since April 30, 2026, being the latest practicable date for the purpose of the indebtedness statement.

Contingent Liabilities

We did not have any material contingent liabilities as of December 31, 2023, 2024 and 2025 and April 30, 2026. As of April 30, 2026, being the latest practicable date for determining our indebtedness, we did not have any material outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire-purchase commitments, guarantees, or other material contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily consisted of (i) purchase of property, plant and equipment; and (ii) payments of intangible assets. The following table sets forth a breakdown of our capital expenditures for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Purchase of property, plant and equipment	53,571	16,429	26,865
Payments of intangible assets	–	297	–
Total	**53,571**	**16,726**	**26,865**

Following the [**REDACTED**], we will continue to incur capital expenditures to grow our business. We intend to fund our planned capital expenditures through a combination of the [**REDACTED**] from the [**REDACTED**] as well as cash generated from operating activities.

Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, financial condition and results of operations, economic conditions and changes in the regulatory environment globally. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time during our ordinary course of business and on terms comparable to the terms of transactions with other entities that are not our related parties and the market price during the relevant year. Upon the completion of this [**REDACTED**], we will comply with the relevant Listing Rules and adopt a more prudent approach when reviewing and engaging related party transactions.

Transactions with Related Parties

During the Track Record Period, our transactions with related parties mainly comprised our provision of logistics services and purchase of transportation services and customs clearance services.

Provision of Services to Related Parties

During the Track Record Period, we provided other cross-border services to our associate, namely Guangdong Deyun, the transaction amount of which amounted to RMB13.3 million and RMB10.6 million in 2023 and 2024, respectively. As our investment in Guangdong Deyun was fully disposed of in November 2024, Guangdong Deyun ceased to be a related party thereafter.

In 2023 and 2024, we provided other cross-border services to our associate, namely Shanghai PSE, the transaction amount of which amounted to RMB14.8 million and RMB25.0 thousand, respectively.

In 2023, we provided cross-border e-commerce express services to a company controlled by the wife of our non-executive director, Mr. Zhu Cheng, namely Shanghai Xixi Technology Co., Ltd., the transaction amount of which amounted to RMB0.1 million.

During the Track Record Period, we provided cross-border e-commerce express services to a company controlled by Mr. Zhou, namely Yoowe (Hong Kong) Limited, the transaction amount of which amounted to RMB3.0 million, RMB0.8 million and RMB0.3 million in 2023, 2024 and 2025, respectively. Such transactions with Yoowe (Hong Kong) Limited were terminated as of the Latest Practicable Date.

Purchase of Services and Products from Related Parties

During the Track Record Period, we procured overseas delivery services from a subsidiary of our associate, namely Alreach Group (HK) Limited, the transaction amount of which amounted to RMB279.4 million, RMB15.3 million and nil in 2023, 2024 and 2025, respectively.

During the Track Record Period, we procured customs clearance and international transportation services from our associate, namely Guangdong Deyun, the transaction amount of which amounted to RMB233.1 million and RMB17.9 million in 2023 and 2024, respectively.

During the Track Record Period, we procured customs clearance and overseas delivery services from our associate, namely Shanghai PSE, the transaction amount of which amounted to nil, RMB2.4 million and RMB0.3 million in 2023, 2024 and 2025, respectively.

During the Track Record Period, we procured office supplies and warehouse equipment from a company controlled by Mr. Zhou, namely Yoowe (Hong Kong) Limited, the transaction amount of which amounted to nil, RMB2.5 million and RMB8.0 million in 2023, 2024 and 2025, respectively. Such transactions with Yoowe (Hong Kong) Limited were terminated as of the Latest Practicable Date.

Our Directors are of the view that each of the above related party transactions was conducted on an arm's length basis and would not distort our track record results or cause our historical results to become non-reflective of our future performance.

In addition to the abovementioned related-party transactions, Mr. Zhou and Ms. Zeng jointly provided guarantees for our Company's credit facilities in the amounts of RMB650.0 million, RMB650.0 million and RMB300.0 million in 2023, 2024 and 2025, respectively. All such guarantees had been fully released as of the Latest Practicable Date.

Balances with Related Parties

During the Track Record Period, we had amounts due from/to related parties. The following table sets forth a breakdown of our amounts due from/to related parties as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from related parties			
– Trade nature	32,078	384	195
Amounts due to related parties			
– Trade nature	25,135	2,467	26

As of the Latest Practicable Date, we had no amounts due from/to related parties in non-trade nature. We will not conduct non-trade related party transactions after the [**REDACTED**], except as in compliance with the Listing Rules.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates or for the years indicated:

	As of/Year ended December 31,		
	2023	2024	2025
Profitability ratios			
Gross profit margin[(1)]	3.6%	6.5%	6.9%
Return on equity[(2)]	7.6%	6.0%	14.1%
Liquidity ratio			
Current ratio[(3)]	1.5x	1.6x	1.4x
Efficiency ratio			
Total asset turnover[(4)]	5.2x	2.8x	3.5x

Notes:

(1) Gross profit margin equals gross profit divided by total revenue for the year.

(2) Return on equity is calculated by dividing net profit by the average balance of total equity during the relevant year.

(3) Current ratio is calculated based on total current assets divided by total current liabilities as of the end of the relevant year.

(4) Total asset turnover is calculated by dividing revenue for the relevant year by the average balance of total assets during the same year.

FINANCIAL RISKS

We are exposed to a variety of financial risks, including currency risk, interest rate risk and liquidity risk. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details, see Note 33b to the Accountants' Report set out in Appendix I to this document.

DIVIDENDS AND DIVIDEND POLICY

We are incorporated under the laws of the PRC. Any dividend we pay will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. We do not currently have a formal dividend policy or any fixed dividend pay-out ratio.

Under the applicable PRC laws and regulations, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. The company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above.

During the Track Record Period, to reciprocate the longstanding trust and support from our shareholders and effectively reduce their shareholding costs, we implemented a dividend distribution. Pursuant to the resolution of the Shareholders' meeting of our Company held on August 4, 2025, dividends of RMB84.4 million were approved to be paid to certain Shareholders of the Company, with Mr. Zhou and Hengqin Biaosheng not participating in this dividend distribution. Such dividends were paid in cash in August 2025. In this dividend distribution, Mr. Zhou and

Hengqin Biaosheng voluntarily waived their dividend entitlement. This not only demonstrates their goodwill in proactively sharing benefits and development gains with other shareholders but also reflects a strategic consideration for long-term growth, aiming to reserve sufficient capital for our future business expansion.

DISTRIBUTABLE RESERVE

As of December 31, 2025, we had distributable reserve of RMB338.3 million.

[REDACTED] EXPENSES

The estimated total [**REDACTED**] expenses (based on the mid-point of our indicative [**REDACTED**] for the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately RMB[**REDACTED**] (HK$[**REDACTED**]) (including (i) [**REDACTED**], SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all [**REDACTED**] of approximately HK$[**REDACTED**]; and (ii) non-[**REDACTED**] related expenses of approximately HK$[**REDACTED**], which consist of (a) fees and expenses of legal advisors and Reporting Accountants of approximately HK$[**REDACTED**]; and (b) sponsor fee and other fees and expenses of approximately HK$[**REDACTED**]), representing approximately [**REDACTED**]% of the [**REDACTED**] of the [**REDACTED**] based on the same assumptions.

In 2025, we incurred [**REDACTED**] expenses of RMB[**REDACTED**], of which RMB[**REDACTED**] were charged to the consolidated statements of profit or loss and other comprehensive income and RMB[**REDACTED**] will be deducted from equity upon [**REDACTED**]. Subsequent to the Track Record Period, we expect to incur [**REDACTED**] expenses of approximately RMB[**REDACTED**] (HK$[**REDACTED**]) to be charged to the consolidated statements of profit or loss and other comprehensive income and approximately RMB[**REDACTED**] (HK$[**REDACTED**]) as a deduction in equity directly upon [**REDACTED**].

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

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [**REDACTED**] Financial Information" for our unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there had been no material adverse changes in our business, financial condition and results of operations since December 31, 2025, being the end date of our latest consolidated financial statements as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules upon the [**REDACTED**] of the Shares on the Stock Exchange.