The following is the text of a report set out on pages I-4 to I-66, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF YANWEN LOGISTICS CO., LTD. AND SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED

Introduction

We report on the historical financial information of Yanwen Logistics Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-66, which comprises the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025, the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity, and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-66 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (the "Document") in connection with the [**REDACTED**] of H-shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at 31 December 2023, 2024 and 2025, of the Company's financial position as at 31 December 2023, 2024 and 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 15 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

[**Deloitte Touche Tohmatsu**]
Certified Public Accountants
Hong Kong
[**REDACTED**]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the International Financial Reporting Standards ("IFRS") Accounting Standards issued by International Accounting Standards Board ("IASB") and were audited by us in accordance with International Standards on Auditing issued by International Auditing and Assurance Standards Board (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*6*	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	*7*	8,213	10,571	6,378
Other gains and losses	*8*	(51,155)	(39,051)	(44,640)
Impairment losses under expected credit loss, ("ECL") model, net of reversal	*9*	(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	*17*	–	(42,103)	–
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	*10*	(3,896)	(5,012)	(6,880)
Profit before tax		55,294	57,292	153,314
Income tax credit/(expense)	*11*	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

		Year ended 31 December		
	NOTE	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Profit for the year attributable to:				
Owners of the Company		58,120	49,671	106,321
Non-controlling interests		–	–	–
		58,120	49,671	106,321
Total comprehensive income for the year attributable to:				
Owners of the Company		63,218	53,725	110,949
Non-controlling interests		–	–	–
		63,218	53,725	110,949
Earnings per share				
– Basic and diluted (RMB)	*16*	0.97	0.83	2.02

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		At 31 December		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*17*	116,970	61,317	81,000
Right-of-use assets	*18*	100,824	126,073	210,446
Intangible assets		2,208	1,504	524
Investments in associates	*19*	17,608	3,760	–
Equity instruments at fair value through other comprehensive income ("Equity instruments at FVTOCI")	*20*	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	*21*	2,495	7,524	3,141
		276,688	316,904	431,894
Current assets				
Inventories		2,229	1,571	1,161
Contract assets	*22*	49,942	47,343	29,741
Trade and other receivables and prepayments	*23*	1,221,955	750,942	432,783
Tax recoverable		3,072	4,126	1,777
Amounts due from related parties	*30*	32,078	384	195
Restricted bank deposits	*24*	450	1,338	68,010
Cash and cash equivalents	*24*	558,312	827,364	935,311
		1,868,038	1,633,068	1,468,978
Current liabilities				
Trade and other payables	*25*	1,127,258	868,263	893,125
Tax liabilities		6,386	11,221	17,000
Amounts due to related parties	*30*	25,135	2,467	26
Lease liabilities	*26*	27,395	31,695	65,706
Contract liabilities	*27*	67,917	84,473	108,613
		1,254,091	998,119	1,084,470
Net current assets		613,947	634,949	384,508
Total assets less current liabilities		890,635	951,853	816,402

		At 31 December		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities				
Lease liabilities	*26*	79,083	99,168	155,726
Deferred income		1,801	1,280	762
Deferred tax liabilities	*21*	13,605	1,406	3,147
		94,489	101,854	159,635
Net assets		796,146	849,999	656,767
Capital and reserves				
Share capital	*28*	60,000	60,000	50,902
Reserves		736,146	789,999	605,865
Equity attributable to owners of the Company		796,146	849,999	656,767
Non-controlling interests		–	–	–
Total equity		796,146	849,999	656,767

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		At 31 December		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*17*	92,154	57,094	48,858
Right-of-use assets	*18*	100,712	74,051	56,055
Intangible assets		2,208	1,504	524
Investments in subsidiaries	*31*	44,637	58,808	58,808
Investments in associates	*19*	17,608	3,760	–
Equity instruments at FVTOCI	*20*	750	750	82,789
Prepayment for acquisition of plant and equipment		3,540	–	–
Prepayment for acquisition of investment		–	85,868	–
Rental deposit		8,183	2,852	3,715
Deferred tax assets	*21*	–	1,339	–
		269,792	286,026	250,749
Current assets				
Inventories		2,229	1,571	1,161
Contract assets	*22*	49,942	47,343	28,912
Trade and other receivables and prepayments	*23*	1,225,993	687,946	305,322
Tax recoverable		2,966	–	18
Amounts due from related parties	*30*	7,112	360	195
Amounts due from subsidiaries	*30*	120,872	98,409	380,903
Restricted bank deposits	*24*	300	1,188	63,883
Cash and cash equivalents	*24*	405,113	673,713	691,468
		1,814,527	1,510,530	1,471,862
Current liabilities				
Trade and other payables	*25*	1,107,191	837,062	790,807
Tax liabilities		1,709	10,773	15,026
Leases liabilities	*26*	27,365	20,833	22,814
Amounts due to related parties	*30*	–	2,118	–
Amounts due to subsidiaries	*30*	165,068	105,648	238,184
Contract liabilities	*27*	64,714	78,151	100,224
		1,366,047	1,054,585	1,167,055
Net current assets		448,480	455,945	304,807
Total assets less current liabilities		718,272	741,971	555,556

		At 31 December		
	NOTES	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Non-current liability				
Leases liabilities	*26*	79,083	58,039	36,734
Deferred income		19	8	–
Deferred tax liabilities	*21*	12,224	–	696
		91,326	58,047	37,430
Net assets		626,946	683,924	518,126
Capital and reserves				
Share capital	*28*	60,000	60,000	50,902
Reserves	*36*	566,946	623,924	467,224
Total equity		626,946	683,924	518,126

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	Share premium	Share-based payments reserve	Statutory surplus reserve	Other reserve	Retained profits	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000* (*note a*)	*RMB'000* (*note b*)	*RMB'000*	*RMB'000* (*note d*)	*RMB'000*	*RMB'000* (*note c*)	*RMB'000*
At 1 January 2023	60,000	428,213	7,492	15,496	(1,025)	221,210	731,386	–	731,386
Profit for the year	–	–	–	–	–	58,120	58,120	–	58,120
Other comprehensive income for the year									
– Fair value change of equity instrument at FVTOCI	–	–	–	–	8,422	–	8,422	–	8,422
– Exchange differences arising from translation of foreign operations	–	–	–	–	(3,324)	–	(3,324)	–	(3,324)
Total comprehensive income	–	–	–	–	5,098	58,120	63,218	–	63,218
Transfer to statutory reserve	–	–	–	282	–	(282)	–	–	–
Recognition of equity-settled share-based payments (*note 37*)	–	–	1,542	–	–	–	1,542	–	1,542
At 31 December 2023	60,000	428,213	9,034	15,778	4,073	279,048	796,146	–	796,146

	Attributable to owners of the Company								
	Share capital	Share premium	Share-based payments reserve	Statutory surplus reserve	Other reserve	Retained profits	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000* *(note a)*	*RMB'000* *(note b)*	*RMB'000*	*RMB'000* *(note d)*	*RMB'000*	*RMB'000* *(note c)*	*RMB'000*
Profit for the year	–	–	–	–	–	49,671	49,671	–	49,671
Other comprehensive income for the year									
– Fair value change of equity instrument at FVTOCI	–	–	–	–	3,704	–	3,704	–	3,704
– Exchange differences arising from translation of foreign operations	–	–	–	–	350	–	350	–	350
Total comprehensive income	–	–	–	–	4,054	49,671	53,725	–	53,725
Transfer to statutory reserve	–	–	–	5,685	–	(5,685)	–	–	–
Recognition of equity-settled share-based payments *(note 37)*	–	–	128	–	–	–	128	–	128
Vesting of award shares	–	9,162	(9,162)	–	–	–	–	–	–
Disposal of equity instruments at FVTOCI	–	–	–	–	(5,677)	5,677	–	–	–
At 31 December 2024	60,000	437,375	–	21,463	2,450	328,711	849,999	–	849,999

	Attributable to owners of the Company								
	Share capital	**Share premium**	**Share-based payments reserve**	**Statutory surplus reserve**	**Other reserve**	**Retained profits**	**Subtotal**	**Non-controlling interests**	**Total**
	RMB'000	*RMB'000*	*RMB'000* *(note a)*	*RMB'000* *(note b)*	*RMB'000*	*RMB'000* *(note d)*	*RMB'000*	*RMB'000* *(note c)*	*RMB'000*
Profit for the year	–	–	–	–	–	106,321	106,321	–	106,321
Other comprehensive income for the year									
– Fair value change of equity instrument at FVTOCI	–	–	–	–	6,164	–	6,164	–	6,164
– Exchange differences arising from translation of foreign operations	–	–	–	–	(1,536)	–	(1,536)	–	(1,536)
Total comprehensive income	–	–	–	–	4,628	106,321	110,949	–	110,949
Repurchase of shares *(note 28)*	(9,098)	(222,942)	–	–	–	–	(232,040)	–	(232,040)
Transfer to statutory reserve	–	–	–	3,988	–	(3,988)	–	–	–
Dividends recognised as distribution *(note 15)*	–	–	–	–	–	(84,440)	(84,440)	–	(84,440)
Recognition of equity-settled share-based payments *(note 37)*	–	–	12,299	–	–	–	12,299	–	12,299
Vesting of award shares	–	10,695	(10,695)	–	–	–	–	–	–
At 31 December 2025	50,902	225,128	1,604	25,451	7,078	346,604	656,767	–	656,767

Notes:

(a) The amount represents the equity-settled share-based payments attributable to owners of the Company in respect of the Company's restricted share award scheme. Details of the restricted share award scheme are set out in Note 37.

(b) It represents the statutory reserve of the Company which established in the People's Republic of China (the "PRC"). Pursuant to applicable PRC regulations, the PRC entities comprising the Group is required to appropriate 10% of its profit after tax (after offsetting prior year losses) to the statutory reserve until such reserve reaches 50% of its registered capital. Transfers to this reserve must be made before distribution of dividends to shareholders. Upon approval by relevant authorities, the statutory reserve can be utilised to offset the accumulated losses or to increase the paid-up capital of the entities comprising the Group.

(c) Certain amount of non-controlling interests is displayed as zero after rounding.

(d) As at 31 December 2023, 2024 and 2025, the retained profits of the Group included the statutory reserves accrued by the subsidiaries established in PRC, amounting to RMB7,955,000, RMB8,119,000 and RMB8,354,000.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
OPERATING ACTIVITIES			
Profit before tax	55,294	57,292	153,314
Adjustments for:			
Depreciation of property, plant and equipment	30,243	21,721	9,517
Depreciation of right-of-use assets	53,482	39,245	57,167
Amortisation of intangible assets	1,301	1,001	980
Net impairment loss			
– property, plant and equipment	–	42,103	–
– Investments in associates	8,312	1,725	–
Impairment losses recognised under ECL	9,577	14,875	22,555
Net foreign exchange loss/(gain)	1,877	(962)	(74)
Share of results of associates	1,766	2,582	–
Interest income	(7,096)	(5,754)	(5,795)
Finance costs	3,896	5,012	6,880
Recognition of equity-settled share-based payments	1,542	128	12,299
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 investment in associates	–	1,715	(1,478)
Amortisation of deferred income in connection with assets related government grants	(521)	(521)	(518)
Loss related to the prepayment for acquisition of investment	–	–	7,960
Operating cash flows before movements in working capital	163,926	178,731	264,604
(Increase)/decrease in trade and other receivables and prepayments	(727,705)	466,069	294,826
Decrease in inventories	3,867	658	410
(Increase)/decrease in contract assets	(22,348)	2,599	18,096
Decrease in amounts due from related parties	17,352	31,694	189
Decrease/(increase) in restricted bank deposits	19,372	(888)	(66,672)
Increase/(decrease) in amounts due to related parties	25,135	(22,668)	(2,441)
Increase/(decrease) in trade and other payables	522,342	(254,243)	16,784
(Decrease)/increase in contract liabilities	(2,983)	16,557	24,141
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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
INVESTING ACTIVITIES			
Purchases of financial assets at fair value through profit or loss ("FVTPL")	–	(105,000)	–
Purchases of equity instruments	(1,700)	(85,868)	(4,132)
Purchases of property, plant and equipment	(53,571)	(16,429)	(26,865)
Payments of intangible assets	–	(297)	–
Payments for rental deposits	(1,815)	(9,222)	(17,358)
Refund of rental deposits	2,789	7,982	346
Proceeds from disposal of FVTPL	–	105,000	–
Proceeds from disposal of property, plant and equipment	61,313	557	1,434
Proceeds from disposal of equity instruments at FVTOCI	2,000	8,938	–
Proceeds from disposal of investment in associates	–	2,121	8,943
Interest received	7,096	5,754	5,795
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	16,112	(86,464)	(31,837)
FINANCING ACTIVITIES			
Interest paid	(3,896)	(5,012)	(6,880)
Proceeds from short-term bank loans	183,022	90,000	–
Repayments of short-term bank loans	(183,022)	(90,000)	–
Capital elements of lease payments	(48,435)	(37,906)	(50,765)
Dividends paid	–	–	(84,440)
Payments on repurchase of shares	–	–	(232,040)
Payments of [**REDACTED**] costs	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
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 THE 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 THE YEAR, REPRESENTED BY BANK BALANCE	558,312	827,364	935,311

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was originally named Beijing Yanwen Technology Co., Ltd., a limited liability company established on 16 April 1998, by Zhou Wenxing (周文興) ("Mr. Zhou"), Zhou Daren, and Mei Suhua, and registered with the approval of the Beijing Administration for Industry and Commerce. The initial registered capital of the Company was RMB100,000. After several rounds of equity transfers and capital increases, as of 30 April 2020, both the Company's registered capital and paid-up capital were adjusted to RMB9,018,296. On 21 September 2020, the Company converted into a joint stock company with limited liability under the Company Laws of the PRC, and the Company's share capital changed to RMB10,000,000. Its ultimate controlling shareholders are Mr. Zhou, who is the chairman of the Board of Directors and an executive director of the Company, and Zeng Yan (曾燕) ("Ms. Zeng"), who is the spouse of Mr. Zhou.

In December 2020, pursuant to the resolution of the Company's third extraordinary general meeting of shareholders in 2020, the Company increased its share capital to RMB60,000,000 by converting share premium into share capital.

In 6 March 2025, pursuant to the resolution of the Company's first extraordinary general meeting of shareholders in January 2025, the Company decreased its share capital to RMB50,902,000 by repurchasing certain shareholders' shares.

The Company and its subsidiaries (the "Group") are principally engaged in cross-border integrated logistics services.

The Historical Financial Information is presented in Renminbi ("RMB"), which is also the functional currency of the Company.

The statutory financial statements of the Company for the years ended 31 December 2023 and 2024 were prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and were audited by Jiangsu Jintianye Certified Public Accountants Co., Ltd.. However, the statutory financial statements for the year ended 2025 have not yet been issued with an audit report.

2. BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Historical Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases* ("IFRS 16"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on or after 1 January 2025, throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvement to IFRS Accounting Standards – Volume 11[2]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2026.

3 Effective for annual periods beginning on or after 1 January 2027.

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7 Financial Instruments: Disclosures. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and disclosures in the future financial statements. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

Except as described above, the directors of the Company (the "Directors") anticipate that the application of the other amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information of the Group in the foreseeable future.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the entities now comprising the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Investments in subsidiaries

Investments in subsidiaries are stated in the statements of financial position of the Company at cost less identified impairment loss, if any.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in note 6.

Research and development expenses

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease terms.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred as the Group does not have any qualifying asset.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employment benefits

Retirement benefits costs

Payments to the defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standards requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Shares granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognises, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in provision of services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, intangible assets and contract costs are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Warranties

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers for cross-border integrated logistics services are recognized at the best estimate of the expenditure required to settle the Group's obligation.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss

("FVTPL") are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the Track Record Period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in other reserve; and are not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, and is transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income line item in profit or loss.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, amounts due from related parties, restricted bank deposits, and cash and cash equivalents) and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant financial instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (note 8) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and amounts due to related parties are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of property, plant and equipment

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, which requires significant judgment relating to level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

The useful life of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovation. Management will change the depreciation charge where useful lives are different from the previously estimated lives. It will also write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. For cost incurred and capitalised as property, plant and equipment, management assessed whether the Group retains the risk and reward in relation to the capitalised costs with rights over those assets and a potential to produce economic benefits and whether the Group has effective control over those assets based on relevant regulations and the terms as stipulated in the relevant agreements, where applicable.

Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets with credit-impaired are assessed for ECL individually.

In addition, for trade receivables and contract assets which are individually insignificant or when the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessment is performed by grouping debtors based on the Group's internal credit ratings.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in Notes 33, 23 and 22, respectively.

6. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	Year ended 31 December		
Types of service:	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cross-border e-commerce express services	7,663,633	4,675,188	5,737,135
Local last-mile delivery services	–	91,201	385,322
Other cross-border services	1,819,309	1,060,565	564,593
	9,482,942	5,826,954	6,687,050
Timing of revenue recognition:			
Overtime	8,655,157	5,141,759	6,421,497
A point in time	827,785	685,195	265,553
	9,482,942	5,826,954	6,687,050

Performance obligations for contracts with customers and revenue recognition policies

The Group provides cross-border e-commerce logistics services primarily comprise cross-border e-commerce express services and local last-mile delivery services, which are purpose-built to support the rapid globalization of Chinese cross-border e-commerce merchants. The Group primarily serve three major customer groups including third-party cross-border e-commerce platforms, cross-border merchants and Chinese brands expanding overseas.

Revenue is primarily generated from provision of cross-border e-commerce express services, local last-mile delivery services, and other cross-border services. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognize revenue on the basis of direct measurements of the value of services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of services. In addition, certain service types included in other cross-border service recognize revenue using at a point in time method, and the revenue is recognized upon completion of the service.

Cross-border e-commerce express services

Cross-border e-commerce express services constitute a standardized, highly visible and tightly controlled cross-border direct-shipping services that covers all critical steps of the fulfilment chain, including (1) domestic pickup, (2) sorting, (3) cross-border transportation, (4) customs clearance and (5) last-mile delivery. These service offerings are interrelated and integrated to provide a combined output, and therefore are jointly considered as a single performance obligation. The Group recognizes revenue from cross-border e-commerce express service over time as customers receive the benefits of the Group's services as the goods are shipped from origin to destination.

Local last-mile delivery services

The Group provides local last-mile delivery services to customers in destination markets through efficient, reliable and end-to-end domestic "door-to-door" parcel delivery solutions. These services cover key in-country fulfillment steps, including pickup, in-house processing, trunk transportation and last-mile delivery, forming a comprehensive overseas local fulfillment capability. These service offerings are interrelated and integrated to provide a combined output, and therefore are jointly considered as a single performance obligation. The Group recognizes revenue from local last-mile delivery services over time as customers receive the benefits of the Group's services as the parcels are delivered from one location to another.

Other cross-border services

Other cross-border services primarily consist of international air freight forwarding services, last-mile delivery services carried out by other suppliers, customs clearance services and first-leg logistics services for designated cross-border e-commerce platform merchants. Revenue is recognized over time or upon completion of these services.

The Group generally grants credit period from 7 to 90 days to its customers.

Transaction price allocated to the remaining performance obligation for contracts with customers

All contracts with customers are for period of one year or less. As permitted by IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment Information

The Group's chief operating decision maker, who has been identified as the Chief Executive Officer (the "CEO"), reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and no other discrete financial information is provided to the CEO. Hence, the Group has only one reportable segment. Entity-wide disclosures, major customer information, and geographical information are provided accordingly.

Geographical Information

The revenue of the Group is mainly derived from customers in the PRC during the Track Record Period.

As at 31 December 2023, 2024 and 2025, the Group had non-current assets located in Hong Kong amounted to RMB112,000, nil and nil, and had non-current assets located in the United States ("U.S.") amounted to nil, RMB53,233,000 and RMB184,930,000, and the remaining non-current assets are located in the PRC. The geographical location of the non-current assets is based on the physical location of the assets, and the types of assets located overseas primarily consist of right-of-use assets and property, plant and equipment.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Customer A	4,923,750	1,269,221	N/A

Note: The above customer A's revenue was derived from cross-border e-commerce express services, local last-mile delivery services, and other cross-border services.

The customer A's corresponding revenue did not contribute over 10% of the total revenue of the Group during the year ended 31 December 2025.

7. OTHER INCOME

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

Note: Government subsidies mainly represent industry-specific subsidies granted by the government authorities with no future related costs to be incurred. There are no unfulfilled conditions relating to such government subsidies recognised.

8. OTHER GAINS AND LOSSES

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*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	966	1,249	(680)
	51,155	39,051	44,640

9. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Impairment losses recognised/(reversed) on:			
– trade receivables	9,219	10,895	5,510
– contract assets	231	(77)	(494)
– other receivables	127	4,057	17,539
	9,577	14,875	22,555

10. FINANCE COSTS

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

11. INCOME TAX (CREDIT)/EXPENSE

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax:			
PRC Enterprise Income Tax ("EIT")	3,886	23,598	40,167
Hong Kong	5,419	861	1,920
U.S.	1,393	–	–
	10,698	24,459	42,087
Deferred tax *(Note 21):*			
Current year	(13,524)	(16,838)	4,906
	(2,826)	7,621	46,993

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the Track Record Period, except for disclosed below.

The subsidiaries of Beijing Yanmaotong Supply Chain Management Co., Ltd., Beijing Yanwen Information Technology Co., Ltd., ("Beijing Yanwen Information"), Shanghai Mindatong Supply Chain Management Co., Ltd. and Hangzhou Anzhi Supply Chain Co., Ltd. are eligible for preferential corporate income tax policies for small and micro-sized enterprises as stipulated in the "Announcement on Further Implementing Preferential Tax Policies for Small and Micro-sized Enterprises' Corporate Income Tax" (Announcement No. 13 of 2022 by the Ministry of Finance and the State Administration of Taxation). From 1 January 2022, to 31 December 2024, for the portion of annual taxable income exceeding RMB1 million but not exceeding RMB3 million, 25% of such amount is included in the taxable income, and corporate income tax is paid at a reduced rate of 20%. Additionally, according to the "Announcement on Income Tax Preferential Policies for Small and Micro-sized Enterprises and Individual Business Households" (Announcement No. 6 of 2023 by the Ministry of Finance and the State Administration of Taxation), from 1 January 2023, to 31 December 2024, for the portion of annual taxable income not exceeding RMB1 million, 25% of such amount is included in the taxable income, and corporate income tax is also paid at a rate of 20%. According to the announcement No. 12 of 2023 by the Ministry of Finance and the State Taxation Administration, the abovementioned policy of reducing the taxable income of qualified small and micro-profit enterprises to 25% and levying corporate income tax at a rate of 20% will be extended until 31 December 2027.

The subsidiary, Shenzhen Qianhai Yanwen International Logistics Co., Ltd. ("Qianhai Yanwen"), benefits from the corporate income tax incentives for enterprises located in the Shenzhen Qianhai Shekou Modern Service Industry Cooperation Zone, as specified in the "Notice on the Continuation of Corporate Income Tax Preferential Policies in the Shenzhen Qianhai Shekou Modern Service Industry Cooperation Zone" (CaiShui [2021] No. 30). From 1 January 2021, to 31 December 2025, qualified enterprises established in the Qianhai Cooperation Zone, such as Qianhai Yanwen, are subject to a reduced corporate income tax rate of 15%. However, from 1 January 2025 to 31 December 2025, Qianhai Yanwen failed to meet relevant requirements for the aforementioned tax incentives, the applicable income tax rate during this period is 25%.

In addition, three overseas subsidiaries in the U.S., one subsidiary in Puerto Rico, one subsidiary in Belgium, and one subsidiary in Hong Kong are subject to income tax rates of 21%, 18.5%, 25% and 16.5%, respectively.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group's estimated effective tax rates for most of the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to material top-up tax under the Pillar Two Rules.

According to a policy promulgated by the State Administration of Taxation of the PRC and effective from 2018 onwards, enterprises engage in research and development activities are entitled to claim 200% of the research and development expenses incurred in a year as tax deductible expenses in determining the taxable income for that year.

The income tax expense for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	55,294	57,292	153,314
Tax at EIT rate of 25%	13,824	14,323	38,329
Tax effect of expenses not deductible for tax purpose	144	129	3,024
Tax effect related to investments in associates	445	609	(370)
Tax effect of tax losses not recognized	624	59	9,689
Tax effect of deductible temporary differences not recognized	184	3,363	8,275
Utilization of tax losses previously not recognized	(2,262)	(402)	–
Utilization of deductible temporary differences not previously recognised as deferred tax assets	–	–	(3,341)
Additional deduction for research and development expenses	(10,483)	(8,958)	(8,022)
Benefit from increased deduction for employing disabled persons	(203)	(148)	(87)
(Decrease)/Increase in opening deferred tax assets resulting from a decrease/increase in applicable tax rates	405	–	(9)
Reversal of previously recognised deferred tax asset	–	–	1,479
Effects of different tax rates applied to subsidiaries	(5,504)	(1,354)	(1,974)
Income tax (credit)/expense for the year	(2,826)	7,621	46,993

12. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Auditor's remuneration	885	938	857
Depreciation of property, plant and equipment	30,243	21,721	9,517
Amortization of intangible assets	1,301	1,001	980
Depreciation of right-of-use assets	53,482	39,245	57,167
Directors' and Supervisors' emoluments *(Note 13)*	7,522	7,718	7,579
Other staff costs:			
Salaries, performance related bonuses and other benefits in kind	321,270	257,354	241,673
Retirement benefit scheme contributions	25,220	23,422	25,543
Share-based compensation	570	47	11,761
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

13. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

During the Track Record Period, directors' and supervisors' remuneration disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

		Year ended 31 December 2023					
	Date of appointment as director/ supervisor	Director/ supervisor's Fees	Salaries, and other benefit in kind	Performance related bonuses	Retirement benefit scheme contributions	Share-based compensation	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:							
Mr. Zhou (周文興)	April 1998	–	1,001	40	63	–	1,104
Ms. Zeng (曾燕)	July 2016	–	690	26	63	–	779
Xie zhiwei (謝志偉)	December 2017	–	980	167	63	486	1,696
Lv lei (呂磊)	December 2017	–	835	114	63	–	1,012
Total		–	3,506	347	252	486	4,591
Non-executive directors:							
Xue long (薛龍)	July 2019	–	–	–	–	–	–
Zhu cheng ("Mr. Zhu") (朱成)	July 2016	–	–	–	–	–	–
Zhu aimin (朱愛民)	December 2017	–	–	–	–	–	–
Total		–	–	–	–	–	–

	Date of appointment as director/ supervisor	Year ended 31 December 2023					
		Director/ supervisor's Fees	Salaries, and other benefit in kind	Performance related bonuses	Retirement benefit scheme contributions	Share-based compensation	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Independent non-executive directors:							
Zhao zhenzhi (趙振志)	August 2020	60	–	–	–	–	60
Gu quan (顧全)	August 2020	60	–	–	–	–	60
Ni wei (倪瑋)	August 2020	60	–	–	–	–	60
Tong ziming (童自明)	August 2020	60	–	–	–	–	60
Total		240	–	–	–	–	240
Supervisors:							
Dong yuliang (董玉良)	August 2020	–	924	43	43	486	1,496
Gao shuli (高樹立)	August 2020	–	662	64	63	–	789
Li yuehong (李月紅)	August 2020	–	349	12	45	–	406
Total		–	1,935	119	151	486	2,691

	Date of appointment as director/ supervisor	Year ended 31 December 2024					
		Director/ supervisor's Fees	Salaries, and other benefit in kind	Performance related bonuses	Retirement benefit scheme contributions	Share-based compensation	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:							
Mr. Zhou (周文興)	April 1998	–	1,009	144	66	–	1,219
Ms. Zeng (曾燕)	July 2016	–	697	144	66	–	907
Xie zhiwei (謝志偉)	December 2017	–	1,046	173	66	41	1,326
Lv lei (呂磊)	December 2017	–	879	63	66	–	1,008
Total		–	3,631	524	264	41	4,460
Non-executive directors:							
Xue long (薛龍)	July 2019	–	–	–	–	–	–
Zhu cheng (朱成)	July 2016	–	–	–	–	–	–
Zhu aimin (朱愛民)	December 2017	–	–	–	–	–	–
Total		–	–	–	–	–	–

	Date of appointment as director/ supervisor	Year ended 31 December 2024					
		Director/ supervisor's Fees	Salaries, and other benefit in kind	Performance related bonuses	Retirement benefit scheme contributions	Share-based compensation	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Independent non-executive directors:							
Zhao zhenzhi (趙振志)	August 2020	60	–	–	–	–	60
Gu quan (顧全)	August 2020	60	–	–	–	–	60
Ni wei (倪瑋)	August 2020	60	–	–	–	–	60
Tong ziming (童自明)	August 2020	60	–	–	–	–	60
Total		240	–	–	–	–	240
Supervisors:							
Dong yuliang (董玉良)	August 2020	–	1,367	378	47	40	1,832
Gao shuli (高樹立)	August 2020	–	669	47	66	–	782
Li yuehong (李月紅)	August 2020	–	356	–	48	–	404
Total		–	2,392	425	161	40	3,018

	Date of appointment as director/ supervisor	Year ended 31 December 2025					
		Director/ supervisor's Fees	Salaries, and other benefit in kind	Performance related bonuses	Retirement benefit scheme contributions	Share-based compensation	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:							
Mr. Zhou (周文興)	April 1998	–	1,011	300	68	–	1,379
Ms. Zeng (曾燕)	July 2016	–	699	300	68	–	1,067
Xie Zhiwei (謝志偉)	December 2017	–	1,080	214	68	538	1,900
Lv Lei	December 2017	–	894	65	68	–	1,027
Total		–	3,684	879	272	538	5,373
Non-executive directors:							
Xue Long (薛龍)	July 2019	–	–	–	–	–	–
Zhu Cheng (Mr. Zhu) (朱成)	July 2016	–	–	–	–	–	–
Zhu Aimin (朱愛民)	December 2017	–	–	–	–	–	–
Total		–	–	–	–	–	–

	Date of appointment as director/ supervisor	Year ended 31 December 2025 Director/ supervisor's Fees	Salaries, and other benefit in kind	Performance related bonuses	Retirement benefit scheme contributions	Share-based compensation	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Independent non-executive directors:							
Zhao Zhenzhi (趙振志)	August 2020	60	–	–	–	–	60
Gu Quan (顧全)	August 2020	60	–	–	–	–	60
Ni Wei (倪瑋)	August 2020	60	–	–	–	–	60
Tong Ziming (童自明) *(Note)*	August 2020	60	–	–	–	–	60
Wang Dong (王棟)	December 2025	1	–	–	–	–	1
Total		241	–	–	–	–	241
Supervisors:							
Dong Yuliang (董玉良) *(Note)*	August 2020	–	731	–	23	–	754
Gao Shuli (高樹立)	August 2020	–	661	47	68	–	776
Li Yuehong (李月紅)	August 2020	–	386	–	49	–	435
Total		–	1,778	47	140	–	1,965

Note: Tong Ziming resigned on 30 December 2025.

Dong Yuliang resigned on 31 May 2025.

The executive directors' and supervisors' emoluments shown above were paid for their services in connection with the management of the affairs of the Group and the Company during the Track Record Period.

The non-executive directors' emoluments shown above were for their services as the directors of the Company during the Track Record Period.

During the Track Record Period, there was no arrangement under which a director or the chief executive waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

14. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the Track Record Period include three and three and two directors or supervisors of the Company for the years ended 31 December 2023, 2024, and 2025, respectively, details of whose emoluments, are set out in Note 13 above. The emoluments of the remaining two and two and three highest paid employees who are not directors, supervisors and the chief executive of the Group for the years ended 31 December 2023, 2024 and 2025 are as follows:

	Year ended 31 December 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other benefits in kind, performance related bonuses	2,389	2,471	3,389
Retirement benefit scheme contributions	101	111	202
Share-based compensation	–	–	7,465
	2,490	2,582	11,056

The number of highest paid employees who are not the directors, supervisors and the chief executive of the Company whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	2024	2025
	No. of Individuals	*No. of Individuals*	*No. of Individuals*
Hong Kong Dollars 1,000,000 to 1,500,000	1	1	–
Hong Kong Dollars 1,500,000 to 2,000,000	1	1	–
Hong Kong Dollars 3,000,000 to 3,500,000	–	–	2
Hong Kong Dollars 5,000,000 to 5,500,000	–	–	1
	2	2	3

During the Track Record Period, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

15. DIVIDENDS

As of 31 December 2025, a final dividend of RMB2.92 per share was declared and paid to certain shareholders of the Company, with controlling shareholder Zhou Wenxing and shareholder of Zhuhai Hengqin Biaosheng Enterprise Management Center (Limited Partnership) not participating in this dividend distribution. The aggregate amount of the final dividend declared and paid as of 31 December 2025 amounted to RMB84,440,000.

16. EARNINGS PER SHARE

The calculation of basic earnings per share during the Track Record Period is based on the profit attributable to ordinary equity shareholders of the Company and the weighted-average number of ordinary shares in issue or deemed to be in issue for the respective years.

No diluted earnings per share for 2023, 2024 and 2025 were presented as there were no potential ordinary shares in issue for 2023, 2024 and 2025.

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Earnings for the purpose of calculating basic earnings per share (profit for the year (attributable to owners of the Company)	58,120	49,671	106,321

	Year ended 31 December		
	2023	2024	2025
Number of shares:			
Weighted average number of ordinary shares for the purpose of basic earnings per share	60,000,000	60,000,000	52,522,138

17. PROPERTY, PLANT AND EQUIPMENT

The Group

	Plant, Machinery and Equipment	Furniture, fixtures, office and electronic equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST					
At 1 January 2023	188,481	59,255	4,113	134	251,983
Additions	8,822	3,569	–	42,982	55,373
Disposals *(note i)*	(72,857)	(23,137)	–	–	(95,994)
Transfer	43,116	–	–	(43,116)	–
At 31 December 2023	167,562	39,687	4,113	–	211,362
Additions	762	6,412	925	1,051	9,150
Disposals	(2,381)	(498)	(597)	–	(3,476)
At 31 December 2024	165,943	45,601	4,441	1,051	217,036
Additions	2,711	2,633	444	26,849	32,637
Disposals	(55,300)	(885)	–	–	(56,185)
Transfer	13,875	393	–	(14,268)	–
At 31 December 2025	127,229	47,742	4,885	13,632	193,488
DEPRECIATION AND IMPAIRMENT					
At 1 January 2023	(56,092)	(35,526)	(3,221)	–	(94,839)
Provided for the year	(19,263)	(10,718)	(262)	–	(30,243)
Disposals	16,460	14,230	–	–	30,690
At 31 December 2023	(58,895)	(32,014)	(3,483)	–	(94,392)
Provided for the year	(16,169)	(5,332)	(220)	–	(21,721)
Impairment loss *(note ii)*	(42,103)	–	–	–	(42,103)
Disposals	1,461	468	568	–	2,497
At 31 December 2024	(115,706)	(36,878)	(3,135)	–	(155,719)
Provided for the year	(5,530)	(3,604)	(383)	–	(9,517)
Disposals	51,913	835	–	–	52,748
At 31 December 2025	(69,323)	(39,647)	(3,518)	–	(112,488)
CARRYING VALUE					
At 31 December 2023	108,667	7,673	630	–	116,970
At 31 December 2024	50,237	8,723	1,306	1,051	61,317
At 31 December 2025	57,906	8,095	1,367	13,632	81,000

The Company

	Plant, Machinery and Equipment	Furniture, fixtures, office and electronic equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST					
At 1 January 2023	141,262	56,180	4,113	134	201,689
Additions	1,809	3,438	–	42,982	48,229
Disposals *(note i)*	(68,987)	(21,909)	–	–	(90,896)
Transfer	43,116	–	–	(43,116)	–
At 31 December 2023	117,200	37,709	4,113	–	159,022
Additions	213	5,965	565	1,051	7,794
Disposals	(938)	(408)	(598)	–	(1,944)
At 31 December 2024	116,475	43,266	4,080	1,051	164,872
Additions	255	626	–	1,519	2,400
Disposals	(20,319)	(839)	–	–	(21,158)
Transfer	2,570	–	–	(2,570)	–
At 31 December 2025	98,981	43,053	4,080	–	146,114
DEPRECIATION AND IMPAIRMENT					
At 1 January 2023	(37,933)	(33,110)	(3,221)	–	(74,264)
Provided for the year	(11,924)	(10,203)	(262)	–	(22,389)
Disposal	16,676	13,109	–	–	29,785
At 31 December 2023	(33,181)	(30,204)	(3,483)	–	(66,868)
Provided for the year	(10,829)	(5,253)	(220)	–	(16,302)
Impairment loss *(note ii)*	(25,867)	–	–	–	(25,867)
Disposal	308	383	568	–	1,259
At 31 December 2024	(69,569)	(35,074)	(3,135)	–	(107,778)
Provided for the year	(4,696)	(3,199)	(274)	–	(8,169)
Disposal	17,897	794	–	–	18,691
At 31 December 2025	(56,368)	(37,479)	(3,409)	–	(97,256)
CARRYING VALUE					
At 31 December 2023	84,019	7,505	630	–	92,154
At 31 December 2024	46,906	8,192	945	1,051	57,094
At 31 December 2025	42,613	5,574	671	–	48,858

Notes:

i As a result of restructuring of the Group's business operations, the Group and the Company disposed of property, plant and equipment mainly used for first-leg logistics services business with carrying amounts of RMB55,843,000 and RMB55,715,000, respectively, for the year ended 31 December 2023.

ii As a result of restructuring of the Group's business operations, the utilisation of the Group's sorting machines have been decreasing rapidly. As a result, the Group and the Company has identified an impairment indicator on the assets with carrying amount of RMB47,329,000 and RMB28,803,000, respectively. Given the Group and the Company has made a commitment in the year to gradually dispose of the assets in the near future, the Group and the Company performed an impairment test on the assets on the basis of each individual asset as at 31 December 2024. The recoverable amount of the assets was determined based on their fair value less costs of disposal, which was nominal. As a result, for the year ended 31 December 2024, an impairment loss on property, plant and equipment of RMB42,103,000 and RMB25,867,000 was recognised for the Group and the Company, respectively.

The above items of property, plant and equipment, after taking into account the residual values, where applicable, are depreciated on a straight-line basis at the following estimated useful lives:

Plant, machinery and equipment	3 to 10 years
Furniture, fixtures, office and electronic equipment	3 to 5 years
Motor vehicles	4 years

18. RIGHT-OF-USE ASSETS

The Group

	Leased properties
	RMB'000
Carrying amount	
At 31 December 2023	100,824
At 31 December 2024	126,073
At 31 December 2025	210,446
Depreciation charge	
For the year ended 31 December 2023	53,482
For the year ended 31 December 2024	39,245
For the year ended 31 December 2025	57,167

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Expense relating to short-term leases	4,128	2,681	2,024
Total cash outflow for leases	55,475	45,032	59,669
Additions to right-of-use assets	105,799	77,947	144,802

The Company

	Leased properties
	RMB'000
Carrying amount	
At 31 December 2023	100,712
At 31 December 2024	74,051
At 31 December 2025	56,055

	Leased properties
	RMB'000
Depreciation charge	
For the year ended 31 December 2023	53,148
For the year ended 31 December 2024	28,543
For the year ended 31 December 2025	23,177

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Expense relating to short-term leases	3,464	2,729	1,907
Total cash outflow for leases	54,404	32,974	52,487
Additions to right-of-use assets	105,798	15,325	8,442

During the years ended 31 December 2023, 2024 and 2025, the Group and the Company leases office buildings and warehouses for its operations. Lease contracts are entered into for fixed term of 1 to 6 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

19. INVESTMENTS IN ASSOCIATES

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of investment in associates	27,208	19,700	7,700
Share of post-acquisition income/(losses)	3,574	(1,066)	(1,138)
Impairment losses under investment in associates	(13,174)	(14,874)	(6,562)
	17,608	3,760	–

Details of each of the Group's material associates at the end of the reporting period are as follows:

Name of Entities	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group			Proportion of voting rights held by the Group			Principal activity
			2023	2024	2025	2023	2024	2025	
Guangdong Deyun International Logistics Co., Ltd. ("Guangdong Deyun")	China	Guangdong	35%	–	–	35%	–	–	Logistics
Shanghai PSE Logistics Tech Co., Ltd. ("Shanghai PSE")	China	Shanghai	28.43%	28.57%	–	28.43%	28.57%	–	Logistics

All of these associates are accounted for using the equity method in this report.

Guangdong Deyun

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current assets	68,837	N/A	N/A
Non-current assets	3,842	N/A	N/A
Current liabilities	48,603	N/A	N/A
Non-current liabilities	791	N/A	N/A

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	254,790	N/A	N/A
Loss for the year	(2,215)	N/A	N/A
Total comprehensive expense for the year	(2,215)	N/A	N/A

Note: The equity investment in Guangdong Deyun was disposed of in 2024.

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in this report:

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net assets of Guangdong Deyun	23,285	N/A	N/A
Proportion of the Group's ownership interest in Guangdong Deyun	8,149	N/A	N/A
Other adjustments	58	N/A	N/A
Carrying amount of the Group's interest in Guangdong Deyun	8,207	N/A	N/A

Shanghai PSE

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current assets	8,788	13,749	N/A
Non-current assets	1,311	1,074	N/A
Current liabilities	2,611	6,205	N/A
Non-current liabilities	–	–	N/A

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	108,232	97,753	N/A
Profit for the year	1,116	1,140	N/A
Total comprehensive income for the year	1,116	1,140	N/A

Note: The equity investment in Shanghai PSE was disposed of in 2025.

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in this report:

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net assets of Shanghai PSE	7,488	8,618	N/A
Proportion of the Group's ownership interest in Shanghai PSE	2,129	2,462	N/A
Other adjustments	1,257	1,298	N/A
Carrying amount of the Group's interest in Shanghai PSE	3,386	3,760	N/A

Aggregate information of associates that are not individually material

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
The Group's share of loss	(1,308)	–	–
The Group's share of total comprehensive expense	(1,308)	–	–
Aggregate carrying amount of the Group's interests in these associates	6,015	–	–

20. EQUITY INSTRUMENTS AT FVTOCI

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Unlisted:			
– Equity investments *(Note 1)*	24,860	19,236	108,658

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Unlisted:			
– Equity investments *(Note 1)*	750	750	82,789

Note:

(1) The above unlisted equity investments represent the Group's equity interest in private entities established in the PRC. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that the Company will hold these equity investments long-term for strategic purposes.

As at 31 December 2023, 2024 and 2025, included in unlisted equity investments above is the Group's investment in Nanjing Huimaotong E-Commerce Service Co., Ltd., a company incorporated in the PRC, with a carrying amount of RMB750,000, RMB750,000 and RMB750,000, representing equity interests of 10%, 10%, and 4.9% in Nanjing Huimaotong E-Commerce Service Co., Ltd.

As at 31 December 2023, 2024 and 2025, included in unlisted equity investments above is the Group's investment in EWE Group Pty Ltd., a company incorporated in Australia, with a carrying amount of RMB8,422,000, RMB8,519,000 and RMB10,103,000. The investment represents a 4.11% equity interests in EWE Group Pty Ltd.

As at 31 December 2023, 2024 and 2025, the Group's investment in Uni Express Inc., a company incorporated in Canada, is included in unlisted equity investments a carrying amount of RMB15,688,000, RMB9,967,000 and RMB15,766,000, respectively, representing equity interests of 2.00%, 0.77% and 0.65% in Uni Express Inc.

As at 31 December 2025, the Group's investment in Sichuan International Air Cargo Development Co., Ltd., a company incorporated in the PRC, is included in the unlisted equity investments disclosed above. The carrying amounts was RMB82,039,000, representing equity interests of 10% in the Sichuan International Air Cargo Development Co., Ltd..

21. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset.

The following is the analysis of the deferred tax balances for financial reporting purposes:

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	2,495	7,524	3,141
Deferred tax liabilities	(13,605)	(1,406)	(3,147)
	(11,110)	6,118	(6)

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	–	1,339	–
Deferred tax liabilities	(12,224)	–	(696)
	(12,224)	1,339	(696)

The following are the deferred tax assets (liabilities) recognised and movements thereon during the years ended 31 December 2023, 2024 and 2025:

The Group

	ECL provision	Tax losses	Impairment provision on Property, plant and equipment/ investment in associates	Fair value adjustments	Accelerated depreciation for Property, plant and equipment	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	2,333	30	1,216	–	(28,124)	1,576	(22,969)
Credit/(charge) to profit or loss	2,195	(28)	2,078	–	6,954	2,325	13,524
Charge to other comprehensive income	–	–	–	(1,665)	–	–	(1,665)
At 31 December 2023	4,528	2	3,294	(1,665)	(21,170)	3,901	(11,110)
Credit to profit or loss	3,596	1,736	6,965	–	3,325	1,216	16,838
Credit to other comprehensive income	–	–	–	390	–	–	390
At 31 December 2024	8,124	1,738	10,259	(1,275)	(17,845)	5,117	6,118
(Charge)/credit to profit or loss	(2,657)	(1,738)	(3,891)	1,990	2,637	(1,247)	(4,906)
Charge to other comprehensive income	–	–	–	(1,218)	–	–	(1,218)
At 31 December 2025	5,467	–	6,368	(503)	(15,208)	3,870	(6)

The Company

	ECL provision	Tax losses	Impairment provision on Property, plant and equipment/ investment in associates	Fair value adjustments	Accelerated depreciation for Property, plant and equipment	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,948	–	1,216	–	(28,124)	97	(24,863)
Credit to profit or loss	2,266	–	2,078	–	6,954	1,341	12,639
At 31 December 2023	4,214	–	3,294	–	(21,170)	1,438	(12,224)
Credit/(charge) to profit or loss	3,885	–	6,466	–	3,442	(230)	13,563
At 31 December 2024	8,099	–	9,760	–	(17,728)	1,208	1,339
(Charge)/credit to profit or loss	(2,689)	–	(3,521)	1,990	2,520	(335)	(2,035)
At 31 December 2025	5,410	–	6,239	1,990	(15,208)	873	(696)

Deferred tax assets have not been recognized in respect of the following items:

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tax losses	7,851	6,479	48,691
Deductible temporary differences	738	14,190	36,384
	8,589	20,669	85,075

As at 31 December 2023, 2024 and 2025, the Group has unused tax losses of approximately RMB7,883,000, RMB14,769,000 and RMB48,691,000 available for offset against future profits. A deferred tax asset has been recognised in respect of approximately RMB32,000, RMB8,290,000 and nil of such losses. No deferred tax asset has been recognised in respect of the remaining approximately RMB7,851,000, RMB6,479,000 and RMB48,691,000 due to the unpredictability of future profit streams. The unrecognized tax losses with expiry dates as disclosed in the following table.

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
2026	2,839	1,231	1,231
2027	2,517	2,517	2,517
2028	2,495	2,495	2,528
2029	–	236	236
2030	–	–	13,657
	7,851	6,479	20,169

Note: The unrecognized tax losses generated by the subsidiaries registered in the U.S. have no expiry dates, with amounts of nil, nil and RMB28,522,000, as of 31 December 2023, 31 December 2024, and 31 December 2025, respectively.

22. CONTRACT ASSETS

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sales of cross-border integrated logistics services	50,815	48,139	30,041
Less: allowance for credit losses	(873)	(796)	(300)
	49,942	47,343	29,741
Current	49,942	47,343	29,741

As at 1 January 2023, contract assets amounted to RMB27 million.

The contract assets represent the Group's right to consideration for the services performed to date. Payment for logistic services is not due from the customer until the delivery services are complete and therefore a contract asset is recognised over the period in which the delivery services are performed.

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sales of cross-border integrated logistics services	50,815	48,139	29,204
Less: allowance for credit losses	(873)	(796)	(292)
	49,942	47,343	28,912
Current	49,942	47,343	28,912

23. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The Group

	At 31 December		
	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

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	1,028,189	622,103	204,402
Less: allowance for credit losses	(13,509)	(24,101)	(817)
	1,014,680	598,002	203,585
Other receivables and deposits	38,526	83,754	68,223
Less: allowance for credit losses	(2,846)	(7,476)	(20,431)
	35,680	76,278	47,792
Prepayments to suppliers	175,633	13,666	50,468
Deferred [REDACTED] costs	[REDACTED]	[REDACTED]	[REDACTED]
Total	1,225,993	687,946	305,322

In relation to the sales of providing cross-border integrated logistics services, the Group allows a credit period from 7 to 90 days to its trade customers.

As at 1 January 2023, trade receivables from contracts with customers amounted to RMB277 million.

Aging analysis

The following is an aged analysis of trade receivables presented based on the invoice dates at the end of each reporting period:

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
0-180 days	1,034,292	531,074	348,955
181-365 days	550	139,375	531
1-2 years	1,240	1,584	32
Over 2 years	2,827	3,555	112
	1,038,909	675,588	349,630

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
0-180 days	1,023,572	478,027	203,857
181-365 days	550	138,943	413
1-2 years	1,240	1,578	20
Over 2 years	2,827	3,555	112
	1,028,189	622,103	204,402

As at 31 December 2023, 2024 and 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB1,115,000, RMB237,433,000 and RMB17,178,000 which are past due as at the respective reporting date. Out of the past due balances, RMB1,115,000, RMB124,840,000 and RMB497,000 has been past due over 90 days and is not considered as in default due to the history of cooperation and the sound collection history of the debtors.

Details of impairment assessment of trade, and other receivables are set out in Note 33(b).

24. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS

Bank balances as at 31 December 2023, 2024 and 2025 carry interest at market rates which range from 0.0001% to 4.35% per annum and the restricted bank deposits as at 31 December 2023, 2024 and 2025 carry fixed interest rate which range from 0.05% to 2.15% per annum.

Restricted bank deposits as at 31 December 2023, 2024 and 2025 primarily represented deposit paid for applying to the bank for the issuance of letters of guarantee and the purchase of foreign exchange, which will be released upon the expiration of the relevant letters of guarantee and actual purchase of foreign exchange, respectively.

Details of impairment assessment of bank balances and restricted bank deposits are set out in Note 33(b).

25. TRADE AND OTHER PAYABLES

The Group

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

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	1,060,545	804,088	751,010
Payable for the purchase of property, plant and equipment	13,922	3,046	2,282
Accrued staff costs and retirement benefit scheme contributions	29,355	26,534	28,098
Other payables	1,908	2,327	6,059
Accrued [**REDACTED**] costs	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Other tax liabilities	1,461	1,067	1,052
	1,107,191	837,062	790,807

The credit period on trade payables ranges from 0 to 90 days. The aging analysis of the Group's trade payables based on the invoice dates at the end of each reporting period are as follows:

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,079,056	834,648	843,358

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,060,545	804,088	751,010

26. LEASE LIABILITIES

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	27,395	31,695	65,706
Within a period of more than one year but not exceeding two years	21,990	31,785	58,303
Within a period of more than two years but not exceeding five years	46,870	67,383	95,038
Within a period of more than five years	10,223	–	2,385
	106,478	130,863	221,432
Less: Amount due for settlement with 12 months shown under current liabilities	(27,395)	(31,695)	(65,706)
Amount due for settlement after 12 months shown under non-current liabilities	79,083	99,168	155,726

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	27,365	20,833	22,814
Within a period of more than one year but not more than two years	21,990	19,929	14,416
Within a period of more than two years but not exceeding five years	46,870	38,110	22,318
Within a period of more than five years	10,223	–	–
	106,448	78,872	59,548
Less: Amount due for settlement with 12 months shown under current liabilities	(27,365)	(20,833)	(22,814)
Amount due for settlement after 12 months shown under non-current liabilities	79,083	58,039	36,734

The incremental borrowing rates applied to lease liabilities range from 3.00% to 3.95% for each of the years ended 31 December 2023, 2024 and 2025.

27. CONTRACT LIABILITIES

The Group collected payments in advance from customers primarily for sales of cross-border integrated logistics services to customers. The Group has recognized the following liabilities related to contracts with customers under "contract liabilities":

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Advance from sales of cross-border integrated logistics services	67,917	84,473	108,613
Current	67,917	84,473	108,613

The Company

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Advance from sales of cross-border integrated logistics services	64,714	78,151	100,224
Current	64,714	78,151	100,224

As of January 1, 2023, contract liabilities amounted to RMB67 million.

The Group has recognized the transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as of 31 December 2025, as contract liabilities. The directors of the Company expect that the current contract liabilities will be recognized as revenue within one year.

28. SHARE CAPITAL

	Number of shares	**Share capital**
	'000	*RMB'000*
Ordinary shares of RMB1 each		
Registered, issued and fully paid:		
At 31 December 2023, 2024	60,000	60,000
Shares repurchased and cancelled	(9,098)	(9,098)
At 31 December 2025	50,902	50,902

During the year ended 31 December 2025, the Company repurchased 9,098,066 of its own ordinary shares with an aggregate consideration of RMB232,040,000 paid.

The above ordinary shares were cancelled upon repurchase.

29. RETIREMENT BENEFIT SCHEME

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

The retirement benefit scheme contributions amounted to approximately RMB25,623,000, RMB23,847,000 and RMB25,955,000 for the years ended 31 December 2023, 2024 and 2025, respectively. No forfeited contributions have been used to reduce the level of contributions during each of the reporting period.

30. RELATED PARTY DISCLOSURES

(a) Name and relationship

The directors of the Company are of the opinion that the following companies are related parties that had transactions or balances with the Group during the Track Record Period.

Name of related parties	Relationship
Mr. Zhou	Chairman of the Board and executive Director
Ms. Zeng	Vice Chairman of the Board, executive Director and general manager
Yoowe (Hong Kong) Limited	Controlled by Mr. Zhou
Shanghai Xixi Technology Co., Ltd.	Controlled by the wife of a non-executive director Mr. Zhu
Shanghai PSE *(Note i)*	Associate of the Company
Guangdong Deyun *(Note ii)*	Associate of the Company
Alreach Group (HK) Limited *(Note iii)*	Subsidiary of an associate of the Company
Zeng wei ("Mr. Zeng")	Close family member of Ms. Zeng

Notes:

(i) The investment in Shanghai PSE was repurchased in 2025. As such Shanghai PSE was no longer a related party of the Company since then. As at 31 December 2025, the outstanding balance of other receivable for the consideration from the disposal of the investment amounted to RMB2,000,000.

(ii) The investment in Guangdong Deyun was disposed of in November 2024. As such Guangdong Deyun was no longer a related party of the Company since then. As at 31 December 2024, the outstanding balance of other receivable for the consideration from the disposal of the investment amounted to RMB5,705,000. As at 31 December 2025, the other receivable related to this transaction had been settled.

(iii) The parent company of Alreach Group (HK) Limited, which was an associate of the Company, was deregistered in June 2025, resulting in Alreach Group (HK) Limited no longer being a related party of the Company. Alreach Group (HK) Limited was subsequently deregistered in August 2025.

(b) Saved as disclosed elsewhere in this Historical Financial Information, the Group has following transactions with related parties:

		Year ended 31 December		
Name of related parties	Nature of transactions	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Guangdong Deyun	Provision of services	13,279	10,596	N/A
Shanghai PSE	Provision of services	14,840	25	–
Shanghai Xixi Technology Co., Ltd.	Provision of services	110	–	–
Yoowe (Hong Kong) Limited	Provision of services	3,015	781	304
Alreach Group (HK) Limited	Purchase of services	279,351	15,254	–
Guangdong Deyun	Purchase of services	233,120	17,863	N/A
Shanghai PSE	Purchase of services	–	2,387	321
Yoowe (Hong Kong) Limited	Purchase of services and products	–	2,484	8,008

In addition to the aforementioned related-party transactions, during the years ended 31 December 2023, 2024 and 2025, Mr. Zhou and Ms. Zeng jointly provided joint and several guarantee for the loan within the Company's credit facility of RMB650 million, RMB650 million and RMB300 million.

Mr. Zeng is a close family member of Ms. Zeng, who serves as the senior director of the general business department of the Company. The amounts of remuneration paid to Mr. Zeng by the Company were RMB882,000, RMB917,000 and RMB2,860,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

(c) Saved as disclosed elsewhere in this Historical Financial Information, the Group has the following balances with related parties at the end of each reporting period:

The Group

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from related parties			
Trade nature			
Trade receivables (note i)			
Guangdong Deyun	10,622	N/A	N/A
Shanghai PSE	821	5	N/A
Yoowe (Hong Kong) Limited	543	379	195
	11,986	384	195
Other receivables (note i)			
Guangdong Deyun	8,387	N/A	N/A
Prepayments (note i)			
Guangdong Deyun	8,901	N/A	N/A
Alreach Group (HK) Limited	2,804	–	N/A
	11,705	–	N/A
	32,078	384	195

The following is an aged analysis of gross carrying amount of trade receivables due from related parties, presented based on the respective revenue recognition dates at the end of each reporting period.

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
0-180 days	11,986	379	126
181-365 days	–	5	69
	11,986	384	195

	At 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Amounts due to related parties			
Trade nature (note ii)			
Shanghai PSE	–	2,118	N/A
Guangdong Deyun	25,135	N/A	N/A
Yoowe (Hong Kong) Limited	–	349	26
	25,135	2,467	26

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from related parties			
Trade nature			
Trade receivables (note i)			
Yoowe (Hong Kong) Limited	458	360	195
Other receivables (note i)			
Guangdong Deyun	2,850	N/A	N/A
Prepayments (note i)			
Guangdong Deyun	1,000	N/A	N/A
Alreach Group (HK) Limited	2,804	–	N/A
	3,804	–	N/A
	7,112	360	195
Amounts due to related parties			
Trade nature (note ii)			
Shanghai PSE	–	2,118	N/A

(d) Saved as disclosed elsewhere in this Historical Financial Information, the Company has the following balances with subsidiaries at the end of each reporting period:

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from subsidiaries			
Trade nature (note i)			
Trade receivables	37,919	92,740	219,924
Other receivables	669	5,669	279
Prepayments	82,284	–	160,700
	120,872	98,409	380,903

The following is an aged analysis of gross carrying amount of trade receivables due from subsidiaries, presented based on the respective revenue recognition dates at the end of each reporting period.

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
0-180 days	37,919	92,740	219,924

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due to subsidiaries			
Trade nature (note ii)			
Trade payables	164,996	104,776	238,184
Other payables	72	872	–
	165,068	105,648	238,184

Notes:

(i) Amounts represented trade and other receivables and prepayments for provision or purchase of services, unsecured and interest free.

(ii) Amounts represented trade and other payables for purchase of services, unsecured and non-interest bearing.

(e) Compensation of key management personnel

The remuneration of directors of the Company, chief executive officer and other members of key management of the Group during the Track Record Period was as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, performance related bonuses and other benefits in kind	9,320	10,595	10,248
Retirement benefit scheme contributions	573	608	602
Share-based compensation	972	81	6,065
	10,865	11,284	16,915

31. PARTICULARS OF SUBSIDIARIES

General information of subsidiaries

Details of the subsidiaries held by the Company during the Track Record Period and as at the date of this report are set out below.

Name of subsidiaries	Place of establishment	Date of establishment	Paid-up capital	Equity interests attributable to the Group at 31 December 2023	2024	2025	Principal activities
			Currency 000				
Directly held:							
Yanwen Logistics (Hangzhou) Co., Ltd.	The PRC	3 May 2018	RMB20,000	100%	100%	100%	Logistics
Beijing Yanmaotong Supply Chain Management Co., Ltd.	The PRC	29 Sep 2014	RMB5,000	100%	100%	100%	Logistics
Yanwen Logistics (Hong Kong) Limited	Hong Kong	29 Mar 2019	USD4,339.4	100%	100%	100%	Logistics
Yanwen Logistics Inc	The U.S.	15 Nov 2019	USD3,005	100%	100%	100%	Logistics

Name of subsidiaries	Place of establishment	Date of establishment	Paid-up capital	Equity interests attributable to the Group at 31 December			Principal activities
				2023	2024	2025	
			Currency 000				
Beijing Yanwen Information Technology Co., Ltd.	The PRC	21 Dec 2020	RMB5,000	100%	100%	100%	Logistics
Shenzhen Qianhai Yanwen International Logistics Co., Ltd.	The PRC	1 Feb 2021	RMB200	100%	100%	100%	Logistics
Shenzhen Qianhai Yanwen International Supply Chain Management Co., Ltd. *(Note i)*	The PRC	6 Jan 2022	–	85%	N/A	N/A	Logistics
Hangzhou Anzhi Supply. Chain Co., Ltd.	The PRC	10 May 2022	RMB105	100%	100%	100%	Logistics
Yanwen Express Sdn. Bhd *(Note ii)*	Malaysia	7 Nov 2022	–	80%	N/A	N/A	Logistics
Yanwen Express LLC	The U.S.	10 Jan 2024	USD5,800	N/A	100%	100%	Logistics
YANWEN LOGISTICS	Belgium	4 Jul 2024	EUR3,793.6	N/A	100%	100%	Logistics
YANWEN EXPRESS PR LLC	Puerto Rico	19 Jul 2024	USD100	N/A	100%	100%	Logistics
Yanwen Holding Inc	The U.S.	19 Aug 2024	USD3,800	N/A	100%	100%	Logistics
Shanghai Mindatong Supply Chain Management Co. Ltd	The PRC	12 Nov 2025	RMB50	N/A	N/A	100%	Logistics

Notes:

i This company was deregistered on 2 January 2024.

ii This company was deregistered on 11 April 2024.

All subsidiaries now comprising the Group are limited liability companies and have adopted 31 December as their financial year end date. None of the subsidiaries had issued any debt securities at the end of the each of the reporting period.

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remained unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debts, which includes lease liabilities disclosed in Note 26, respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The management reviews the capital structure periodically. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through issue of new shares as well as the issue of new debt or the redemption of existing debt.

33. FINANCIAL INSTRUMENTS

33a. Categories of financial instruments

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
At FVTOCI	24,860	19,236	108,658
At amortised cost	1,681,933	1,577,094	1,406,236
	1,706,793	1,596,330	1,514,894
Financial liabilities			
At amortised cost	1,120,102	841,751	861,506

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
At FVTOCI	750	750	82,789
At amortised cost	1,513,752	1,450,802	1,230,841
	1,514,502	1,451,552	1,313,630
Financial liabilities			
At amortised cost	1,241,443	917,227	999,841

33b. Financial risk management objectives and policies

The Group's and the Company's major financial instruments include equity instruments at FVTOCI, trade and other receivables, restricted bank deposits, amounts due from related parties, cash and cash equivalents, trade and other payables, amounts due to related parties. Except for above, the Company's major financial instruments also include amounts due from/to subsidiaries. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

Currency risk

The Group mainly exposes to foreign currency of United States Dollar ("USD"), Hong Kong Dollar ("HKD"), Euro ("EUR"), New Zealand Dollar ("NZD"), Canadian Dollar ("CAD"), Great British Pound ("GBP"), Australian Dollar ("AUD"), Norwegian Krone ("NOK") and Japanese Yen ("JPY"). The carrying amounts of the Group's foreign currency denominated monetary assets (trade and other receivables and bank balances and cash) and liabilities (trade and other payables) at the end of the reporting period are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Assets			
USD	405,485	488,378	147,493
EUR	162,887	101,143	45,285
HKD	63,621	48,509	6,006
AUD	61,500	34,309	1,098
NZD	40,008	6,525	130
Liabilities			
USD	222,907	231,177	145,203
HKD	188,153	139,873	109,311
EUR	166,749	75,263	82,124
NZD	26,800	2,844	2,073
CAD	22,023	16,306	26,540
GBP	20,849	21,258	21,489
AUD	18,919	25,433	26,785
NOK	5,107	2,389	1,042
JPY	2,719	2,907	6,840
CHF	1,010	5,358	15,025

The sensitivity analysis below has been determined based on the exposure to foreign currency rates and includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A 5% increase or decrease is used when reporting foreign currency rate risk internally to key management personnel and represents the directors' assessment of the reasonably possible change in foreign currency rates.

Foreign currency sensitivity analysis

If RMB had been appreciated/depreciated 5% against the foreign currency and all other variables were held constant, the Group's post-tax profit for the years ended 31 December 2023 and 2024 would have decreased/increased by RMB2,185,000, RMB5,852,000, respectively, and for the year ended 31 December 2025 would have increased/decreased RMB8,866,000. This is mainly attributable to the Group's exposure to the foreign currency bank balance, trade and other receivables and trade and other payables as 31 December 2023, 2024 and 2025.

Interest rate risk

The Group and the Company are exposed to fair value interest-rate risk in relation to lease liabilities (Note 26). The Group and the Company currently do not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's and the Company's counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group's and the Company's credit risk exposures are primarily attributable to trade and other receivables, contract assets, restricted bank deposits, amounts due from related parties, cash and cash equivalents. The Group and the Company do not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group and the Company has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group and the Company assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed at the end of the reporting period. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

As at 31 December 2023, 2024 and 2025, the Group has concentration of credit risk as 84%, 76% and 47% of the total trade receivables was due from the Group's largest customer. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

In addition, the Group and the Company perform impairment assessment under ECL model on trade balances individually or based on provision matrix. Except for trade receivables that are with credit-impaired, which are assessed for impairment individually, the remaining trade receivables are grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers. Details of the quantitative disclosures are set out below in this note.

Provision matrix — debtors' aging

As part of the Group's and the Company's credit risk management, the Group and the Company use aging of trade receivables to assess the impairment for its customers because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables on invoice date which are assessed based on provision matrix as at 31 December 2023, 2024 and 2025 within lifetime ECL (not credit-impaired).

Debtor with credit-impaired with a gross carrying amount of RMB22,981,000 at 31 December 2025 was assessed individually and fully provided for ECL.

Gross carrying amount

The Group

	2023			2024			2025		
	Average loss rate	Trade receivables	Contract Assets	Average loss rate	Trade receivables	Contract Assets	Average loss rate	Trade receivables	Contract Assets
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*
Current and within 180 days	1%	1,034,292	50,815	1%	531,074	48,139	1%	325,974	30,041
Over 180 days and within one year	10%	550	–	11%	139,375	–	10%	531	–
Over one year and within two years	50%	1,240	–	50%	1,584	–	50%	32	–
More than two years	100%	2,827	–	100%	3,555	–	100%	112	–
		1,038,909	50,815		675,588	48,139		326,649	30,041

The Company

	2023			2024			2025		
	Average loss rate	Trade receivables	Contract Assets	Average loss rate	Trade receivables	Contract Assets	Average loss rate	Trade receivables	Contract Assets
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*		*RMB'000*	*RMB'000*
Current and within 180 days	1%	1,023,572	50,815	1%	478,027	48,139	1%	203,857	29,204
Over 180 days and within one year	10%	550	–	11%	138,943	–	10%	413	–
Over one year and within two years	50%	1,240	–	50%	1,578	–	50%	20	–
More than two years	100%	2,827	–	100%	3,555	–	100%	112	–
		1,028,189	50,815		622,103	48,139		204,402	29,204

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The Group and the Company write off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Beginning balance	4,643	13,732	24,192
Loss allowance recognised (reversed), net	9,219	10,895	5,510
Write-offs	(130)	(435)	(4,094)
Closing balance	13,732	24,192	25,608

The following tables show reconciliation of loss allowances that has been recognised for trade receivables.

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	4,643	–	4,643
– Transfer to credit-impaired	(130)	130	–
– Impairment losses recognised/(reversed), net	9,219	–	9,219
– Write-offs	–	(130)	(130)
As at 31 December 2023	13,732	–	13,732
– Transfer to credit-impaired	(435)	435	–
– Impairment losses recognised/(reversed), net	10,895	–	10,895
– Write-offs	–	(435)	(435)
As at 31 December 2024	24,192	–	24,192
– Transfer to credit-impaired	(4,324)	4,324	–
– Impairment losses recognised/(reversed), net	(17,241)	22,751	5,510
– Write-offs	–	(4,094)	(4,094)
As at 31 December 2025	2,627	22,981	25,608

Other receivables and deposits

The Group and the Company assessed the loss allowance for other receivables on 12-month ECL and lifetime ECL (when there has been a significant increase in credit risk since initial recognition). In determining the ECL, the Group and the Company have taken into account the historical default experience and forward-looking information as appropriate. As at 31 December 2023, 2024 and 2025, the gross carrying amounts of other receivables which were assessed on 12-month ECL by using provision matrix were RMB73,970,000, RMB90,076,000, and RMB23,453,000, respectively. Those with significant increase in credit risk, with gross carrying amounts of nil, RMB3,334,000, and RMB49,097,000 respectively, were assessed individually.

The following tables show reconciliation of loss allowances that has been recognised for other receivables.

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	4,431	–	–	4,431
– Transfer to lifetime ECL	(1)	1	–	–
– Transfer to credit-impaired	–	(1)	1	–
– Impairment losses recognised/(reversed), net	102	–	25	127
– Write-offs	–	–	(26)	(26)
As at 31 December 2023	4,532	–	–	4,532
– Transfer to lifetime ECL	(175)	175	–	–
– Transfer to credit-impaired	–	(8)	8	–
– Impairment losses recognised/(reversed), net	729	3,167	161	4,057
– Write-offs	–	–	(169)	(169)
As at 31 December 2024	5,086	3,334	–	8,420
– Transfer to lifetime ECL	(2,487)	2,487	–	–
– Transfer to credit-impaired	–	(5,821)	5,821	–
– Impairment losses recognised/(reversed), net	(20)	–	17,559	17,539
– Write-offs	–	–	(3,982)	(3,982)
As at 31 December 2025	2,579	–	19,398	21,977

Amounts due from related parties, amounts due from subsidiaries

The Group and the Company assessed the loss allowance for amounts due from related parties and amounts due from subsidiaries on 12-month ECL basis as the Group and the Company have considered that credit risks on these financial assets have not increased significantly since initial recognition based on the strong financial position with good repayment records of those suppliers and continuous business relationship with the Group and the Company.

The Group and the Company have considered the consistently low historical default rate in connection with payments and the Group and the Company also actively monitor the outstanding amounts owed by each debtor and identify any credit risks in a timely manner in order to reduce the risk of a credit related loss. In this regard, the directors of the Company concluded that credit risk inherent in the Group's amounts due from related parties, and the Company's amounts due from related parties and amounts due from subsidiaries is insignificant.

Restricted bank deposits and bank balances

The credit risk on bank balances and restricted bank deposits are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

In the management of liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalent deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The management will closely monitor the cash flow generated from operations and the Group's and the Company's needs for different types of external financing and will negotiate for proper facilities and consider proper means of equity financing as appropriate.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity tables

The Group

	Weighted average interest rate	On demand or less than 1 year	One to five years	Over five years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023						
Non-derivative financial liabilities and lease liabilities						
Trade and other payables	–	1,094,967	–	–	1,094,967	1,094,967
Amounts due to related parties		25,135	–	–	25,135	25,135
Lease liabilities	3.45 to 3.70	30,491	74,061	10,274	114,826	106,478
		1,150,593	74,061	10,274	1,234,928	1,226,580
Year ended 31 December 2024						
Non-derivative financial liabilities and lease liabilities						
Trade and other payables	–	839,284	–	–	839,284	839,284
Amounts due to related parties	–	2,467	–	–	2,467	2,467
Lease liabilities	3.10 to 3.95	35,591	104,962	–	140,553	130,863
		877,342	104,962	–	982,304	972,614
Year ended 31 December 2025						
Non-derivative financial liabilities and lease liabilities						
Trade and other payables	–	861,480	–	–	861,480	861,480
Amounts due to related parties	–	26	–	–	26	26
lease liabilities	3.00 to 3.95	72,257	161,771	2,395	236,423	221,432
		933,763	161,771	2,395	1,097,929	1,082,938

The Company

	Weighted average interest rate	On demand or less than 1 year	One to five years	Over five years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023						
Non-derivative financial liabilities and lease liabilities						
Trade and other payables	–	1,076,375	–	–	1,076,375	1,076,375
Amount due to subsidiaries	–	165,068	–	–	165,068	165,068
Lease liabilities	3.45 to 3.70	30,458	74,061	10,274	114,793	106,448
		1,271,901	74,061	10,274	1,356,236	1,347,891

	Weighted average interest rate	On demand or less than 1 year	One to five years	Over five years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024						
Non-derivative financial liabilities and lease liabilities						
Trade and other payables	–	809,461	–	–	809,461	809,461
Amount due to related parties	–	2,118	–	–	2,118	2,118
Amount due to subsidiaries	–	105,648	–	–	105,648	105,648
Lease liabilities	3.35 to 3.65	23,093	61,104	–	84,197	78,872
		940,320	61,104	–	1,001,424	996,099
Year ended 31 December 2025						
Non-derivative financial liabilities and lease liabilities						
Trade and other payables	–	761,657	–	–	761,657	761,657
Amounts due to subsidiaries	–	238,184	–	–	238,184	238,184
lease liabilities	3.00 to 3.65	24,479	38,428	–	62,907	59,548
		1,024,320	38,428	–	1,062,748	1,059,389

34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

In estimating the fair value, the Group and the Company use market-observable data to the extent it is available.

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

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

Fair value of the Group's and the Company's financial assets that are measured at fair value on a recurring basis

The Group

	Fair value as at			Fair value hierarchy				
Financial assets	31 December 2023	31 December 2024	31 December 2025	31 December 2023	31 December 2024	31 December 2025	Valuation technique	Significant Unobservable input
Equity instrument at FVTOCI								
As at 31 December 2023, 2024 and 2025, 2.00%, 0.77%, 0.65% equity investment in Uni Express Inc, respectively.	15,688	9,967	15,766	Level 2	Level 2	Level 3	31 December 2023 and 2024: Recent transaction price 31 December 2025:	N/A

Financial assets	Fair value as at 31 December 2023	31 December 2024	31 December 2025	Fair value hierarchy 31 December 2023	31 December 2024	31 December 2025	Valuation technique	Significant Unobservable input
							Market method	Discount for lack of marketability *(Note)*
4.11% equity investment in EWE Group Pty Ltd. . . .	8,422	8,519	10,103	Level 3	Level 3	Level 3	Market method	Discount for lack of marketability *(Note)*
As at 31 December 2023, 2024 and 2025, 10%, 10%, 4.9% equity investment in Nanjing Huimaotong E-Commerce Service Co., Ltd., respectively . .	750	750	750	Level 3	Level 3	Level 3	Market method	Discount for lack of marketability *(Note)*
10% equity investment in Sichuan International Air Cargo Development Co., Ltd.	–	–	82,039	–	–	Level 3	Market method	Discount for lack of marketability *(Note)*

The Company

Financial assets	Fair value as at 31 December 2023	31 December 2024	31 December 2025	Fair value hierarchy 31 December 2023	31 December 2024	31 December 2025	Valuation technique	Significant unobservable Input
Equity instrument at FVTOCI								
As at 31 December 2023, 2024 and 2025, 10%, 10%, 4.9% equity investment in Nanjing Huimaotong E-Commerce Service Co., Ltd., respectively . .	750	750	750	Level 3	Level 3	Level 3	Market method	Discount for lack of marketability *(Note)*
10% equity investment in Sichuan International Air Cargo Development Co,. Ltd.	–	–	82,039	–	–	Level 3	Market method	Discount for lack of marketability *(Note)*

Note: A slight increase/decrease in the discount for lack of marketability used in isolation would result in a significant decrease/increase in the fair value measurement of the private equity investments at FVTOCI. As at 31 December 2023, 2024 and 2025, 5% increase/decrease in the discount for lack of marketability holding all other variables constant would decrease/increase the carrying amount of the private equity investments at FVTOCI by RMB561,000, RMB553,000 and RMB6,036,000.

There were no transfers between Level 1 and 2 during the Track Record Period.

Reconciliation of Level 3 fair value measurements of financial assets

	Equity instrument at FVTOCI
	RMB'000
Level 3	
At 1 January 2023	8,250
Total gains:	
– in other comprehensive income	922
At 31 December 2023	9,172

	Equity instrument at FVTOCI
	RMB'000
Total gains:	
– in other comprehensive income	97
At 31 December 2024	9,269
Total gains:	
– in other comprehensive income	1,584
Purchased	82,039
Transfers into Level 3 *(Note)*	15,766
At 31 December 2025	108,658

Note: As at 31 December 2023, 31 December 2024 and 31 December 2025, the Group owns 2.00%, 0.77% and 0.65% equity interest in Uni Express Inc. that is classified as investment at FVTOCI and is measured at fair value at each reporting date. The fair value of the investment as at 31 December 2023, 31 December 2024 and 31 December 2025 amounted to RMB15,688,000, RMB9,967,000 and RMB15,766,000. The fair value of the investment as at 31 December 2023 and 2024 was measured using a recent transaction price and hence was classified as Level 2 of the fair value hierarchy. During the year ended 2025, there was no comparable recent transaction price. Therefore, the fair value of the investment as at 31 December 2025 was determined based on valuation technique with significant unobservable inputs and was classified as Level 3 of the fair value hierarchy.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors of the Company consider that the carrying amounts of financial assets and liabilities recorded as amortised cost in the Historical Financial Information approximate to their fair values.

The fair value of such financial assets and financial liabilities (categories within Level 3 hierarchy) has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Short-term bank loans	Lease liabilities	Other payables	Accrued [REDACTED] costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	–	60,606	–	[REDACTED]	60,606
Financing cash flows	(984)	(51,347)	–	[REDACTED]	(52,331)
Interest expenses	984	2,912	–	[REDACTED]	3,896
New leases entered/lease modified	–	105,799	–	[REDACTED]	105,799
Early termination of Right-of-use assets	–	(11,492)	–	[REDACTED]	(11,492)
At 31 December 2023	–	106,478	–	[REDACTED]	106,478
Financing cash flows	(567)	(42,351)	–	[REDACTED]	(42,918)
Interest expenses	567	4,445	–	[REDACTED]	5,012
New leases entered/lease modified	–	77,947	–	[REDACTED]	77,947
Early termination of Right-of-use assets	–	(15,656)	–	[REDACTED]	(15,656)
At 31 December 2024	–	130,863	–	[REDACTED]	130,863

	Short-term bank loans	Lease liabilities	Other payables	Accrued [REDACTED] costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financing cash flows	–	(57,645)	(316,480)	[REDACTED]	(375,296)
Interest expenses	–	6,880	–	[REDACTED]	6,880
New leases entered/lease modified	–	144,802	–	[REDACTED]	144,802
Dividends paid	–	–	84,440	[REDACTED]	84,440
Early termination of Right-of-use assets	–	(3,468)	–	[REDACTED]	(3,468)
Payments on repurchase of shares	–	–	232,040	[REDACTED]	232,040
Deferred [REDACTED] costs	–	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
At 31 December 2025	–	221,432	–	[REDACTED]	223,738

36. RESERVES OF THE COMPANY

Movement in the Company's reserves

	Share premium	Statutory surplus reserve	Share-based payments reserve	Other reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	428,213	15,496	7,492	–	111,378	562,579
Profit and total comprehensive income for the year	–	–	–	–	2,825	2,825
Recognition of equity-settled Share-based payments	–	–	1,542	–	–	1,542
Transfer to statutory surplus reserve	–	282	–	–	(282)	–
At 31 December 2023	428,213	15,778	9,034	–	113,921	566,946
Profit and total comprehensive income for the year	–	–	–	–	56,850	56,850
Recognition of equity-settled Share-based payments	–	–	128	–	–	128
Vesting of award shares	9,162	–	(9,162)	–	–	–
Transfer to statutory surplus reserve	–	5,685	–	–	(5,685)	–
At 31 December 2024	437,375	21,463	–	–	165,086	623,924
Profit and total comprehensive income for the year	–	–	–	–	138,383	138,383
Recognition of equity-settled Share-based payments	–	–	12,299	–	–	12,299
Transfer to share premium	10,695	–	(10,695)	–	–	–
Transfer to statutory surplus reserve	–	3,988	–	–	(3,988)	–
Dividends recognised as distribution	–	–	–	–	(84,440)	(84,440)
Repurchase of shares	(222,942)	–	–	–	–	(222,942)
At 31 December 2025	225,128	25,451	1,604	–	215,041	467,224

37. SHARE-BASED PAYMENT TRANSACTIONS

To further promote the establishment and improvement of the Company's long-term incentive and restraint mechanisms, enhance corporate governance structure, fully motivate employees' enthusiasm and creativity, and attract outstanding external talents to join the Company, thereby strengthening the Company's sustainable development capabilities, the Company granted restricted stock units ("RSUs") for key employees ("Share Award Participants"). The specific plan is for the Share Award Participants to acquire equity interests in Zhuhai Hengqin Biaosheng Enterprise Management Center (Limited Partnership) (the "Partnership" or "Employee Incentive Platform").

The Company granted RSUs to certain eligible employees under 2016 share incentive plan (the related RSUs have already been vested as at 1 January 2023), 2017 share incentive plan, 2018 share incentive plan, 2020 share incentive plan and 2023 share incentive plan, collectively as "Restricted Share Award Scheme". According to the terms stipulated in the grant agreements, the vesting conditions can be classified into two types:

(1) Restricted Share Award Scheme in 2016, 2017 and 2018: The grant agreements require employees to continue serving at the Company or its subsidiaries for no less than 60 months from the date they acquire the partnership interest in the Employee Shareholding Platform (i.e., the date of completion of the industrial and commercial registration change).

(2) Restricted Share Award Scheme in 2020 and 2023: The original grant agreements require employees to continue serving from the date they acquire their partnership interest in the Employee Shareholding Platform until 36 months after the Company's [**REDACTED**] and [**REDACTED**]. In December 2025, the Company amended the terms of the 2020 and 2023 share incentive plans, primarily by removing the vesting conditions associated with the successful completion of the [**REDACTED**], and by modifying the service period to 60 months from the date of signing the original grant agreements.

Under the above two types of Restricted Share Award Scheme, after the service period expires, the Share Award Participants may not sell more than 50% of their indirectly held shares in the Company in any given year.

The Share Award Participants were granted the restricted partnership units of the Employee Incentive Platforms and each of the restricted partnership unit represents a corresponding number of ordinary shares of the Company. Upon becoming the limited partner of the Employee Incentive Platforms, the Share Award Participants indirectly receive economic interest in the corresponding number of underlying shares of the Company held by the Employee Incentive Platforms.

(i) Restricted Share Award Scheme

Set out below are details of the movements of the outstanding restricted shares granted under the Restricted Share Award Scheme during the years ended 31 December 2023, 2024 and 2025:

Grant date	Number of shares granted	Outstanding As at 1 January 2023	Granted	Vested	Forfeited	Outstanding As at 31 December 2023	Fair value per share at the date of grant
		(Number of shares)				*(Number of shares)*	*RMB*
1 September 2017 . .	20,462	20,462	–	–	–	20,462	149.87 *(Note:a)*
1 August 2018	32,640	32,640	–	–	–	32,640	163.65 *(Note:b)*
1 November 2020 . .	101,829	96,341	–	–	–	96,341	117.73 *(Note:c)*
1 November 2023 . .	164,634	–	164,634	–	–	164,634	22.47 *(Note:d)*

Grant date	Number of shares granted	Outstanding As at 1 January 2024	Granted	Vested	Forfeited	Outstanding As at 31 December 2024	Fair value Per share at the date of grant
		(Number of shares)				*(Number of shares)*	*RMB*
1 September 2017 . .	20,462	20,462	–	(20,462)	–	–	149.87 *(Note:a)*
1 August 2018	32,640	32,640	–	(32,640)	–	–	163.65 *(Note:b)*

Grant date	Number of shares granted	Outstanding As at 1 January 2024	Granted	Vested	Forfeited	Outstanding As at 31 December 2024	Fair value Per share at the date of grant
		(Number of shares)				*(Number of shares)*	*RMB*
1 November 2020 . .	101,829	96,341	–	–	(5,488)	90,853	117.73 *(Note:c)*
1 November 2023 . .	164,634	164,634	–	–	–	164,634	22.47 *(Note:d)*

Grant date	Number of shares granted	Outstanding As at 1 January 2025	Granted	Vested	Forfeited	Outstanding As at 31 December 2025	Fair value per share at the date of grant
		(Number of shares)				*(Number of shares)*	*RMB*
1 September 2017 . .	20,462	–	–	–	–	–	149.87 *(Note:a)*
1 August 2018	32,640	–	–	–	–	–	163.65 *(Note:b)*
10 November 2020 .	101,829	90,853	–	(90,853)	–	–	117.73 *(Note:c)*
1 November 2023 . .	164,634	164,634	–	–	–	164,634	22.47 *(Note:d)*

Notes:

a The fair value per share is determined based on the subscription price of RMB1.67 per share for this batch of RSUs, as well as the Company's Valuation of RMB110 million from investor close to the grant date, equivalent to issue price of RMB151.54 per share.

b The fair value per share is determined based on the subscription price of RMB1.67 per share for this batch of RSUs, as well as the Company's Valuation of RMB140 million from investor close to the grant date, equivalent to issue price of RMB165.32 per share.

c The fair value per share is determined based on the subscription price of RMB48.06 per share for this batch of RSUs, as well as the fair value per share of the Company of RMB165.79 from an independent qualified professional value close to the grant date. The independent qualified professional valuer is APV International Consulting &Appraisal Limited. The address of the valuer is unit 1406a, 14/F, the Belgian Bank Building, Nos. 721–725 Nathan Road, Kowloon, Hong Kong.

d The fair value per share is determined based on the subscription price of RMB12.53 per share for this batch of RSUs, as well as the recent transaction price of the Company's ordinary shares transferred at RMB35 per share.

The Group recognized total expense of approximately RMB1,542,000, RMB128,000 and RMB12,299,000 for the year ended 31 December 2023, 2024 and 2025, respectively, in relation to restricted shares granted by the Company under the Restricted Share Award Scheme.

38. EVENTS AFTER THE REPORTING PERIOD

There were no material events taken place subsequent to 31 December 2025.

39. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries, have been prepared in respect of any period subsequent to 31 December 2025.