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Application Proof of

Yanwen Logistics Co., Ltd.
燕文物流股份有限公司

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

WARNING

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No offer or invitation will be made to the public in Hong Kong until after a prospectus of the Company has been registered with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). If an offer or an invitation is made to the public in Hong Kong in due course, prospective investors are reminded to make their investment decisions solely based on the Company's prospectus registered with the Registrar of Companies in Hong Kong, copies of which will be published to the public during the offer period.

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Yanwen Logistics Co., Ltd.
燕文物流股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal Value	**:**	**RMB1.00 per H Share**
Stock Code	**:**	**[REDACTED]**

***Sole Sponsor,* [REDACTED], [REDACTED], [REDACTED], [REDACTED] *and* [REDACTED]**

申萬宏源香港
SWHYHK

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A copy of this document, having attached thereto the documents specified in "Appendix V — Documents Delivered to the Registrar of Companies in Hong Kong and on Display," has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this document or any of the other documents referred to above.

The [**REDACTED**] is expected to be determined by agreement between us and the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]) on the [**REDACTED**], which is expected to be on or before [**REDACTED**] and, in any event, not later than 12:00 noon, on [**REDACTED**]. The [**REDACTED**] will be not more than HK$[**REDACTED**] per [**REDACTED**] and is currently expected to be not less than HK$[**REDACTED**] per [**REDACTED**], unless otherwise announced. If, for any reason, the [**REDACTED**] is not agreed between us and the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]) by 12:00 noon on [**REDACTED**], the [**REDACTED**] will not proceed and will lapse.

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

The [**REDACTED**] (for itself and on behalf of the [**REDACTED**]) may, where considered appropriate and with our consent, reduce the number of [**REDACTED**] being [**REDACTED**] under the [**REDACTED**] and/or the indicative [**REDACTED**] range below that is stated in this document at any time on or prior to the morning of the last day for lodging applications under the [**REDACTED**]. In such a case, notices of the reduction in the number of [**REDACTED**] and/or the indicative [**REDACTED**] range will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and on the website of our Company at **www.yw56.com.cn** as soon as practicable but in any event not later than the morning of the day which is the last day for lodging applications under the [**REDACTED**]. See "Structure of the [**REDACTED**]" and "How to Apply for the [**REDACTED**]" in this document for more details.

The obligations of the [**REDACTED**] under the [**REDACTED**] are subject to termination by the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]) if certain grounds for termination arise prior to 8:00 a.m. on the [**REDACTED**]. Such grounds are set out in "[**REDACTED**]" in this document.

The [**REDACTED**] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be [**REDACTED**], [**REDACTED**], pledged or transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The [**REDACTED**] are being [**REDACTED**] and [**REDACTED**] only outside the United States in offshore transactions in reliance on Regulation S.

Prior to making an [REDACTED] decision, prospective [REDACTED] should consider carefully all of the information set out in this document, including the risk factors set out in "Risk Factors."

[REDACTED]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

CONTENTS

IMPORTANT NOTICE TO [REDACTED]

We have issued this document solely in connection with the [**REDACTED**] *and the* [**REDACTED**]*, and it does not constitute an* [**REDACTED**] *to sell or a solicitation of an* [**REDACTED**] *to buy any security other than the* [**REDACTED**] *by this document pursuant to the* [**REDACTED**]*. This document may not be used for the purpose of, and does not constitute, an* [**REDACTED**] *or invitation in any other jurisdiction or in any other circumstances. We have taken no action to permit a* [**REDACTED**] *of the* [**REDACTED**] *in any jurisdiction other than Hong Kong, and we have taken no action to permit the distribution of this document in any jurisdiction other than Hong Kong. The distribution of this document and the* [**REDACTED**] *and* [**REDACTED**] *of the* [**REDACTED**] *in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.*

You should only rely on the information contained in this document to make your [**REDACTED**] *decision. We have not authorized anyone to provide you with information that is different from what is contained in this document. Any information or representation not made in this document must not be relied on by you as having been authorized by us, the Sole Sponsor, the* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**] *and the* [**REDACTED**]*, the* [**REDACTED**]*, any of the* [**REDACTED**]*, any of our or their respective directors, advisors, officers, employees, agents or representatives, or any other person or party involved in the* [**REDACTED**].

Page

Expected Timetable iv

Contents viii

Summary 1

Definitions 11

Glossary 22

Forward-Looking Statements 25

Risk Factors 26

Waivers from Strict Compliance with the Listing Rules 51

CONTENTS

Information about this Document and the [REDACTED] 54

Directors and Parties Involved in the [REDACTED] 58

Corporate Information 60

Industry Overview 61

Regulatory Overview 73

History, Development and Corporate Structure 93

Business 110

Relationship with Our Controlling Shareholders 163

Directors and Senior Management 166

Substantial Shareholders 176

Share Capital 178

Financial Information 181

Future Plans and Use of [REDACTED] 214

[REDACTED] 217

Structure of the [REDACTED] 228

How to Apply for the [REDACTED] 237

Appendix I — Accountants' Report I-1

Appendix II — Unaudited [REDACTED] Financial Information II-1

Appendix III — Summary of the Articles of Association III-1

Appendix IV — Statutory and General Information IV-1

Appendix V — Documents Delivered to the Registrar of Companies in Hong Kong and on Display V-1

SUMMARY

This summary is an overview of the information contained in this document and does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the [**REDACTED**].

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

OUR VISION

To become a globally most trustworthy partner in cross-border e-commerce logistics.

OUR MISSION

To continuously enhance cross-border logistics efficiency through technology and to deliver globally connected services across diverse e-commerce scenarios, enabling global manufacturing to reach consumers worldwide.

OVERVIEW

We are a leading third-party B2C cross-border e-commerce logistics services provider in China. According to Frost & Sullivan, we ranked second among third-party B2C cross-border e-commerce logistics services providers in China in terms of revenue from cross-border e-commerce express services in 2025, with a market share of 1.8%, and ranked second among third-party B2C cross-border e-commerce logistics services providers in China in terms of parcel volume shipped to the U.S. in 2025, with a market share of 1.4%.

During the Track Record Period, we provided cross-border e-commerce express services and local last-mile delivery services. With over two decades of operational experience, we have built an integrated logistics service system that spans first-mile pickup, sorting, cross-border transportation, customs clearance and last-mile delivery. We served over 30,000 customers in each year during the Track Record Period, including cross-border e-commerce third-party platforms, cross-border merchants and Chinese brands expanding overseas.

Our cross-border e-commerce express services embrace a service coverage across over 200 countries and regions, supported by a nationwide domestic pickup network in China. This extensive footprint enables efficient coordination across key logistics nodes, and enhances service stability and cost efficiency, allowing us to meet cross-border merchants' requirements for timeliness, reliability and compliance. Leveraging our extensive coverage and consistent service quality, we have established long-term partnerships with major global e-commerce platforms and a diversified customer base of cross-border merchants and Chinese brands expanding overseas.

To address structural gaps in U.S. last-mile delivery, we launched local last-mile delivery services in the U.S. in March 2024 as part of our globalization strategy. By combining self-operated distribution infrastructure with flexible crowdsourced capacity, we have built a scalable local delivery network covering major U.S. metropolitan areas. As of the Latest Practicable Date, we established 10 regional sorting centers in Los Angeles, Ontario, San Francisco, Dallas, Chicago, Atlanta, New York, New Jersey, Miami and Denver, with a broad service coverage across 41 states, reaching approximately 70% of the U.S. population. Our U.S. services have expanded from handling our own cross-border parcels to supporting local U.S. small and medium-sized e-commerce merchants and overseas warehouses operated by Chinese sellers, providing a broad customer base for our business growth.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths can empower us to achieve sustainable growth: (i) a leading third-party B2C cross-border e-commerce logistics services provider in China; (ii) strategic deployment of the localized U.S. service network to support a clear growth engine; (iii) advanced digitalized and intelligent capabilities enhancing our operational and technology strengths; (iv) diversified customer base and global supplier network supporting resilient growth; and (v) systematic operating capabilities driving efficiency and supporting scalable growth.

OUR BUSINESS STRATEGIES

We intend to leverage our existing strengths and carry out the following strategies to capture growing market opportunities, further solidify our market position and achieve our mission. Our growth strategies include: (i) deepening dual-business synergy to support long-term growth; (ii) enhancing efficiency and competitiveness driven by digitalization and automation; (iii) deepening customer value development and expanding integrated cross-border logistics service capabilities; (iv) executing a phased global expansion with a focus on high-potential destination markets; and (v) enhancing cost competitiveness and profitability management to support scaled and sustainable earnings growth.

OUR BUSINESS MODEL

We provide end-to-end B2C cross-border e-commerce logistics services to our customers. Supported by our extensive operational network and established supplier ecosystem, our integrated service offering covers the full cycle of cross-border fulfillment, spanning first-mile pickup, sorting, cross-border transportation, customs clearance and last-mile delivery.

Our business model is built around two principal business lines : (i) cross-border e-commerce express services and (ii) local last-mile delivery services. These core offerings are complemented by other cross-border services that enhance service flexibility and broaden customer reach. In addition to our two principal business lines, we provide other cross-border services on a segmented and on-demand basis to address specific customer needs under certain operating scenarios. See "Business — Our Business Model."

OUR OPERATIONAL ACHIEVEMENTS

The following table sets forth selected performance metrics of our services:

	Year ended/As of December 31,		
	2023	2024	2025
Number of customers[(1)]	33,048	33,647	36,813
Total parcel processing volume			
– Cross-border e-commerce express services	137,448,436	106,503,565	120,260,772
– Local last-mile delivery services	–	5,246,027	25,231,646
Total	137,448,436	111,749,592	145,492,418
PRC fulfillment network			
– Number of warehouses	39	36	35
• Number of sorting centers	6	4	4
U.S. fulfillment network			
– Number of warehouses	–	4	21
• Number of sorting centers	–	2	10
– U.S. population coverage (%)	–	approximately 13.4	approximately 70.0

Note:

(1) Number of customers refers to customers that contributed revenue to us during the relevant year.

For details, see "Business — Our Operational Achievements."

OUR CUSTOMERS AND SUPPLIERS

Our Customers

During the Track Record Period, our customers comprised cross-border e-commerce third-party platforms, cross-border merchants and Chinese brands expanding overseas. Our revenue generated from our five largest customers in each year during the Track Record Period amounted to RMB6,068.7 million, RMB1,842.9 million and RMB1,201.6 million in 2023, 2024 and 2025, respectively, accounting for 64.0%, 31.6% and 18.0% of our total revenue for the same years. Revenue contributed from our largest customer in each year during the Track Record Period amounted to RMB4,923.8 million, RMB1,269.2 million and RMB558.2 million in the respective years, accounting for 51.9%, 21.8% and 8.4% of our total revenue for the same years, respectively. See "Business — Our Customers."

Our Suppliers

During the Track Record Period, we collaborated with a broad network of third-party transportation service providers, cross-border linehaul operators, customs brokerage firms, and last-mile delivery service providers to support fulfillment from origin to final delivery. Purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB2,560.0 million, RMB1,378.1 million and RMB1,706.5 million in 2023, 2024 and 2025, respectively, accounting for 28.4%, 25.8% and 28.0% of our total purchases for the same years. Purchases from our largest suppliers in each year during the Track Record Period amounted to RMB761.9 million, RMB420.5 million and RMB518.1 million in the respective years, accounting for 8.5%, 7.9% and 8.5% of our total purchases for the same years, respectively. See "Business — Our Suppliers."

Overlapping Customers and Suppliers

During the Track Record Period, we provided logistics services to certain customers who also acted as our suppliers. In certain transaction stages, we procured transportation capacity, customs clearance services or other specialized logistics resources from such counterparties based on factors such as route coverage, regional access, capacity availability and service specialization. Our Directors confirm that all of our sales to and purchases from these overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on arm's length basis. See "Business — Overlapping Customers and Suppliers."

PRICING

Our pricing is primarily determined based on destination countries or regions, and varies depending on factors such as parcel weight, parcel volume, parcel attributes and required delivery timeliness. Our pricing is also dynamically adjusted in response to variables including fluctuations in upstream transportation costs and changes in the competitive landscape. See "Business — Pricing."

COMPETITION

China's B2C cross-border e-commerce logistics services industry is sizeable and highly competitive, with a fragmented industry structure in which no single service provider holds a dominant position. According to Frost & Sullivan, the total revenue of China's top five third-party B2C cross-border e-commerce logistics services providers amounted to approximately RMB26.5 billion in 2025, representing only a limited share of the overall market. Competition in this industry is primarily driven by network coverage, last-mile capabilities, service stability, cost efficiency, digitalization capabilities and execution reliability. See "Business — Competition."

RISK FACTORS

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

- We have relied, and may continue to rely, on certain cross-border e-commerce third-party platforms.
- We rely on third-party service providers for certain aspects of our operations.
- We are subject to various risks relating to third-party payments.
- If we are unable to compete effectively, our business, financial condition, results of operations, and market share could be materially and adversely affected.
- Our business growth is closely linked to the development of the B2C cross-border e-commerce industry.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was directly held as to approximately 35.26%, 28.69% and 7.84% by Mr. Zhou, Ms. Zeng and Hengqin Biaosheng, respectively. Ms. Zeng is the spouse of Mr. Zhou and Hengqin Biaosheng is controlled by Mr. Zhou as its general partner. Therefore, Mr. Zhou, Ms. Zeng and Hengqin Biaosheng, directly or indirectly, are collectively entitled to exercise the voting rights attaching to approximately 71.79% of our total issued share capital as of the Latest Practicable Date.

Immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Mr. Zhou, Ms. Zeng and Hengqin Biaosheng, directly or indirectly, will be collectively entitled to exercise the voting rights attaching to approximately [**REDACTED**]% of the enlarged total issued share capital of our Company. Therefore, Mr. Zhou, Ms. Zeng and Hengqin Biaosheng will be a group of Controlling Shareholders after the [**REDACTED**] for the purpose of the Listing Rules.

[**REDACTED**] INVESTMENTS

To support the development and operation of our principal business and the general working capital needs of our Group, we have received four rounds of [**REDACTED**] Investments since our establishment. See "History, Development and Corporate Structure — [**REDACTED**] Investments."

[**REDACTED**] ESOP

We granted share awards from 2016 to 2025 to motivate and encourage our employees to drive our business development. We further adopted the [**REDACTED**] ESOP on December 30, 2025 applicable to all share awards previously granted by our Company. As of the Latest Practicable Date, Hengqin Biaosheng, our employee stock ownership platform, held 2,195,614 Shares underlying the share awards granted to 23 eligible participants under the [**REDACTED**] ESOP. All the underlying Shares subject to the [**REDACTED**] ESOP have already been issued. The [**REDACTED**] ESOP is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of new awards by our Company after the [**REDACTED**]. See "Appendix IV — Statutory and General Information — D. [**REDACTED**] ESOP" for the principal terms of the [**REDACTED**] ESOP.

ACQUISITION, DISPOSAL AND DEREGISTRATION

During the Track Record Period and up to the Latest Practicable Date, we had certain acquisitions and disposals of minority interests in, and deregistrations of, subsidiaries or invested entities. See "History, Development and Corporate Structure — Acquisition, Disposal and Deregistration."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this document.

Summary of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Year ended December 31,		
	2023	2024	2025
		(RMB'000)	
Revenue	**9,482,942**	**5,826,954**	**6,687,050**
Cost of sales	(9,138,935)	(5,450,976)	(6,225,077)
Gross profit	**344,007**	**375,978**	**461,973**
Profit before tax	**55,294**	**57,292**	**153,314**
Income tax credit/(expense)	2,826	(7,621)	(46,993)
Profit for the year	**58,120**	**49,671**	**106,321**
Other comprehensive income for the year	5,098	4,054	4,628
Total comprehensive income for the year	**63,218**	**53,725**	**110,949**

Non-IFRS Measure

To supplement our financial information, which is presented in accordance with IFRS Accounting Standards, we also provide adjusted net profit (non-IFRS measure) as an additional financial measure, which is not presented in accordance with IFRS Accounting Standards ("**non-IFRS measure**").

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

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

See "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Non-IFRS Measure."

Revenue

During the Track Record Period, we derived revenue from the provision of (i) cross-border e-commerce express services; (ii) local last-mile delivery services; and (iii) other cross-border services. The table below sets forth our revenue by business line for the years indicated:

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

Note:

(1) Other cross-border services primarily consist of last-mile delivery services carried out by other suppliers, customs clearance services, first-leg logistics services for designated cross-border e-commerce platform merchants and international air freight forwarding services.

Our revenue decreased from RMB9,482.9 million in 2023 to RMB5,827.0 million in 2024, primarily due to a decline in revenue from our cross-border e-commerce express services. This decrease was mainly attributable to reduced procurement from certain large cross-border e-commerce platforms since early 2024, as they shifted their logistics sourcing model from a centralized, single-supplier approach to a more segmented transportation structure to enhance cost control and risk management. Our revenue rebounded to RMB6,687.1 million in 2025, driven by growth in both cross-border e-commerce express services and local last-mile delivery services. See "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue."

Gross Profit and Gross Profit Margin

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

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

Note:

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

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

Selected Items of Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	276,688	316,904	431,894
Total current assets	1,868,038	1,633,068	1,468,978
Total current liabilities	1,254,091	998,119	1,084,470
Net current assets	**613,947**	**634,949**	**384,508**
Total non-current liabilities	94,489	101,854	159,635
Net assets	**796,146**	**849,999**	**656,767**

Our net current assets remained relatively stable at RMB613.9 million and RMB634.9 million as of December 31, 2023 and 2024, respectively. Our net current assets decreased to RMB384.5 million as of December 31, 2025, primarily due to (i) a decrease in trade and other receivables and prepayments, (ii) an increase in lease liabilities and (iii) an increase in trade and other payables, which was partially offset by an increase in cash and cash equivalents. Our net assets remained relatively stable at RMB796.1 million and RMB850.0 million as of December 31, 2023 and 2024, respectively. Our net assets decreased to RMB656.8 million as of December 31, 2025, primarily due to repurchase of shares of RMB232.0 million. See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position."

Summary of Consolidated Statements of Cash Flows

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

During the Track Record Period, we experienced a turnaround to positive operating cash flow. See "Financial Information — Liquidity and Capital Resources — Cash Flows."

Key Financial Ratios

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

See "Financial Information — Key Financial Ratios" for further details.

RECENT DEVELOPMENTS

Subsequent to December 31, 2025 and up to March 31, 2026, our business experienced continuous growth. Our total parcel processing volume increased by 28.3% year-on-year in the first quarter of 2026. In particular, parcel volume from our cross-border e-commerce express services continued to grow, increasing by 14.3% year-on-year. Our local last-mile delivery services in the U.S. also maintained rapid growth, with parcel volume increasing by 110.7% year-on-year during the same period. Furthermore, we further expanded our local delivery network across major metropolitan areas in the U.S. As of March 31, 2026, we had 10 regional sorting centers in the U.S., with a broad service coverage across 41 states, reaching approximately 70.0% of the U.S. population.

NO MATERIAL ADVERSE CHANGE

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

[**REDACTED**] STATISTICS

The statistics in the following table are based on the assumptions that (i) the [**REDACTED**] has been completed and [**REDACTED**] H Shares are newly issued in the [**REDACTED**], (ii) the [**REDACTED**] for the [**REDACTED**] is not exercised, and (iii) [**REDACTED**] Shares are issued and outstanding following the completion of the [**REDACTED**]:

	Based on an [REDACTED] of HK$[REDACTED] per H Share	Based on an [REDACTED] of HK$[REDACTED] per H Share
[**REDACTED**] of our Shares[(1)]	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted net tangible assets attributable to equity shareholders of our Company per Share[(2)]	HK$[**REDACTED**]	HK$[**REDACTED**]

(1) The calculation of [**REDACTED**] is based on [**REDACTED**] Shares expected to be in issue immediately after the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised);

(2) The unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to owners of our Company as of December 31, 2025 per Share are calculated based on [**REDACTED**] Shares that were in issue assuming the [**REDACTED**] had been completed on December 31, 2025. It does not take into account (i) any shares which may be allotted and issued upon the exercise of the [**REDACTED**] or (ii) any shares which may be issued or repurchased by the Company pursuant to the general mandates.

For further details, please refer to "Appendix II — Unaudited [**REDACTED**] Financial Information — A. Unaudited [**REDACTED**] Statement of Adjusted Consolidated Net Tangible Assets of the Group attributable to Owners of the Company" to this document.

[**REDACTED**] EXPENSES

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

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

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

DIVIDENDS AND DIVIDEND POLICY

We do not currently have a formal dividend policy or any fixed dividend pay-out ratio. During the Track Record Period, to reciprocate the longstanding trust and support from our Shareholders and effectively reduce their shareholding costs, we implemented a dividend distribution. Pursuant to the resolution of the Shareholders' meeting of our Company held on August 4, 2025, dividends of RMB84.4 million were approved to be paid to certain Shareholders of the Company, with Mr. Zhou and Hengqin Biaosheng not participating in this dividend distribution. Such dividends were paid in cash in August 2025. See "Financial Information — Dividends and Dividend Policy."

USE OF [**REDACTED**]

We estimate the [**REDACTED**] of the [**REDACTED**] which we will receive, assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-end of the [**REDACTED**] range stated in this document), will be approximately HK$[**REDACTED**], after deducting the estimated [**REDACTED**] and other fees and expenses payable by us in connection with the [**REDACTED**] and assuming the [**REDACTED**] is not exercised.

We intend to use the [**REDACTED**] of the [**REDACTED**] for the following purposes:

Approximately HK$ in millions	Percentage of [REDACTED]	Future Plans
[**REDACTED**]	[**REDACTED**]	Advancing our global expansion strategy and broadening our overseas network coverage
[**REDACTED**]	[**REDACTED**]	Strengthening core technology research and development and upgrading our operational risk control and digitalized systems
[**REDACTED**]	[**REDACTED**]	Enhancing and strengthening our global talent pipeline and organizational capabilities
[**REDACTED**]	[**REDACTED**]	Working capital and other general corporate purposes

For details, see "Future Plans and Use of [**REDACTED**]."

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain technical terms are explained in "Glossary."

"Accountants' Report"	the accountants' report of our Company for the Track Record Period, the text of which is set out in Appendix I to this document
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles of Association"	the articles of association of our Company conditionally adopted by our Shareholders on January 12, 2026 with effect from the [**REDACTED**], as amended from time to time, a summary of which is set out in Appendix III to this document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Beijing Yanmaotong"	Beijing Yanmaotong Supply Chain Management Co., Ltd. (北京燕貿通供應鏈管理有限公司), a limited liability company established in the PRC on September 29, 2014 and a subsidiary of our Company
"Belgium"	the Kingdom of Belgium
"Board" or "Board of Directors"	our board of Directors

[**REDACTED**]

"Business Day" or "business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday, or public holiday in Hong Kong
"CAC"	Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)
"CAGR"	compound annual growth rate

[**REDACTED**]

"China" or "PRC"	the People's Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires, references in this document to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time

"Companies (Winding up and Miscellaneous Provisions) Ordinance"	the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Company," "our Company" or "the Company"	Yanwen Logistics Co., Ltd. (燕文物流股份有限公司) (formerly known as Beijing Yanwen Logistics Co., Ltd. (北京燕文物流股份有限公司)), a joint stock company with limited liability incorporated in the PRC on September 21, 2020, or where the context requires (as the case may be), its predecessor Beijing Yanwen Logistics Limited (北京燕文物流有限公司) (formerly known as Beijing Yanwen Transportation Consulting Services Co., Ltd. (北京燕文運輸諮詢服務有限公司) and Beijing Yanwen Technology Co., Ltd. (北京燕文科技有限公司)), a limited liability company established in the PRC on April 16, 1998
"Company Law" or "PRC Company Law"	Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Zhou, Ms. Zeng and Hengqin Biaosheng
"Conversion of Unlisted Shares into H Shares"	the conversion of [**REDACTED**] Unlisted Shares into H Shares on a one-for-one basis upon the completion of the [**REDACTED**]
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"CSDCC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	director(s) of our Company
"Dongzheng Jinyuan"	Shanghai Dongzheng Jinyuan Equity Investment Fund Partnership (Limited Partnership) (上海東證今緣股權投資基金合夥企業(有限合夥)), now renamed as Shanghai Huaifusu Management Consulting Partnership (Limited Partnership) (上海淮馥蘇管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on October 16, 2015 and a former Shareholder
"East Tianli"	Haining East Tianli Innovation Industry Investment Partnership (Limited Partnership) (海寧東方天力創新產業投資合夥企業(有限合夥)), a limited partnership established in the PRC on September 30, 2015 and deregistered on March 13, 2024 and a former Shareholder
"EIT"	enterprise income tax in the PRC
"EIT Law"	Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法), as amended, supplemented or otherwise modified from time to time

"EUR" or "Euro"	the lawful currency of the European Union

[**REDACTED**]

"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[**REDACTED**]

"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company
"Frost & Sullivan Report"	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this document

[**REDACTED**]

"Great British pounds"	the lawful currency of Great Britain
"Group," "our Group," "our," "we" or "us"	our Company and our subsidiaries at the relevant time
"Guangfa Investment"	Guangfa Qianhe, Guangfa Xinde Jinyuan and Zhuhai Kangyuan
"Guangfa Qianhe"	Guangfa Qianhe Investment Co., Ltd. (廣發乾和投資有限公司), a limited liability company established in the PRC on May 11, 2012 and one of our [**REDACTED**] Investors
"Guangfa Xinde"	Guangfa Xinde Investment Management Co., Ltd. (廣發信德投資管理有限公司), a limited liability company established in the PRC on December 3, 2008 and a former Shareholder
"Guangfa Xinde Jinyuan"	Zhuhai Guangfa Xinde Jinyuan Equity Investment Fund (Limited Partnership) (珠海廣發信德今緣股權投資基金(有限合夥)), a limited partnership established in the PRC on June 13, 2016 and one of our [**REDACTED**] Investors

"Guangfa Xinde NEEQ"	Zhuhai Guangfa Xinde NEEQ Equity Investment Fund (Limited Partnership) (珠海廣發信德新三板股權投資基金(有限合夥)), a limited partnership established in the PRC on May 22, 2015 and a former Shareholder
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Stock Exchange effective from January 1, 2024
"H Share(s)"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, of which an application has been made for [**REDACTED**] and permission to [**REDACTED**] on the Stock Exchange
	[**REDACTED**]
"Hangzhou Anzhi"	Hangzhou Anzhi Supply Chain Co., Ltd. (杭州安至供應鏈有限公司), a limited liability company established in the PRC on May 10, 2022 and a subsidiary of our Company
"Hengqin Biaosheng"	Zhuhai Hengqin Biaosheng Enterprise Management Center (Limited Partnership) (珠海橫琴標勝企業管理中心(有限合夥)), a limited partnership established in the PRC on February 15, 2016, our employee stock ownership platform and one of our Controlling Shareholders
	[**REDACTED**]
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars," "HK dollars," "HK$" or "HKD"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
	[**REDACTED**]

[**REDACTED**]

"IAS"	International Accounting Standards
"IFRS" or "IFRS Accounting Standards"	International Financial Reporting Standards
"IIT"	individual income tax in the PRC
"Independent Third Party(ies)"	a person or entity which, to the best of our Directors' knowledge, information, and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules

[**REDACTED**]

"Jiangsu Modern Service Fund"	Jiangsu Province Modern Service Industry Development Venture Capital Fund (Limited Partnership) (江蘇省現代服務業發展創業投資基金(有限合夥)), a limited partnership established in the PRC on May 29, 2015 and one of our [**REDACTED**] Investors
"Jiaxing Joshua"	Jiaxing Joshua Equity Investment Partnership (Limited Partnership) (嘉興約書亞股權投資合夥企業(有限合夥)), formerly known as Shenzhen Joshua Equity Investment Center (Limited Partnership) (深圳約書亞股權投資中心(有限合夥)), a limited partnership established in the PRC on December 18, 2015 and one of our [**REDACTED**] Investors
"Jingxing Zhongying"	Zhuhai Hengqin Jingxing Zhongying Investment Management Center (Limited Partnership) (珠海橫琴景行眾贏投資管理中心(有限合夥)), a limited partnership established in the PRC on December 28, 2015 and a former Shareholder
"Latest Practicable Date"	May 18, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[**REDACTED**]

"Legend Capital"	Legend Huicheng and Suzhou Junjunde
"Legend Huicheng"	Beijing Legend Huicheng Equity Investment Partnership (Limited Partnership) (北京君聯慧誠股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on January 13, 2016 and one of our [**REDACTED**] Investors

[**REDACTED**]

"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)

"Mr. Zhou"	Mr. Zhou Wenxing (周文興), our founder, the spouse of Ms. Zeng, chairman of the Board, executive Director and one of our Controlling Shareholders
"Ms. Zeng"	Ms. Zeng Yan (曾燕), our co-founder, the spouse of Mr. Zhou, vice chairwoman of the Board, executive Director, general manager and one of our Controlling Shareholders
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Ningbo Rongshi"	Ningbo Rongshi Venture Capital Partnership (Limited Partnership) (寧波容仕創業投資合夥企業(有限合夥)), formerly known as Lhasa Rongshi Venture Capital Partnership (Limited Partnership) (拉薩容仕創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on June 29, 2016 and a former shareholder
"Nomination Committee"	the nomination committee of the Board

[**REDACTED**]

"Overseas Listing Trial Measures"	Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) released by the CSRC on February 17, 2023 and effective on March 31, 2023
"PBOC"	People's Bank of China (中國人民銀行)
"People's Congress"	the PRC's legislative apparatus, including the National People's Congress and all the local people's congresses (including provincial, municipal, and other regional or local people's congresses) as the context may require, or any of them

"Pingtan C&D No. 3"	Pingtan C&D No. 3 Equity Investment Partnership (Limited Partnership) (平潭建發叁號股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on January 26, 2018 and one of our [**REDACTED**] Investors
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Legal Advisors"	Tian Yuan Law Firm, our legal advisors as to PRC laws
"PRC Securities Law"	Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
"[**REDACTED**] ESOP"	the amended and restated employee stock ownership plan with effect from December 30, 2025, the principal terms of which are summarized in "Appendix IV — Statutory and General Information — D. [**REDACTED**] ESOP"
"[**REDACTED**] Investments"	the [**REDACTED**] investments in our Company undertaken by various investors, details of which are set out in "History, Development and Corporate Structure — [**REDACTED**] Investments"
"[**REDACTED**] Investors"	the investors as set out in "History, Development and Corporate Structure — [**REDACTED**] Investments — Information about the [**REDACTED**] Investors"

[**REDACTED**]

"Qianhai Yanwen"	Shenzhen Qianhai Yanwen International Logistics Co., Ltd. (深圳前海燕文國際物流有限公司), a limited liability company established in the PRC on February 1, 2021 and a subsidiary of our Company
"Qipu Chengshi"	Hangzhou Qipu Chengshi Investment Management Partnership (Limited Partnership) (杭州啟浦成士投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 10, 2016 and a former Shareholder
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Accountants"	Deloitte Touche Tohmatsu
"RMB" or "Renminbi"	the lawful currency of the PRC
"Rongsong Investment"	Ningbo Meishan Bonded Port Area Rongsong Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區榮松投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 21, 2017 and one of our [**REDACTED**] Investors

"SAFE"	State Administration of Foreign Exchange of the PRC (國家外匯管理局)
"SAMR"	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會)
"SCNPC"	Standing Committee of the National People's Congress, the permanent body of the National People's Congress of the PRC (中華人民共和國全國人民代表大會常務委員會)
"Series A Investment"	the series A investment in our Company as described in "History, Development and Corporate Structure — [**REDACTED**] Investments"
"Series A+ Investment"	the series A+ investment in our Company as described in "History, Development and Corporate Structure — [**REDACTED**] Investments"
"Series B Investment"	the series B investment in our Company as described in "History, Development and Corporate Structure — [**REDACTED**] Investments"
"Series B+ Investment"	the series B+ investment in our Company as described in "History, Development and Corporate Structure — [**REDACTED**] Investments"
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Shanghai Deku"	Shanghai Deku Investment Management Center (Limited Partnership) (上海德礽投資管理中心(有限合夥)), a limited partnership established in the PRC on December 17, 2015 and deregistered on October 14, 2019 and a former Shareholder
"Shanghai Mindatong"	Shanghai Mindatong Supply Chain Management Co., Ltd. (上海敏達通供應鏈管理有限公司), a limited liability company established in the PRC on November 12, 2025 and a subsidiary of our Company
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising the Unlisted Shares and the H Shares
"Shareholder(s)"	holder(s) of our Shares
"Sole Sponsor"	the sole sponsor named in "Directors and Parties Involved in the [**REDACTED**]"

[**REDACTED**]

"STA"	State Taxation Administration of the PRC (國家税務總局)
	[**REDACTED**]
"State Council"	State Council of the PRC (中華人民共和國國務院)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of the Board
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Suzhou Junjunde"	Suzhou Junjunde Equity Investment Partnership (Limited Partnership) (蘇州君駿德股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on January 26, 2017 and one of our [**REDACTED**] Investors
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three financial years ended December 31, 2025
	[**REDACTED**]
"Unlisted Shares"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted shares not currently listed or traded on any stock exchange
"U.S.", "USA" or "United States"	the United States of America, its territories, possessions, and all areas subject to its jurisdiction
"U.S. dollars," "USD" or "US$"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"VAT"	value-added tax
	[**REDACTED**]

"Yanwen Belgium"	Yanwen Logistics Srl (燕文物流有限公司(比利時)), a limited liability company incorporated in Belgium on July 4, 2024 and a subsidiary of our Company
"Yanwen Express America"	Yanwen Express LLC (燕文快遞有限公司), a limited liability company incorporated in Delaware, the United States on January 10, 2024 and a subsidiary of our Company
"Yanwen Hangzhou"	Yanwen Logistics (Hangzhou) Co., Ltd. (燕文物流(杭州)有限公司), a limited liability company established in the PRC on May 3, 2018 and a subsidiary of our Company
"Yanwen Holding America"	Yanwen Holding Inc (燕文控股有限公司), a corporation incorporated in Delaware, the United States on August 19, 2024 and a subsidiary of our Company
"Yanwen Hong Kong"	Yanwen Logistics (Hong Kong) Limited (燕文物流(香港)有限公司), a limited company incorporated in Hong Kong on March 29, 2019 and a subsidiary of our Company
"Yanwen Information"	Beijing Yanwen Information Technology Co., Ltd. (北京燕文信息科技有限公司), a limited liability company established in the PRC on December 21, 2020 and a subsidiary of our Company
"Yanwen Logistics America"	Yanwen Logistics Inc. (燕文物流有限公司), a corporation incorporated in Delaware, the United States on November 15, 2019 and a subsidiary of our Company
"Yanwen Puerto Rico"	Yanwen Express PR LLC (燕文快遞波多黎各有限公司), a limited liability company incorporated in the Commonwealth of Puerto Rico on July 19, 2024 and a subsidiary of our Company
"Zhuhai Kangyuan"	Zhuhai Kangyuan Investment Enterprise (Limited Partnership) (珠海康遠投資企業(有限合夥)), a limited partnership established in the PRC on November 18, 2014 and one of our [**REDACTED**] Investors
"%"	per cent

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

GLOSSARY

This glossary of technical terms contains terms used in this document as they relate to our business. As such, these terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

"3D sorting systems"	automated logistics solutions using vertical and horizontal robotic movements to classify items in high-density environments
"algorithm"	a procedure of formula for solving a problem, based on conducting a sequence of specified actions
"API"	application programming interface, a set of routines, protocols and tools for building software applications, which enables applications to communicate mutually
"architecture"	the structure under which an information system's hardware, software, data and communication capabilities are put together
"Asia-Pacific regions"	the geographic region comprising Asia and Oceania, including, among others, East Asia, Southeast Asia, South Asia, Australia and New Zealand
"B2C"	business to customer
"carrier"	the person by whom or in whose name a contract of carriage of goods by sea has been concluded with a shipper
"Central U.S."	a geographical region in the Midwest and Great Plains regions around the Mississippi river basin
"charter"	the chartering or hiring of a vessel for a certain purpose at a fixed rate for a fixed period of time or for a designated voyage
"consignee"	the person who is entitled to take delivery of goods pursuant to the bill of lading
"cross-border logistics"	products transfer among countries around the globe
"customs brokerage"	the services of handling customs clearance and other customs-related services for importers and exporters by customs brokers
"customs clearance"	the process of declaring imports and exports to customs and related authorities for approval
"customs declaration"	the process of declaring the list and details of goods to be exported to the relevant authorities at the exporting countries

"delivered-in-full rate"	calculated by using the number of total orders minus the number of orders with customer claims as the numerator, and using the number of total orders as the denominator, expressed as a percentage
"depot"	yards for stacking of containers
"direct-shipment"	a logistics method where goods move directly from the supplier to the customer without intermediate storage
"East China"	a geographical region in eastern China comprising Shanghai, Jiangsu province, Zhejiang province, Anhui province, Fujian province, Jiangxi province, and Shandong province
"East Coast"	a geographical region in the U.S., covering the states bordering the Atlantic Ocean from Maine to Florida
"e-commerce"	electronic commerce, the buying and selling of goods, services, or digital products over the internet, typically involving transactions between businesses, consumers, or other entities through online platforms
"ERP system(s)"	enterprise resource planning system, an integrated system that manages and automates core business processes
"first-mile pickup"	initial collection of a package and transport to the local pickup outlet
"freight forwarding"	professional intermediary services for enterprises to ensure efficient connection along the logistics chain and smooth international transportation, which mainly include goods transportation, logistics related documentation and customs clearance
"GFA"	gross floor area
"GMV"	gross merchandise value
"IP(s)"	intellectual property
"IT"	information technology
"kg"	kilogram
"last-mile delivery"	transportation of a package from the local pickup outlet to the final delivery destination
"Latin America"	the regions of the Americas where Spanish, Portuguese, or French are primarily spoken by the population

"logistics"	a comprehensive, system-wide view of the entire supply chain as a single process, from raw materials supply through finished goods distribution. All functions that make up the supply chain are managed as a single entity, rather than managing individual functions separately
"Middle East"	a transcontinental geopolitical region spanning Western Asia and Northeast Africa
"North China"	a geographical region in China comprising Beijing, Tianjin, Hebei province, Shanxi province, and Inner Mongolia autonomous region
"parcel volume"	the number of parcels delivered in a given period
"R&D"	research and development
"shipper"	the person by whom or in whose name or on whose behalf a contract of carriage of goods by sea has been concluded with a carrier
"SKU"	stock keeping unit, a unique identifier used in retail and manufacturing to keep track of inventory
"SME(s)"	small and medium enterprise
"SMS"	short message service, a text messaging channel used for automated notifications
"sorting center(s)"	transshipping and operating centers that connect transportation resources including for centralized parcel sorting, distribution and transshipment
"South China"	a geographical region in China comprising Guangdong province, Guangxi province, Hainan province, Hong Kong, and Macau
"sq.m."	square meters
"ton(s)"	a unit of weight in the metric system, equal to 1,000 kilograms
"trunk movement"	long-distance transportation of goods, commodities or parcels usually carried out between cities or countries by means of air, sea, rail or road transportation
"U.S. population coverage"	the proportion of the total U.S. population residing within ZIP code areas covered by our U.S. logistics service network
"West Coast"	a geographical region in the U.S. comprising the states of California, Oregon, and Washington bordering the Pacific Ocean

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements representing our goals, expectation and views of future events, and actual results or outcomes may differ materially from those expressed or implied. Such forward-looking statements are subject to certain risks, uncertainties and assumptions. Forward-looking statements typically can be identified by the use of words such as "will," "would," "estimate," "expect," "anticipate," "plan," "aim," "going forward," "believe," "may," "intend," "ought to," "continue," "project," "should," "seek," "potential" and the negative of these words and other similar expressions. Although we believe that our expectations are reasonable, we can give no assurance that these expectations will prove to have been correct, and actual results may vary materially.

These forward-looking statements include, but are not limited to, statements relating to: (i) our business and operating strategies and the various measures we use to implement such strategies; (ii) our operations and business prospects, including development plans for our existing and new businesses; (iii) the future competitive environment for the industry which we operate in; (iv) the regulatory environment as well as the general industry outlook for the industry which we operate in; (v) future developments in the industry which we operate in; (vi) general economic trends in which we operate our business; (vii) our ability to control costs and expenses; (viii) our dividend policy; (ix) capital market developments; (x) the actions and developments of our competitors; (xi) change or volatility in interest rates, equity prices, volumes, operations, margins, risk management and overall market trends; and (xii) all other risks and uncertainties described in the section headed "Risk Factors."

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document reflect our management's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions. See "Risk Factors," "Business" and "Financial Information" for more details.

Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove to be incorrect, our financial condition may be adversely affected and may vary materially from the goals we have expressed or implied in these forward-looking statements. Except as required by applicable laws and regulations, including the Listing Rules, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, investors should not place undue reliance on any forward-looking information. In this document, statements of or references to our intentions or those of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

An [**REDACTED**] *in our H Shares involves various risks. You should carefully consider all the information in this document and in particular the risks and uncertainties described below before making an* [**REDACTED**] *in our H Shares.*

The occurrence of any of the following events could materially and adversely affect our business performance, financial condition, results of operations or prospects. If any of these events occurs, the [**REDACTED**] *of our H Shares could decline, and you may lose all or part of your* [**REDACTED**]. *You should seek professional advice from your relevant advisors regarding your prospective* [**REDACTED**] *in the context of your particular circumstances.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We have relied, and may continue to rely, on certain cross-border e-commerce third-party platforms.

Collaborating with major cross-border e-commerce third-party platforms remains essential to our ability to expand our customer base and business scale, particularly given their critical role in connecting cross-border e-commerce merchants with logistics services providers. In 2023, 2024 and 2025, revenue generated from cross-border e-commerce third-party platforms amounted to RMB5,998.4 million, RMB1,685.3 million and RMB862.9 million, respectively, representing 63.3%, 28.9% and 12.9% of our total revenue for the same years, respectively. In 2023, 2024 and 2025, revenue generated from our largest customer, a major cross-border e-commerce third-party platform in China, amounted to RMB4,923.8 million, RMB1,269.2 million and RMB558.2 million, respectively, representing 51.9%, 21.8% and 8.4% of our total revenue for the same years, respectively.

Certain cross-border e-commerce third-party platforms exert significant influence over transaction fulfillment processes, including specifying their preferred logistics services providers or directing merchants on their platforms to adopt designated shipping methods. To sustain and deepen our cooperation with these platforms, we may need to accommodate platform-specific operational requirements, participate in platform initiatives or provide customized value-added services, all of which could raise our operational costs. In China, logistics services providers typically complete system integration procedures with major cross-border e-commerce third-party platforms before providing services to merchants and consumers on such platforms, and many platforms maintain a list of approved logistics services providers from which merchants may select partners. Accordingly, we need to maintain our status as an approved service provider across major platforms to compete effectively with our peers. We cannot assure you that we will be able to remain on approved service provider list or successfully renew our arrangements with existing platforms. If we fail to maintain these qualifications or to expand our cooperation with key platforms, our service volumes may decline and our business and results of operations may be adversely affected.

In addition, we cannot assure you that we will be able to maintain or renew our existing arrangements with cross-border e-commerce third-party platforms on commercially reasonable terms, or at all. If our major cross-border e-commerce third-party platform customers make adjustments on their logistics procurement model or choose to procure from other logistics services providers, our parcel volume may decrease, which could adversely affect our financial performance and results of operations. We experienced a temporary decrease in revenue in 2024, primarily due to the reduction of purchases from certain large cross-border e-commerce third-party platforms since early 2024, as they have shifted their logistics procurement model from centralized, single-supplier model to a segmented transportation approach in response to their enhanced logistics cost control and risk management requirements. In the future, if any major cross-border e-commerce third-party platform customer terminates its business relationship with us, significantly reduces demand, faces regulatory investigations or experiences any difficulty in their operations, we may not be able to secure alternative customers in the near term and our results of operations could be materially and adversely affected.

We rely on third-party service providers for certain aspects of our operations.

Our logistics services depend on a network of third-party service providers, such as cross-border linehaul operators, customs brokerage firms and last-mile delivery service providers. We have relied, and will continue to rely, on these parties to support the reliability, efficiency, and scalability of our services. Maintaining stable relationships with these partners and effectively supervising their performance can be challenging, and any deficiency in their operations may adversely affect the quality of our services and expose us to heightened operational and legal risks.

Our business partners, particularly third-party last-mile delivery service providers, engage in substantial customer-facing interactions, whose service quality has direct impacts on our brand image and reputation. Any service interruption, operational deficiency, data leakage or non-compliance incident involving these partners may harm our operational results and financial performance. Our contractual agreements require partners to comply with service standards and relevant legal obligations. However, we lack full oversight of their day-to-day actions, nor can we ensure that their internal control measures are robust, adequate or aligned with our own standards. Any unsatisfactory performance, misconduct, mishandling of parcels or non-compliance could lead to consumer complaints, service disruptions, reputational damage and increased operational costs. We may also face legal risks and liabilities, including administrative fines or contractual disputes, even if the underlying issue arises from a partner's actions.

In the cross-border logistics context, regulatory requirements differ across jurisdictions, and compliance obligations may involve customs clearance, security protocols, data protection and transportation safety. We cannot assure you that the third-party partners we engage will consistently adhere to all contractual liabilities or maintain compliance with evolving regulatory requirements.

Furthermore, during periods of tight logistics capacity, including peak shipping seasons, international transportation disruptions or supply chain congestion, third-party providers may prioritize other clients, particularly those with long-term or high-volume commitments. This could lead to reduced capacity availability, delays or increased costs for us. For example, failure by linehaul partner may cause delivery delays, service instability, and cost escalation, and the concentration of certain equipment or transportation resources in limited suppliers may restrict our ability to secure alternatives in a timely manner.

Any inability of our third-party partners to consistently deliver high-quality, compliant and reliable services could materially and adversely affect our business, financial condition and results of operations.

We are subject to various risks relating to third-party payments.

During the Track Record Period, certain of our customers (individually or collectively, the "**Relevant Customers**") engaged third-party payors (individually or collectively, the "**Third-party Payors**") to settle their payments with us (the "**Third-party Payment Arrangements**"), to the best of our knowledge. In 2023, 2024 and 2025, there were 9,131, 9,666 and 7,993 Relevant Customers with payment recorded during the relevant year, respectively. In 2023, 2024 and 2025, the aggregate amount settled under the Third-party Payment Arrangements was RMB1,227.8 million, RMB1,414.9 million and RMB547.9 million, respectively, accounting for 14.0%, 22.7% and 7.5% of the total payments we received from all customers during the same years, respectively. See "Business — Third-party Payment Arrangement."

We are subject to various risks relating to such Third-party Payment Arrangements, including: (i) possible claims for return of funds from third-party payors who were not contractually indebted to us; (ii) potential risks arising from the fact that we have limited knowledge about the source and purpose of the funds utilized by the third-party payors; and (iii) possible claims from liquidators of third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us in respect of any third-party

payments, we may have to use additional financial and managerial resources to defend against such claims or legal proceedings, and our financial condition and results of operations may be adversely affected as a result. Any future acceptance of Third-party Payment Arrangements by us could leave us exposed to the aforementioned risks.

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

The B2C cross-border e-commerce logistics services market in the PRC is highly fragmented, rapidly evolving and intensely competitive. According to Frost & Sullivan, approximately 5,000 service providers operated in this market in 2025, while the top five players collectively accounted for approximately 8.1% and the largest player accounted for 3.4% of the total market share in terms of revenue in 2025.

Many competitors possess broader global service networks, more sophisticated digital and automation systems, stronger brand recognition, stronger capital resources, larger customer base and longer operating track records, giving them advantages in supporting large-scale operations and capturing emerging demand.

Competitive behavior in the industry further intensifies these pressures. Competitors may adopt aggressive pricing or temporary loss-leading strategies to defend or expand market share, which may limit our ability to maintain or improve our margins. Competitors may also strengthen their capabilities through strategic alliances, ecosystem integrations, joint procurement arrangements or technology partnerships to enhance their service offerings and further consolidate their market position. Such consolidations or alliances can enhance their bargaining power in air capacity procurement, customs brokerage and last-mile delivery partnerships, raising the competitive threshold.

As we expand our cross-border e-commerce express services and local last-mile delivery services into new markets, we expect to face competition from both established global logistics companies and local regional players. These competitors may have entrenched local relationships, regulatory familiarity or cost structures that could challenge our market entry and customer acquisition efforts.

Our ability to compete effectively depends on maintaining service quality, managing costs, scaling our network, investing in technologies, responding to evolving customer needs and executing our overseas expansion strategy. Some of these factors may be beyond our control, including global logistics capacity, geopolitical developments, regulatory environments and macroeconomic fluctuations. If we fail to compete effectively, we may lose customers, experience pricing pressure, or be unable to sustain or expand our market share, which could materially and adversely affect our business, financial condition, and results of operations.

Our business growth is closely linked to the development of the B2C cross-border e-commerce industry.

Our business growth is closely linked to the development of the B2C cross-border e-commerce industry, as we primarily provide logistics services to cross-border e-commerce third-party platforms, cross-border merchants and Chinese brands expanding overseas. Demand for our services depends on the overall transaction volume, merchant activity and consumer demand within the cross-border e-commerce ecosystem.

The development of the B2C cross-border e-commerce industry is affected by various factors beyond our control, including consumer spending patterns, macroeconomic conditions, internet and payment infrastructure, regulatory policies, international trade conditions, changes in platform

operating policies and competition from alternative retail channels or business models. In certain overseas markets where we operate or plan to expand, the B2C cross-border e-commerce industry may still be at a relatively early stage of development, and market growth may not develop as expected.

If the B2C cross-border e-commerce industry in our key markets grows more slowly than expected, stagnates or contracts, or if cross-border merchants reduce their sales activities or logistics demand, demand for our services may decline, which could materially and adversely affect our business, financial condition and results of operations.

The B2C cross-border e-commerce logistics services industry is inherently cyclical and vulnerable to global trade conditions, transportation disruptions and market volatility, which could materially and adversely affect our business and results of operations.

The B2C cross-border e-commerce logistics services industry is highly sensitive to global trade conditions, geopolitical developments and the stability of international transportation networks. Our operations depend on the availability and reliability of cross-border transportation capacity, customs clearance efficiency and overseas delivery infrastructure. Factors beyond our control, including geopolitical tensions, international conflicts, trade disputes, port congestion, public health emergencies, labor shortages and disruptions in air transportation networks, may adversely affect the efficiency and stability of cross-border logistics operations.

In recent years, events such as global trade tensions, the Russia-Ukraine conflict and the Red Sea crisis have caused volatility in international logistics networks and freight markets. These developments may lead to transportation delays, capacity shortages, increased freight costs, route adjustments and reduced service reliability. In addition, fluctuations in global or regional economic conditions may reduce cross-border trade demand and intensify pricing pressure within the logistics industry.

If we are unable to respond effectively to changes in transportation conditions, freight capacity availability or customer demand, our operational efficiency, service quality, profitability and growth prospects may be materially and adversely affected.

Our revenue fluctuated during the Track Record Period and may continue to fluctuate due to factors beyond our control.

Our revenue fluctuated during the Track Record Period. Our revenue decreased by 38.6% from RMB9,482.9 million in 2023 to RMB5,827.0 million in 2024. From 2024 to 2025, our revenue increased by 14.8% from RMB5,827.0 million to RMB6,687.1 million. See "Financial Information — Year to Year Comparison of Results of Operations."

Our revenue stream generally depends on a number of factors, many of which are beyond our control, including the macroeconomic environment, strategic shift of logistics procurement model of cross-border e-commerce third-party platforms, customers' other business adjustments or variations in consumption intention, changing regulatory and social conditions, as well as the global competitive landscapes. Our ability to retain and attract customers and implement our business strategies are materially affected by such factors. There can be no assurance that our revenue will not fluctuate in the future. Moreover, our future development is also subject to other factors that cannot be fully predicted and may have a material adverse impact on our business, financial condition, results of operations and prospects.

If we fail to keep pace with technological developments, accurately respond to evolving customer demands or maintain our service competitiveness, our business may be materially and adversely affected.

Our long-term competitiveness depends on our ability to continuously leverage technology to enhance operational efficiency, optimize costs and meet evolving customer expectations. If we fail to upgrade our technology infrastructure in a timely and cost-effective manner, accurately identify industry trends or effectively apply data-driven forecasting, our services may become less competitive, our cost advantages may erode and customer retention may decline.

Our operations rely on accurate demand forecasting and data analytics to support capacity planning, procurement, staffing and resource allocation. If our forecasting models fail to capture structural market changes, short-term demand volatility or emerging trends, we may experience inefficient resource utilization, overcapacity, missed business opportunities or weakened operational performance. In addition, technological upgrades require substantial financial, technical and managerial resources, including system enhancement, talent development and infrastructure investment. If such investments do not deliver the intended improvements or expected returns, our operating efficiency, profitability and market position may be adversely affected.

Our growth also depends on our ability to anticipate and respond to evolving customer needs and to provide reliable, flexible and cost-effective logistics services. Customers in the cross-border e-commerce sector often face rapid shipment fluctuations, rising delivery expectations and varying compliance requirements across destination markets. Furthermore, customer acquisition and retention depend on multiple factors, including service reliability, pricing competitiveness, brand reputation and consistent execution. If we fail to effectively respond to changing customer demands, attract new customers or deepen relationships with existing customers, our revenue growth, operational performance and financial condition may be materially and adversely affected.

Our business and results of operations may be materially and adversely affected if we are unable to provide high-quality services.

The long-term success of our business is heavily dependent on our ability to consistently deliver high-quality and reliable services that meet the evolving expectations of cross-border e-commerce third-party platforms and merchants. These expectations extend beyond basic delivery performance to include timeliness, full-chain visibility, cost optimization, compliance readiness, and operational flexibility across international logistic scenarios.

We provide B2C cross-border e-commerce logistics services through an integrated service model that spans first-mile pickup, sorting, cross-border transportation, customs clearance and last-mile delivery. As a result, any service delay, operational error or disruption at any stage of this chain may negatively affect the overall customer experience.

In addition to operational performance, our customer services are critical to sustaining service quality. If our customer service personnel fail to respond promptly, accurately or effectively to customer inquiries, complaints or abnormal-order handling, we may experience a loss of potential or existing customers, lower order volumes, reduced repeat business, and diminished customer satisfaction. If we are unable to maintain or enhance our service quality due to operational constraints, capacity shortages, system failures, personnel issues or other factors beyond our control, our business, financial condition and results of operations may be materially and adversely affected.

Our U.S. operations are subject to complex regulatory requirements, geopolitical uncertainties, and evolving Sino-U.S. trade conditions, which could materially and adversely affect our business, financial condition, and results of operations.

Our local last-mile delivery services in U.S. are subject to extensive and evolving U.S. federal, state, and local regulatory requirements. These include licensing, registration, tax, environmental and labor requirements, as well as rules governing wages, overtime and employee benefits. Complying with this decentralized regulatory framework requires significant management attention and financial resources and specialized personnel. Any actual or perceived non-compliance could result in fines, penalties, operational restrictions, or legal actions, which could harm our reputation, disrupt our operations, and have a material adverse effect on our U.S. business performance.

Our U.S. operations are also exposed to policy volatility arising from Sino-U.S. trade tensions. Changes in tariff policies, import restrictions, export controls, or sanctions, could increase the cost of goods we handle, reduce cross-border shipment volumes, disrupt supply chains or lead to increased regulatory scrutiny of Chinese-invested companies operating in the U.S. Such developments may impose additional compliance burdens, delays in obtaining necessary approvals, or other operational uncertainties. We cannot predict the timing, scope, or severity of future geopolitical or trade policies changes, and any adverse developments could have a material adverse effect on our business, financial condition, and results of operations.

The U.S. government has implemented several major tariff changes in recent years. Prior to 2025, products of Chinese origin being exported into the U.S. were subject to duties ranging from 7.5% to 50% under Section 301 of the U.S. Trade Act of 1974, and imports from the PRC and Hong Kong SAR were free of these duties using informal entry procedures if they have an aggregate fair retail value of less than US$800 (per person, per day) (the "**De Minimis Exemption**") under the U.S. Tariff Act of 1930. Under our cross-border e-commerce express services, substantially all parcels delivered to the U.S. fell under the De Minimis Exemption. However, effective on August 29, 2025, the duty-free De Minimis Exemption treatment of imported goods from all foreign countries was suspended by the U.S. government. The suspension includes the goods from China and Hong Kong.

In April 2025, the U.S. government has advocated greater restrictions on international trade in general and significantly increased tariffs on certain goods imported into the U.S., particularly from China, which resulted in increased tensions in its international relationships. China and other countries have retaliated in response to such trade policies and tariffs implemented by the U.S. government. In May 2025, China and the U.S. government reached an agreement on tariff reduction to ease tensions in international relationships and retain market access. In November 2025, the U.S. government announced that the United States will maintain its suspension of heightened reciprocal tariffs on Chinese imports until November 10, 2026. As bilateral relationships are an ongoing matter, we cannot predict how the relationships will further evolve or what exact impact any subsequent developments in the relationships may have on our business and the cross-border e-commerce logistics services market as a whole. We may not be able to timely and fully offset the impact of further tariff increases or policy shifts.

In addition, the ongoing investigation by the U.S. Trade Representative (the "**USTR**") into alleged unfair trade practices by Chinese shipyards, and the proposed imposition of substantial port-call fees on vessel built in China, adds uncertainty to global shipping markets. Such measures could affect charter rates, vessel availability and global trade flows, indirectly influencing our logistics operations. Any future escalation in U.S. trade actions targeting Chinese products or entities could increase our operational costs, reduce demand from our customers and negatively affect revenue.

We also face elevated labor costs in the U.S. compared with other markets. The U.S. labor market for warehouse and delivery personnel is highly competitive, and we may need to offer higher compensation to attract and retain qualified employees. Compliance with U.S. federal and state labor laws, including rules on minimum wage, overtime and worker classification, further increases costs and operational complexity. Any increases in mandated wage levels, labor shortages, or rising healthcare-related expenses could increase our operating expenses and erode margins.

We continuously monitor regulatory and policy developments and implement measures to control labor costs. However, we cannot assure you that these efforts will fully mitigate the risks associated with regulatory complexity, trade policy volatility or labor-market pressures. Any material adverse developments in these areas could significantly harm our U.S. operations and, in turn, our overall business, financial condition and results of operations.

Any service disruption at our sorting centers or the pickup and delivery depots may adversely affect our operations.

Our daily operations heavily rely on the stable and uninterrupted functioning of our sorting centers and the pickup and delivery depots. These facilities may experience service disruptions due to automated-system failures, capacity constraints during peak periods, *force majeure* events, third-party sabotage, disputes with business partners, employee misconduct or labor actions, government inspections, or regulatory restrictions or other operational incidents.

If any such disruption occurs, parcel sorting, pickup, or delivery at the affected facility may be delayed, suspended, or halted, requiring us to reroute parcels to other facilities. This may result in delivery delays, increased operating costs, customer complaints and reputational damage, and may place additional pressure on other facilities within our network. In addition, disruptions affecting key transportation routes, regional operational hubs or overseas delivery facilities may have broader impacts on our logistics network and service stability. Any material operational disruption could adversely affect our business, financial condition and results of operations.

If we are unable to effectively expand and optimize our logistics network or successfully implement our future plans, our business prospects and results of operations may be materially and adversely affected.

We plan to continue expanding and optimizing our domestic and overseas logistics networks to strengthen our competitiveness across the logistics value chain, improve cross-border transportation efficiency and enhance resource allocation capabilities. In particular, we have accelerated the expansion of our overseas local last-mile delivery capabilities through the establishment of regional sorting centers and delivery networks. The competitiveness of our services depends in part on the scale, coverage, operational efficiency and coordination capabilities of our logistics network.

Expanding and operating our logistics infrastructure requires substantial managerial, financial and operational resources. As we broaden our service offerings, enter new markets and serve a wider customer base, we may face challenges in securing suitable facilities, coordinating regional operational resources, maintaining service quality, optimizing network efficiency and responding to evolving customer demands across a larger operational footprint.

Successful implementation of our expansion strategy depends on various factors beyond our control, including market demand, macroeconomic conditions, regulatory requirements, transportation infrastructure availability and our ability to recruit and retain qualified personnel. Investments in new facilities, technologies and business initiatives may not achieve the expected operational efficiency, profitability or commercial benefits within the anticipated timeframe, or at all.

In addition, if our logistics network coverage, operational capabilities or infrastructure capacity fail to keep pace with business growth or changing market demand, our delivery efficiency, service quality and customer satisfaction may be adversely affected, which could weaken our competitiveness and adversely affect our business, financial condition and results of operations.

Our B2C cross-border e-commerce logistics services are susceptible to changes in international trade policies, sanction measures, export control restrictions, and other regulatory restrictions across multiple jurisdictions, which may increase compliance risks and adversely affect our business operations.

Our B2C cross-border e-commerce logistics services are subject to international trade laws, sanctions regulations, export control rules, tariffs and other regulatory restrictions across multiple jurisdictions. Changes in these laws and policies, particularly amid evolving geopolitical tensions and global trade disputes, may restrict cross-border transportation activities, increase compliance burdens or adversely affect international trade flows and customer demand.

Certain countries and governmental authorities, including the U.S., have imposed economic sanctions, export control measures and trade restrictions targeting specific countries, industries, entities and individuals. As we provide logistics services to cross-border e-commerce platforms and merchants operating across multiple jurisdictions, we or our business partners may face exposure to sanctions-related or export-control compliance risks in connection with certain shipments, counterparties or destination markets.

Although we had not been subject to any sanctions during the Track Record Period and up to the Latest Practicable Date, we cannot assure you that we, our suppliers, customers or other business partners will not become subject to sanctions, export control restrictions or related investigations in the future. Compliance with evolving sanctions and export control requirements may require additional compliance resources and increase our operating costs.

Any actual or alleged violation of applicable sanctions, export control regulations or other trade restrictions, or any related inquiries, investigations or enforcement actions, could result in reputational damage, operational restrictions, fines, penalties or other adverse consequences, which may materially and adversely affect our business, financial condition and results of operations.

Our pricing strategy may not meet our customers' price expectations or result in profitability.

We operate in a highly competitive B2C cross-border e-commerce logistic industry where pricing remains a key competitive lever. Competitors may possess broader networks, larger scale or more flexible cost structures, enabling them to adopt aggressive or below-market pricing to capture volume or defend market share. Such competitive behavior could restrict our ability to maintain or increase prices or preserve operating margins.

We have historically faced downward pricing pressure in certain markets and may continue to do so. To sustain customer retention and parcel volume, we may need to proactively adjust our pricing. If we cannot effectively manage our cost base or offset these adjustments through operational enhancements, our market share, revenue and profitability may decline. Persistently low pricing levels in competitive or price-sensitive regions may also result in margin compression or even net losses.

Our pricing strategy and policy may not always align with customer expectations, and unfavorable changes in market conditions may reduce the effectiveness of our pricing policies. See "Business — Pricing" for details of our pricing policy. As a result of the foregoing, we cannot assure you that we will be able to maintain growth or achieve sustainable profitability in the future.

Our technology system is critical to our operations and growth prospects.

The performance, reliability, and availability of our technology systems are critical to delivering high-quality cross-border logistics services. We rely on a combination of in house and third party systems to manage order tracking, monitor network capacity and process operating data. System interruptions or service failures caused by telecommunications outages, system defects, improper upgrades, cybersecurity incidents or third party vendor failures may disrupt order fulfilment, increase operating costs and adversely affect our business, financial condition and results of operations.

As our business expands, we continue to invest in upgrades to our information technology systems and infrastructure. Such upgrades may involve temporary disruptions and may not deliver the intended benefits. New technologies may not integrate smoothly with existing systems and may require substantial resources without improving efficiency or reducing costs. Failure to maintain and enhance our systems in a timely, efficient and cost effective manner could constrain our operational capabilities.

Our operations also depend on the reliability and security of telecommunications and internet infrastructure. If we are unable to maintain stable and commercially reasonable arrangements with service providers, or if service interruptions, failures or security breaches occur, we may experience platform unavailability, transaction delays, data loss or processing disruptions . In addition, increases in telecommunications and internet service fees may raise our operating costs. Any of these events could adversely affect our customer satisfaction, reputation and financial performance.

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

Our results of operations depend significantly on our cost management capability. Our cost of sales amounted to RMB9,138.9 million, RMB5,451.0 million and RMB6,225.1 million in 2023, 2024 and 2025, respectively, primarily consisting of fulfillment costs, labor costs, rent, depreciation and amortization. These cost components are subject to various factors that are uncertain and largely beyond our control, such as fluctuations in wage levels, fuel prices, toll fees, leasing costs and outsourced transportation rates.

Our transportation operations rely heavily on fuel consumption and incur substantial toll fees. Fuel availability and prices, as well as the capacity and pricing of third-party transportation providers, are affected by political developments, macroeconomic conditions and market dynamics. Any sharp or unexpected increase in these costs could materially reduce our profit margins. In addition, we incur significant labor and facility-related expenses across our logistics and distribution network. Rising labor costs, capacity shortages or increases in rental and warehouse expenses could further limit our ability to preserve or enhance profitability.

While we have implemented, and plan to continue implementing, various cost control measures, we cannot assure you that these measures will be successful or sufficient to offset rising cost pressures. If we are unable to effectively control our operating costs or appropriately adjust our pricing and network-related fees in response to market conditions, our profitability, liquidity and overall financial condition may be adversely affected.

We are exposed to credit risk of our customers and failure to collect our trade receivables in a timely manner may affect our financial condition and results of operations.

We extend credit to our customers as part of our ordinary course of business, and accordingly, are exposed to credit risks associated with our trade receivables. As of December 31, 2023, 2024 and 2025, the gross carrying amount of trade receivables was RMB1,038.9 million, RMB675.6 million and RMB349.6 million, respectively. Our trade receivables turnover days were 25 days, 53 days and 27 days in 2023, 2024 and 2025, respectively. We recorded loss allowance for credit losses on trade receivables of RMB13.7 million, RMB24.2 million and RMB25.6 million as of December 31, 2023, 2024 and 2025, respectively.

As our business continues to scale and our customer base grows, our trade receivables balance may further increase, which may heighten our exposure to delayed payments or defaults. We generally do not require collateral or other security from our customers in respect of such receivables. Any failure by our customers to settle outstanding balances in a timely manner, or at all, could result in higher impairment losses than previously anticipated. If our credit risk assessment models fail to accurately predict payment defaults, or if macroeconomic conditions change including due to rising interest rates, inflation, financial instability, or other events such as the COVID-19 pandemic, our customers may experience liquidity shortages, become insolvent, or seek to renegotiate their payment terms, which may adversely affect our ability to collect payments due to us. In certain cases, we may be required to initiate legal proceedings to recover overdue balances, which could result in additional costs and divert management's attention. Any significant delay or failure in collecting our trade receivables may lead to a deterioration of our working capital position, negatively affect our cash flows, and in turn, materially and adversely impact our business, financial condition and results of operations.

We are exposed to foreign exchange risks arising from our business operations.

During the Track Record Period, we generated a substantial portion of our revenue and incurred a substantial amount of cost of sales and operating expenses denominated in RMB. However, we also conducted sales, purchases, and maintained cash balances in other currencies, primarily USD, HKD and Euro. As a result, fluctuations in the exchange rate of RMB against these foreign currencies may expose us to foreign exchange risks.

The value of RMB against USD, HKD, Euro, and other currencies is subject to fluctuations influenced by global political and economic conditions, monetary policies, trade relations, and market demand for foreign exchange, all of which are beyond our control. Any depreciation of RMB against these currencies could increase our cost of sales, operating expenses, and financial obligations denominated in foreign currencies, thereby adversely affecting our financial condition and results of operations. Conversely, any appreciation of RMB may impact the competitiveness of our foreign currency-denominated revenues, potentially affecting our profitability.

We did not hedge our foreign exchange risk during the Track Record Period. Given the inherent volatility in foreign exchange markets, any significant currency fluctuations could materially and adversely impact our business, financial condition, and results of operations.

Our results of operations are subject to seasonality.

Our services and results of operations exhibit certain seasonality, primarily driven by global e-commerce shopping cycles, air freight capacity dynamics and broader macro-environmental factors. Typically, the period from October to January of the following year represents the global peak season for cross-border e-commerce, encompassing major shopping festivals such as "Black Friday" and "Cyber Monday" in the United States, the Christmas shopping season in Europe and pre-Chinese New Year stock replenishment by Chinese merchants. During these peak months,

cross-border transaction volume increases substantially, resulting in heightened demand for air freight capacity. The resulting supply-demand imbalance often drives up air freight rates and leads to a temporary rise in our fulfillment costs.

Because the timing, duration and intensity of holidays and promotional events vary each year across different markets, we may experience fluctuations in parcel volumes and operating performance from period to period. As a result, monthly or quarterly comparisons of revenue or results of operations may not be indicative of our overall performance or future trends, and our results of operations may continue to fluctuate due to these seasonal patterns.

Tightening labor market conditions, rising labor costs and potential labor unrest may adversely affect our business.

Our business requires a sizable workforce. Any inability to retain a stable, sufficiently skilled labor force may disrupt or delay the services we provide to end customers. We typically need to hire additional or temporary workers during peak e-commerce seasons and major promotional events, and we may experience short-term labor shortages during major holiday periods.

In recent years, we have observed an overall tightening and increasingly competitive labor market, and we have experienced, and expect to continue to experience, increases in labor costs arising from higher wages, expanding social benefit obligations, increased headcount requirements and changes in the regulatory environment. We also compete for workers with other logistics companies and labor-intensive industries, and we may not always be able to offer salaries and benefits that are competitive with those offered by our peers.

We may from time to time face labor-related claims or administrative proceedings in the ordinary course of business. Any labor unrest directed at us, whether strikes, work slowdowns or coordinated actions, could impede our normal operations, delay parcel processing and delivery, and lead to lower revenue if customer orders cannot be fulfilled in a timely manner. Moreover, widespread labor unrest in the logistics industry could tighten labor supply or prompt changes to labor laws, including increases in minimum wage or mandatory benefits. Any such developments could materially and adversely affect our labor cost structure, operational efficiency and overall business performance.

Our business is dependent on the transportation and internet infrastructure in countries and regions where we operate.

Our operations rely on the performance, reliability and stability of transportation infrastructure across the markets where we operate. Our business also depends on the availability, reliability and security of internet infrastructure. In many locations, alternative networks may be limited or unavailable, making us vulnerable to service interruptions. Disruptions, slowdowns or failures in internet networks could impair access to our information technology systems and mobile applications. If our services suffer frequent or prolonged interruptions, customer dissatisfaction could lead to reduced spending, ultimately harming our business, financial condition and results of operations.

We collect, process and use data, some of which contain personal information. Any privacy or data security breach could damage our reputation and brand and substantially harm our business and results of operations.

We have access to confidential information in our day-to-day operations. Each waybill contains the names, addresses, phone numbers and other contact information of the recipient of a parcel, while parcel content may also constitute or reveal confidential information. Properly utilizing and safeguarding such data is critical to upholding customer trust and confidence in our services.

Our technology infrastructure also processes and stores confidential information for the proper functioning of our network. Security incidents such as breaches and hackings on our system could undermine the protective technologies we rely on for sensitive data. We may not be able to prevent third parties, especially hackers or other individuals or entities engaging in similar activities, from illegally obtaining confidential information. Such individuals or entities may further engage in various other illegal activities using such information. Additionally, as each parcel moves through our network from pickup to delivery, it is handled by numerous personnel who have access to the relevant confidential information. Some of them may misappropriate confidential information and breach our security policies and measures. Certain personnel with authorized access to relevant confidential information are not our employees, which makes it more difficult for us to implement sufficient and effective control over them.

Practices regarding the collection, use, storage, transmission and security of personal information have recently come under increased public scrutiny. Relevant regulatory frameworks worldwide are rapidly evolving and are likely to remain uncertain for the foreseeable future. Government bodies and agencies in U.S., the PRC and other countries and regions have in the past years adopted, and may in the future adopt, new laws and regulations on data protection and data privacy, all of which may subject us to additional compliance costs. These laws and regulations may be interpreted and applied in a manner that is inconsistent with our existing data management practices, and we could face fines, lawsuits, regulatory investigations, and other claims and penalties, and we could be required to fundamentally change our business practices, which could have an adverse effect on our business. Any inability to adequately address privacy, data protection, and data security concerns, even if unfounded, or any actual or perceived failure to comply with applicable privacy, data protection, and data security laws, regulations, and other obligations, could result in additional cost and liability to us, damage our reputation, inhibit sales, and adversely affect our business. Privacy, data protection, and data security concerns, whether valid or not valid, may inhibit market adoption of our logistics services.

Complying with evolving laws and regulations regarding cybersecurity, information security, privacy and data protection and other related laws and requirements may be expensive and may force us to make adverse changes to our business.

Laws and regulations governing cybersecurity, information security, privacy and data protection, are rapidly evolving, extensive and complex.

On July 30, 2021, the State Council promulgated the *Regulations on Protection of Critical Information Infrastructure* (《關鍵信息基礎設施安全保護條例》), which became effective on September 1, 2021. Competent authorities and administration departments of each important industry and field shall be responsible for formulating determination rules and determining the critical information infrastructure operator (the "**CIIO**") in the respective critical industry or field. As of the Latest Practicable Date, we had not received any notification from relevant regulatory authorities regarding our identification as a critical information infrastructure operator. When providing cross-border logistics services, we have access to various operational and other data of shippers, buyers on cross-border e-commerce third-party platforms, employees and others. We cannot guarantee that authorities will not classify us as CIIO in the future. If we are deemed to be a CIIO, where we procure network products or services and such procurement affects or may affect national security, we would be required to follow applicable cybersecurity review and/or extra mandatory protective procedures. During such procedures, we may be required to suspend providing any existing or new services to customers and/or experience other disruptions of our operations, and such review could also result in negative publicity with respect to us and diversion of our managerial and financial resources.

On June 10, 2021, the Standing Committee of the National People's Congress of China promulgated the PRC Data Security Law, which became effective in September 2021. The PRC Data Security Law provides for a national security review procedure for those data activities which may affect national security and imposes export regulations on certain data and information.

On September 30, 2024, the State Council promulgated the *Regulations on the Administration of Cyber Data Security* (《網絡數據安全管理條例》) (the "**Data Security Regulations**"). According to the Data Security Regulations, network data processors that conduct network data processing activities which affect or may affect national security are required to undergo a national security review in accordance with the applicable PRC regulations. However, the criteria for determining "affect(s) or may affect national security" as stipulated in the Data Security Regulations, are still subject to further clarification by the CAC.

On December 28, 2021, the CAC, the NDRC, the MIIT, and several other administrations jointly promulgated the revised *Cybersecurity Review Measures* (《網絡安全審查辦法》) (the "**Review Measures**"), which became effective on February 15, 2022. According to the Review Measures, (i) where a critical information infrastructure operator procures network products or services, it shall assess in advance the potential national security risks that may arise after such products or services are put into use and, if such procurement affects or may affect national security, apply to the Cybersecurity Review Office for a cybersecurity review; (ii) an issuer who is an internet platform operator holding personal information of more than one million users shall file for a cybersecurity review with respect to its proposed listing on a foreign stock exchange; and (iii) the relevant PRC government authorities may initiate cybersecurity review if such government authorities determine that the issuer's network products or services, or data processing activities affect or may affect national security. These and other similar legal and regulatory developments could reshape how we design our IT systems, how we operate our business, how our business partners and shippers process and share data, how we process and use data, and how we transfer personal data from one jurisdiction to another, which could impact demand for our services. We may incur relative costs to comply with such laws and regulations, to meet the demands of our customers relating to their own compliance with applicable laws and regulations, and to establish and maintain internal compliance policies.

Under the PRC regulatory framework governing cross-border data transfers, data processors transferring personal information or important data outside of China may be required to apply for a security assessment, enter into a CAC-prescribed standard contract, or obtain personal information protection certification, depending on the nature, volume, and sensitivity of the data involved. Certain exemptions are available under applicable PRC laws and regulations, including cross-border transfers of data that do not constitute personal information or important data, and for data that has not been notified or published as important data by the relevant authorities or regions. In particular, data collected or generated in activities such as international trade and cross-border transportation, to the extent that such data does not include personal information or important data, is not required to undergo procedures such as applying for a data export security assessment, entering into the standard contract for the cross-border transfer of personal information, or obtaining personal information protection certification. In addition, cross-border transfers of personal information that are necessary for the purpose of entering into or performing contracts to which individuals are parties, such as cross-border shopping, cross-border delivery or cross-border payment, are likewise not required to comply with the foregoing procedural compliance requirements. As advised by the PRC Legal Advisors, the regulatory authority of a specific sector and the local government authority shall determine the types of "important data" according to the Data Security Law and, as of the Latest Practicable Date, none of the data we transfer overseas has been identified or published as "important data" by the relevant authorities or regions. Therefore, as we do not process any important data under the relevant PRC laws and regulations, we are not subject to the requirements or obligations concerning the cross-border transfer of important data under the aforementioned regulations. Based on our current business operations, we do not provide personal information of individuals located within the PRC (such as senders) to overseas organizations or individuals. Accordingly, the compliance obligations and requirements applicable to the cross-border transfer of personal information of PRC individuals are currently not applicable to us. However, we cannot assure you that our business model, operational arrangements or data processing activities will not change in the future. Any such changes may result in our data

processing activities being characterized as cross-border data transfers under applicable PRC laws and regulations, thereby subjecting us to additional compliance obligations, including data export security assessment, standard contractual arrangements or other regulatory requirements.

The interpretation and application of laws and regulations relating to cybersecurity, information security, privacy and data protection may evolve over time, which could increase our costs or require us to change our business practices, operational workflows, or service delivery models, potentially requiring significant resource allocation. Any failure or perceived failure to comply with applicable regulatory requirements may result in investigations, proceedings or enforcement actions against us, as well as negative publicity, each of which could damage our reputation, influence our corporate image, undermine customer confidence, and have a material adverse impact on our business and results of operations.

We are subject to risks inherent in the B2C cross-border e-commerce logistics services industry, including personal injury, product damage, and transportation-related incidents.

Our operations involve the handling and transportation of a large volume of parcels across our logistics network, exposing us to risks relating to parcel loss, theft, damage, delivery delays and operational safety incidents. Parcels in our custody may contain prohibited or hazardous items, including flammable, explosive or corrosive materials, which may result in safety incidents, regulatory penalties or liabilities for personal injury or property damage.

Our business also relies on extensive transportation and delivery operations involving vehicles, facilities and personnel. Traffic accidents, vehicle malfunctions, adverse weather, operational errors or other incidents may disrupt our operations and result in parcel losses, personal injury or property damage. In addition, interactions between our delivery personnel and customers or recipients may occasionally give rise to disputes or related claims.

Although we maintain insurance coverage for certain risks, such coverage may not fully compensate us for all losses or liabilities. Any significant incident, claim, regulatory action or reputational damage arising from our operations could increase our costs, disrupt our services and materially and adversely affect our business, financial condition and results of operations.

Damages to brand image and corporate reputation could materially and adversely impact our business.

We recognize that brand image and corporate reputation will grow increasingly vital to boosting competitiveness and sustaining business expansion. Our reputation may be adversely affected by various factors, including service quality, delivery delays, parcel loss or damage, customer complaints, operational incidents, negative publicity, disputes with customers or business partners, and actual or alleged non-compliance with applicable laws and regulations.

Negative publicity relating to our services, management, operations or industry may spread rapidly through online platforms and social media, regardless of whether such information is accurate. Any negative perception of our business or the cross-border logistics industry in general may reduce customer confidence, harm our relationships with customers and business partners, and adversely affect our ability to attract or retain customers.

If we fail to maintain our service quality, effectively manage customer relationships or respond appropriately to negative publicity or reputational incidents, our brand image, business prospects and results of operations may be materially and adversely affected.

We face risks related to severe natural disasters and health epidemics, such as the COVID-19 pandemic, which could materially disrupt our operations.

Severe weather conditions, natural disasters or man-made crises, including storms, floods, fires, earthquakes, typhoons, epidemics, pandemics, conflicts, unrest, or terrorist attacks, may disrupt our business and result in decreased revenue. Customers may curtail their demand for logistics services or shipments, or our costs to operate our business may increase, either of which could exert a material adverse effect on us. Any such incidents could materially and adversely affect our ability to source services and supplies from our suppliers or to distribute packages throughout our markets.

The COVID-19 pandemic has resulted in significant disruptions in the global economy. Due to the surges in the number of COVID-19 cases in January 2023 in China, we experienced temporary labor shortage, which has caused delays in our services. We did not experience any major parcel delivery delay during the Track Record Period and up to the Latest Practicable Date. However, our operations, results of operations and financial condition could be further adversely affected if a wide spread of health epidemic happens again in regions where we have operations in the future.

We may not be able to obtain additional capital when desired, on favorable terms or at all.

We may require additional cash capital resources in order to fund future growth of our businesses, including investments in equipment, facilities and technological systems to remain competitive. If our existing cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets, governmental regulations over foreign investment and the e-commerce industry. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financing covenants that would restrict our operations. Any failure to raise needed funds on terms favorable to us, or at all, could severely restrict our liquidity as well as have a material adverse effect on our business, financial condition and results of operations. Moreover, issuance of equity or equity-linked securities could result in significant dilution to our existing shareholders.

We may not be able to prevent others from unauthorized use of our intellectual properties, which could harm our business and competitive position.

We regard our intellectual property rights as critical to our business. We rely on a combination of intellectual property laws, confidentiality arrangements and contractual protections to safeguard these rights. Legal frameworks, enforcement standards and regulatory practices vary significantly across the jurisdictions in which we operate, and in some markets, the legal systems and enforcement mechanisms remain underdeveloped or inconsistently applied. As a result, registering, maintaining or enforcing intellectual property rights may be difficult, and we may not be able to prevent third parties from misappropriating, copying or otherwise infringing our proprietary assets.

In addition, counterparties may breach confidentiality or license agreements, and we may have limited contractual remedies, particularly in jurisdictions where enforcement is weak or time-consuming. Policing unauthorized use of our intellectual property can be difficult, costly and not always effective, and the measures we take may not be sufficient to prevent misuse, reverse engineering, or unauthorized disclosure.

If we choose to pursue litigation or administrative actions to enforce our rights, such proceedings may consume significant managerial time and financial resources, and there is no assurance that we will prevail or obtain adequate remedies. Any failure to adequately protect or enforce our intellectual property rights could weaken our competitive position, undermine our technology advantages, and materially and adversely affect our business, financial condition and results of operations.

We may be accused of infringing the intellectual property rights of others.

In the competitive and fast-evolving logistics and technology landscape, where patents, trademarks, copyrights, trade secrets and other intellectual property portfolios are increasingly complex and broadly asserted, third parties may from time to time allege that our services, technologies or branding infringe their proprietary rights. We implement measures designed to avoid knowingly infringing the intellectual property rights of others. However, we cannot eliminate the risk that third parties may nonetheless assert infringement claims against us.

Any such claims, whether or not successful or grounded in merit, may be costly and time-consuming to defend and could divert significant management attention away from our operations. If we are found to infringe any third party's intellectual property rights, we may be required to pay substantial damages or penalties, cease using or offering the relevant technologies or services, or enter into licensing arrangements that may not be available on commercially reasonable terms, or available at all. We may also be subject to injunctions or other court-ordered restrictions that limit our ability to operate certain parts of our business.

We have limited insurance coverage, which may expose us to significant losses and operational disruptions.

We maintain various insurance policies in the PRC to mitigate risks inherent to our operations, including equipment insurance for our sorting centers and accident insurance, as well as compulsory motor vehicle liability insurance and commercial insurance such as automobile third-party liability insurance, vehicle loss insurance and driver/passenger liability insurance. In the U.S., we also maintain general commercial insurance and labor insurance in accordance with the requirements under relevant laws and regulations.

Our existing insurance coverage may not be sufficient to fully protect us against all potential losses or liabilities arising from our operations. We cannot assure you that any claim we submit will be approved in full, processed in a timely manner, or covered under the scope of our current policies. Any uninsured or under-insured events could result in substantial costs, operational disruption and diversion of management attention, which may materially and adversely affect our business, financial condition and results of operations.

In addition, insurance providers may increase premiums, impose more restrictive terms, or decline to renew certain policies based on our historical claims record. We may not be able to obtain insurance coverage of the types or at the levels we consider necessary or at commercially reasonable rates. Any inability to secure adequate insurance protection could further increase our exposure to operational and financial risks.

Our transfer pricing arrangements may be challenged by tax authorities, which could result in increased tax liabilities, penalties, and other adverse consequences.

Under the transfer pricing laws and regulations of the PRC, Hong Kong, and the U.S., related-party transactions are subject to scrutiny by the relevant tax authorities, and the relevant transfer pricing arrangements must generally comply with the arm's length principle. During the Track Record Period, we engaged in intra-group transactions among our entities in the PRC, Hong Kong, and the U.S. See "Business — Intra-Group Transactions" for details. Following our consultation with the independent transfer pricing consultant we engaged and based on

management's assessment, our Directors are of the view that during the Track Record Period and up to the Latest Practicable Date, the above-mentioned inter-company transactions were in line with the arm's length principle and we were in compliance with the relevant transfer pricing laws and regulations. There is no assurance that the relevant tax authorities will share this view in full.

If any tax authority determines that our intra-group transactions were not conducted on an arm's length basis, it could impose transfer pricing adjustments, which may increase our taxable income in the relevant tax jurisdictions and result in additional tax liabilities. Such adjustments may also lead to double taxation if corresponding tax relief is not obtained in the counterparty jurisdiction. In certain cases, we may be unable to recover any excess tax paid from the relevant tax authorities in the PRC, Hong Kong, and the U.S.

In addition, if we fail to settle the reassessed taxes within the prescribed period, we could be subject to administrative penalties, such as late payment interest and surcharges. In addition, transfer pricing disputes are often complex and time-consuming, may involve extensive documentation and negotiation with multiple tax authorities, and could divert our management's attention. Any such dispute or adjustment could materially and adversely affect our business, financial performance, and results of operations.

We have granted, and may continue to grant, share-based awards, which may further increase our share-based compensation, adversely affect our financial performance, and dilute existing Shareholders' stake.

To motivate and encourage our talents to work with an entrepreneurial spirit and grow together with our Group, we granted share awards under the [**REDACTED**] ESOP. See "Statutory and General Information — D. [**REDACTED**] ESOP" in Appendix IV to this document. We believe such share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may continue to grant share-based awards in the future. As a result, our share-based compensation may increase, which may adversely affect our financial performance, and dilute existing Shareholders' stake.

Failure to comply with relevant regulatory requirements relating to the social insurance and housing provident fund contributions for and on behalf of our employees may subject us to penalties and have an adverse impact on our financial conditions and results of operations.

During the Track Record Period, we failed to make full social insurance and housing provident fund contributions for certain of our employees as required by the applicable PRC laws and regulations. During the Track Record Period and up to the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the shortfall. See "Business — Employees — Social Insurance and Housing Provident Funds."

In the unlikely event that we are required to settle the shortfall of social insurance contribution, if this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. In addition, pursuant to relevant PRC laws and regulations, in case of a failure to pay the full amount of housing provident fund, the competent PRC government authority may require us to pay the outstanding amount within a stipulated period. If the payment is not made within such stipulated period, an application may be made to the PRC courts for compulsory enforcement.

We cannot assure you that we will not be subject to any order to rectify the non-compliance in the future, nor can we assure you that there are no, or will not be any, employee complaints regarding payment of the outstanding amount of the social insurance and housing provident fund contributions against us, or that we will not receive any claims in respect of the outstanding amount of the social insurance and housing provident fund contributions under the applicable laws and regulations.

Failure to comply with property-related laws and regulations in respect of certain of our leased properties may adversely affect our business, financial condition and results of operations.

As of the Latest Practicable Date, for four of our leased properties, we had not been provided by the lessors with the relevant title certificates or relevant authorization documents evidencing the lessors' rights to lease such properties to us. As advised by our PRC Legal Advisors, without title certificate or proof of authorization from the property owners, our use of the defective leased properties may be affected by third parties' claims or challenges against the leases. In addition, if the lessors do not have the requisite rights to lease the properties, the relevant lease agreements may be deemed invalid, and as a result we may be required to vacate the defective leased properties and relocate. Any third-party challenge against our leases could divert management attention and require us to incur additional costs to defend such claims, even if we ultimately prevail. We may have to identify alternative properties and incur additional costs in relocation.

As of the Latest Practicable Date, for four of our leased properties on collectively-owned land, we had not been provided by the lessors with consent from not less than two-thirds of the members of villager assembly or the representatives of the villagers. Our use of such leased properties may be challenged, and we may be required to vacate these properties. We may have to identify alternative land and incur additional costs in doing so.

As of the same date, we had one leased property constructed on allocated land. If the relevant lessor leases the allocated land use rights and the relevant building without obtaining proper approval, the related lease agreement may be deemed invalid, and as a result we may be required to vacate the defective leased property and relocate.

We are not aware of any material claims or actions being contemplated or initiated by government authorities, property owners or any other third parties with respect to our leasehold interests in or use of the abovementioned defective leased properties. However, we cannot assure you that our use of such leased properties will not be challenged in the future. In the event that our use of properties is successfully challenged, we may be forced to relocate the affected operations. We cannot assure you that we will be able to find suitable replacement sites on terms acceptable to us on a timely basis, or at all. As a result, our business, financial condition and results of operations may be materially and adversely affected.

Furthermore, as of the same date, we had not registered the lease agreements of certain leased properties with the relevant PRC government authorities. As advised by our PRC Legal Advisors, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each of the unregistered lease agreements if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period.

Failure to renew our leases or secure suitable premises for our facilities could materially and adversely affect our business.

We lease properties primarily for our offices, warehouses and sorting facilities. We may not be able to renew existing leases or secure suitable replacement premises on commercially reasonable terms, or at all. If we are required to relocate any facilities, our operations may be disrupted and we may incur higher rental, relocation and operating costs.

As our logistics network continues to expand, we expect to require additional operational facilities in key locations. However, the supply of suitable logistics and industrial properties may be limited, and we face competition from other market participants for premises that meet our operational requirements. In addition, rental costs in certain regions may continue to increase.

If we fail to renew existing leases, secure suitable new premises in a timely manner or relocate affected operations efficiently, our operational continuity, network expansion plans and overall business performance may be materially and adversely affected.

We are subject to anti-corruption, anti-bribery, anti-money laundering, economic and trade sanctions and other laws and regulations.

We are subject to anti-corruption, anti-bribery, anti-money laundering ("**AML**"), economic and trade sanctions laws and other relevant laws and regulations in various jurisdictions where we operate. These laws and regulations impose obligations relating to customer identification, transaction monitoring, sanctions screening, record keeping and compliance management. As our business continues to expand across multiple jurisdictions, our compliance obligations and regulatory exposure may also increase.

In addition, we currently cooperate with certain third party payment channel to process payments for us, which are also subject to anti-money laundering obligations under applicable anti-money laundering laws and regulations, which require them to comply with certain anti-money laundering requirements, including the establishment of a customer identification procedure, the monitoring and reporting of suspicious transactions, the preservation of customer information and transaction records, and the provision of assistance to the public security department and judicial authority in investigations and proceedings in relation to anti-money laundering matters. If a third-party payment channel fails to perform its anti-money laundering obligations, it may be subject to fines or other proceedings in accordance with the relevant regulations, and in turn our reputation could suffer and we could become subject to regulatory intervention, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Unfavorable results of legal and regulatory proceedings could materially adversely affect our business and financial condition and performance.

We may, from time to time, be subject to legal and regulatory proceedings, disputes and claims that arise in the ordinary course of business. As our business grows and expands geographically, the number, scope and complexity of legal disputes and regulatory inquiries may increase accordingly. As of the Latest Practicable Date, we were not a defendant to any ongoing material litigation, arbitration or administrative proceedings, and we were not aware of any claims or proceedings contemplated by government authorities or third parties which would materially and adversely affect our business.

However, we may in the future be subject to or involved in lawsuits, contract disputes, employment-related controversies, regulatory inquiries, administrative penalties or other proceedings arising from our business operations across multiple jurisdictions. Such matters can require significant resources, including substantial costs for investigation, legal representation, litigation, and potential settlements, judgments, penalties or fines.

Legal and regulatory proceedings may also be time-consuming and divert management and key personnel from day-to-day operations, thereby affecting our operational efficiency. In addition, regardless of the merits of any claim or whether we ultimately prevail, any such proceedings may generate negative publicity, harm our reputation or unsettle our partners and customers. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations or liquidity.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

Changes in the political and economic policies, as well as the interpretation and enforcement law, rules and regulations, may affect our business, financial condition, results of operations and prospects.

Our operations span multiple jurisdictions, and we generate a substantial portion of our revenue from the PRC. The majority of our businesses, assets and operations are located in the PRC. As a result, our business, financial condition and results of operations are subject, to a significant degree, to the economic, political, social and regulatory environment in the PRC.

The PRC legal system is based on written statutes. Some of the current laws and regulations are relatively new and may be amended in the future and interpreted or enforced depending on the specific facts and circumstances, which may affect our judgment on the relevance of legal requirements and the value of your investment. The PRC government regulates the economy and the industries by imposing industrial policies and regulating the macroeconomy through fiscal and monetary policies. Our performance has been and will continue to be affected by the Chinese economy, while uncertainties stemming from global economic volatility, as well as geopolitical dynamics across various regions, will continue to exert influence on the China economy.

We are unable to anticipate all the risks that we face as a result of current economic, political, social and regulatory developments and many of these risks are beyond our control. All such factors may materially and adversely affect our business operations and financial performance.

You may experience difficulties in effecting service of the legal process upon us and our management and seeking recognition and enforcement of judgments against them across jurisdictions.

The legal systems across different jurisdictions vary significantly, which in turn leads to differences in the effecting service of legal process and the process of recognizing and enforcing any judgments. These processes are subject to treaties or arrangements providing for the recognition and enforcement of judgments made by courts of other jurisdictions.

As a result, [**REDACTED**] may encounter challenges in effecting service of process and/or recognizing and enforcing any judgments for disputes brought in other jurisdictions. We are a company incorporated under the laws of the PRC, and substantially all of our assets are located in the PRC. Substantially all of our Directors and senior management reside within the PRC, and the assets of our Directors and senior management are likely to be located within the PRC. As a result, it may be difficult for you to effect service of process within Hong Kong, the U.S. or elsewhere outside the PRC upon us or these persons, or to bring an action in Hong Kong against us or these individuals. Moreover, the PRC has not entered into treaties with certain other jurisdictions that provide for the reciprocal recognition and enforcement of judicial rulings and awards.

An original action may only be brought in the PRC against us or our Directors and senior management if the actions are not required to be arbitrated by the PRC laws and upon satisfaction of the conditions for commencing a cause of action pursuant to the civil procedure laws in the PRC.

We may be subject to additional regulatory requirements relating to new laws and regulations on overseas offerings and listings issued by PRC government authorities.

On February 17, 2023, the CSRC promulgated the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and five supporting guidelines, which took effect on March 31, 2023. According to the Overseas Listing Trial Measures, we, as a PRC domestic company seeking to [**REDACTED**] and [**REDACTED**] securities in overseas markets, are required to file with the CSRC within three working days after submitting the [**REDACTED**] application documents to the overseas supervisory authorities. In addition, pursuant to the Overseas Listing

Trial Measures, issuers are also required to submit subsequent reports to the CSRC on relevant information or material events, such as change of control or voluntary or forced delisting of the issuers who have completed overseas offerings and listings.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of the PRC, and the National Archives Administration of the PRC published the *Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies* (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Archives Rules**"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Overseas Listing Trial Measures and the Archives Rules may keep evolving, failure to comply with which may materially affect our business, results of operations or financial conditions.

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the [**REDACTED**] from such future financing activities into the PRC or take other actions to restrict our financing activities, which could have a material and adverse effect on our financial conditions and business prospects.

We are subject to the currency exchange regulatory system.

We expect that a large portion of our revenue will be denominated in Renminbi. A portion of our revenue may be converted into or from other currencies in order to meet our foreign currency obligations. For example, we need to obtain foreign currency to make payments of declared dividends, if any, on our H Shares. Under the existing PRC laws and regulations on foreign exchange, following the completion of the [**REDACTED**], we will be able to make dividend payments in foreign currencies by complying with certain procedural requirements and without prior approval from SAFE.

Fluctuations in the exchange rate of Renminbi against Hong Kong dollar, U.S. dollar and other foreign currencies are affected by, among other things, the changes in domestic and international political, economic conditions and monetary policies. The [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our [**REDACTED**] from the [**REDACTED**]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our H Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. There can be no assurance that our business, financial condition and results of operations would not be adversely affected by the fluctuation in exchange rates in the future.

Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

The preferential tax treatments granted by the PRC government may become unavailable.

During the Track Record Period, certain of our subsidiaries enjoyed preferential tax treatments. For example, the subsidiaries of Beijing Yanmaotong, Yanwen Information, Shanghai Mindatong, and Hangzhou Anzhi were eligible for preferential corporate income tax policies applicable to small and micro-sized enterprises. See Note 11 to the Accountants' Report in Appendix I to this document for details. Any increase in the enterprise income tax rate applicable to our PRC subsidiaries in China, or any discontinuation, retroactive or reduction or refund of any of the preferential tax treatments currently enjoyed by our PRC subsidiaries in China, could adversely affect our financial condition.

Payment of dividends is subject to conditions under the PRC laws.

Dividends may be paid only out of distributable profits pursuant to the stipulation of the PRC laws. Distributable profits are defined as our profits after taxes as determined under the PRC GAAP or the IFRS Accounting Standards (whichever is lower) less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given period are retained and available for distribution in subsequent periods. Moreover, as the calculation of distributable profits under the PRC GAAP is different from the calculation under the IFRS Accounting Standards in multiple respects, our subsidiaries may not have distributable profits as determined under the PRC GAAP, even if they have profits for that period as determined under the IFRS Accounting Standards, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could adversely affect our cash flow and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares, and the liquidity and market price of our H Shares following the [REDACTED] may be volatile.

No public market currently exists for our H Shares. The initial [**REDACTED**] for our H Shares to the public will be the result of negotiations between our Company and the [**REDACTED**] (on behalf of the [**REDACTED**]), and the [**REDACTED**] may differ significantly from the market price of our H Shares following the [**REDACTED**]. We have applied to the Hong Kong Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**] in, our H Shares. A [**REDACTED**] on the Hong Kong Stock Exchange, however, does not guarantee that an active and liquid [**REDACTED**] market for our H Shares will develop, or if it does develop, that it will be sustained following the [**REDACTED**], or that the [**REDACTED**] of the H Shares will not decline following the [**REDACTED**].

In addition, the [**REDACTED**] price and [**REDACTED**] volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including: developments in the global cross-border logistics industry; developments in laws and regulations in regions where we operate; political, economic, financial and social developments in regions where we operate and in the global economy; variations in our operating results; unexpected business interruptions resulting from natural disasters or outbreaks of contagious diseases; additions to or departures of, our executive officers and other members of our senior management; changes in financial estimates by securities analysts; announcements made by us or our competitors; [**REDACTED**] perception of us and of the [**REDACTED**] environment in regions where we operate; changes in pricing made by us or our competitors; acquisitions by us or our competitors; the depth and liquidity of the market for our H Shares; and release or expiry of lock up or other transfer restrictions on our H Shares or sales or perceived sales of H Shares by us or other Shareholders.

Moreover, the capital market has ever and again experienced significant price and [**REDACTED**] volume fluctuations that were unrelated or not directly related to the operating performance of the underlying companies in the market. It is possible that our H Shares may be subject to changes in price not directly related to our performance and as a result, [**REDACTED**] in our H Shares may suffer substantial losses.

The conversion of Unlisted Shares into H Shares could increase the supply of H Shares in the market, which may negatively impact the market price of H Shares.

According to the stipulations by the CSRC and the Articles of Association, our Unlisted Shares may be converted into H Shares and such converted H Shares may be [**REDACTED**] or [**REDACTED**] on an overseas stock exchange, provided that prior to the conversion and [**REDACTED**] of such converted shares, the requisite internal approval processes have been duly completed and the filing with the CSRC has been duly completed. In addition, such conversion, [**REDACTED**] and [**REDACTED**] must comply with the regulations prescribed by the CSRC and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. We can apply for the [**REDACTED**] of all or any portion of our Unlisted Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of shares for entry on the [**REDACTED**]. This could cause an increase in the supply of H Shares in the market, and future sales, or perceived sales, of the converted H Shares may adversely affect the [**REDACTED**] price of H Shares.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares in the future.

The [**REDACTED**] of the [**REDACTED**] is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, purchasers of the [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] consolidated net tangible asset value, based on the mid-point of the [**REDACTED**] range. There can be no assurance that if we were to immediately liquidate after the [**REDACTED**], any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider [**REDACTED**] and [**REDACTED**] additional Shares in the future. Purchasers of the [**REDACTED**] may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

Future sales or perceived sales of substantial amounts of our securities in the public market, including any future [REDACTED] in the PRC, could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholdings.

Future sales of substantial amounts of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new H Shares or other securities relating to our H Shares, or the perception that such sales or issuances may occur could all cause a decline in the market price of our H Shares. Future sales, or perceived sales, of substantial amounts of our securities or other securities relating to our H Shares, including part of any future [**REDACTED**], could also materially and adversely affect the prevailing market price of our H Shares and our ability to raise capital in the future at a time and at a price which we deem appropriate.

Our Controlling Shareholders have significant influence over our Company and their interests may not be aligned with the interest of our other Shareholders.

Immediately following the [**REDACTED**], our Controlling Shareholders will hold in aggregate approximately [**REDACTED**]% of our Shares, assuming no exercise of the [**REDACTED**]. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition

of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our Shares.

We have significant discretion as to how we will use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may utilize the [**REDACTED**] from the [**REDACTED**] in ways you may not agree with or that do not yield a favorable return to our Shareholders. See "Future Plans and Use of [**REDACTED**] — Use of [**REDACTED**]" for more details. However, our management will have discretion as to the actual application of our [**REDACTED**]. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the [**REDACTED**] from the [**REDACTED**].

We may not pay any dividends on the Shares.

We cannot guarantee when, if, or in what form, dividends will be paid on the Shares following the [**REDACTED**]. A declaration of dividends must be proposed by our Board and will be based on, and limited by, various factors, including our business and financial performance, capital and regulatory requirements and general business conditions. Furthermore, we may not have sufficient profits to make dividend distributions to Shareholders in the future. Please see "Financial Information — Dividends and Dividend Policy" for more details on our dividend policy.

Certain facts, forecasts and statistics contained in this document are derived from various official sources and may not be complete or up to date. Information from official government sources has not been independently verified by us or any other parties involved in the [REDACTED].

We have derived certain facts and other statistics in this document, particularly the section headed "Industry Overview," from information provided by the government. The information from official government sources has not been prepared or independently verified by us or any other parties involved in the [**REDACTED**], or any of our or their respective directors, affiliates, senior management, representatives or advisors, and, therefore, we cannot assure you as to the accuracy and reliability of such facts and statistics from official government sources, which may not be consistent with other information compiled inside or outside the PRC. You should consider carefully how much weight or importance you should attach to or place on such information or statistics.

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

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain [**REDACTED**] information and other matters. The words "will," "would," "estimate," "expect," "anticipate," "plan," "aim," "going forward," "believe," "may," "intend," "ought to," "continue," "project," "should," "seek," "potential" and the negative of these words and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business forecasts and prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including

those set out in "Risk Factors" in this document. Accordingly, such statements are not a guarantee of future performance, and you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

If securities or industry analysts do not publish research or reports about us or our business, or if they adversely change their recommendations, the market price and [REDACTED] volume of our H Shares may decline.

The [**REDACTED**] market for our H Shares will be influenced by research or reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the market price for our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or [**REDACTED**] volume of our H Shares to decline.

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

We strongly caution you to read the entire document carefully, rather than relying on any information contained in press articles or other media regarding us or the [**REDACTED**]. Prior to the publication of this document, there may have been and there may also be, subsequent to the date of this document but prior to the completion of the [**REDACTED**], press and media coverage regarding us and the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.

In preparation for the [**REDACTED**], our Company has applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange. In addition, the Guide for New Listing Applicants provides that the listing applicant should normally have the following arrangements for maintaining regular communication with the Stock Exchange for the purpose of its granting waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules: (a) the authorized representatives of the listing applicant will act as the principal channel of communication with the Stock Exchange; (b) the authorized representatives of the listing applicant should have means for contacting all its directors promptly at all times as and when the Stock Exchange wishes to contact the directors on any matters; (c) each director of the listing applicant who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period; (d) the compliance advisor of the listing applicant will act as an additional channel of communication with the Stock Exchange; and (e) each director of the listing applicant will provide their respective mobile phone numbers, office phone numbers, email addresses and fax numbers to the Stock Exchange.

Since our Group's substantial business operations are managed and conducted outside Hong Kong, and all of our executive Directors ordinarily reside in the PRC, we do not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules. The Directors consider that either by means of relocation of our existing executive Directors or appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company and the Shareholders as a whole. Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules based on the following grounds:

(a) we have appointed Mr. Zhou, our chairman of the Board and an executive Director, and Mr. Chow Tsz Ho (周梓浩), one of our joint company secretaries who is ordinarily resident in Hong Kong, as our authorized representatives for the purposes of Rule 3.05 of the Listing Rules to serve as our principal channel of communication with the Stock Exchange. We have provided the Stock Exchange with their contact details, and they will be available to meet with the Stock Exchange within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email;

(b) as and when the Stock Exchange wishes to contact our Directors on any matters, each of our authorized representatives will have means to contact all of our Directors promptly at all times. We will implement measures such that (i) each Director must provide his or her mobile phone number, office phone number, facsimile number and email address to our authorized representatives and the Stock Exchange; and (ii) in the event that a Director expects to travel or otherwise be out of office, he or she will provide the phone number of the place of his or her accommodation to our authorized representatives. We have provided the Stock Exchange with the contact details of each Director to facilitate communication with the Stock Exchange;

(c) each Director who is not an ordinary resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period of time, if required;

(d) we have appointed Somerley Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules, which will act as our additional and alternative channel of communication with the Stock Exchange for a period commencing on the [**REDACTED**] and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately after the [**REDACTED**], and its representative(s) will be fully available to answer enquiries from the Stock Exchange. Our compliance advisor will advise our Company on on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the [**REDACTED**], and will have access at all times to our authorized representatives, our Directors and the other senior management of our Company to ensure that it is in a position to provide prompt responses to any queries or requests from the Stock Exchange in respect of our Company; and

(e) any meeting between the Stock Exchange and our Directors will be arranged through our authorized representatives or compliance advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives or compliance advisor.

WAIVER IN RELATION TO APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, our Company must appoint a company secretary who satisfies the requirement under Rule 3.28 of the Listing Rules. Rule 3.28 of the Listing Rules provides that a company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary. Note 1 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable: (a) a member of The Hong Kong Chartered Governance Institute; (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); or (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong). Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience", the Stock Exchange will consider the individual's: (a) length of employment with the listing applicant and other issuers and the roles he/she played; (b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code; (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and (d) professional qualifications in other jurisdictions. In addition, the Guide for New Listing Applicants provides that the waiver from strict compliance with Rule 3.28 of the Listing Rules, if granted, will be for a fixed period of time and on the following conditions: (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the waiver period; and (b) the waiver will be revoked if there are material breaches of the Listing Rules by our Company.

We have appointed Mr. Qin Pinqiang (秦品強) ("**Mr. Qin**") as one of the joint company secretaries in January 2026. Mr. Qin joined our Group in January 2020 and has been a vice general manager of our Company and the secretary of the Board since August 2020. He is primarily responsible for corporate governance, financing, investment, investor relations and sales management of our Group. Mr. Qin has accumulated abundant knowledge about the business operations and governance of corporations of our Group with a strong recognition of our corporate culture. By virtue of his position and familiarity with our Group, Mr. Qin has worked closely with our Directors and thus possessed a thorough understanding of matters concerning the Board and its operations. As such, our Directors believe that Mr. Qin is a suitable person to act as the company secretary of our Company. However, Mr. Qin does not possess the specified qualifications strictly required by Rule 3.28 and Rule 8.17 of the Listing Rules. As a result, we have appointed Mr. Chow Tsz Ho (周梓浩) ("**Mr. Chow**"), who meets the requirements under Rule 3.28 and Rule 8.17 of the Listing Rules, to act as the other joint company secretary and to assist Mr. Qin in the compliance

matters for the [**REDACTED**] as well as other Hong Kong regulatory requirements for an initial period of three years from the [**REDACTED**]. Over such period, we will implement the following measures to assist Mr. Qin to satisfy the requisite qualifications as prescribed in Rules 3.28 and 8.17 of the Listing Rules:

(a) Mr. Chow will assist Mr. Qin so as to enable him to discharge his duties and responsibilities as a joint company secretary of our Company. Given Mr. Chow's relevant experiences, he will be able to advise both Mr. Qin and us on the relevant requirements of the Listing Rules as well as other applicable laws and regulations of Hong Kong;

(b) Mr. Qin will be assisted by Mr. Chow for an initial period of three years commencing from the [**REDACTED**], which should be sufficient for him to acquire the requisite knowledge and experience under Rule 3.28 of the Listing Rules;

(c) we will ensure that Mr. Qin has access to the relevant trainings and support to enable him to familiarize himself with the Listing Rules and the duties required of a company secretary of a Hong Kong [**REDACTED**] company, and Mr. Qin has undertaken to attend such trainings;

(d) Mr. Chow will communicate with Mr. Qin on a regular basis regarding matters in relation to corporate governance, the Listing Rules as well as other applicable laws and regulations of Hong Kong which are relevant to our operations and affairs. Mr. Chow will work closely with, and provide assistance to Mr. Qin with a view to discharging his duties and responsibilities as a company secretary, including but not limited to organizing the Board meetings and Shareholders' meetings; and

(e) pursuant to Rule 3.29 of the Listing Rules, Mr. Qin and Mr. Chow will also attend in each financial year no less than 15 hours of relevant professional training courses to familiarize themselves with the requirements of the Listing Rules and other legal and regulatory requirements of Hong Kong. Both Mr. Qin and Mr. Chow will be advised by our legal advisors as to Hong Kong laws and our compliance advisor as and when appropriate and required.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules for an initial period of three years from the [**REDACTED**], in accordance with the Guide for New Listing Applicants published by the Stock Exchange, on the conditions that (i) Mr. Chow is engaged as a joint company secretary and provides assistance to Mr. Qin during this period; and (ii) the waiver can be revoked immediately if Mr. Chow ceases to provide assistance to Mr. Qin as a joint company secretary for the three-year period after the [**REDACTED**] or if there are material breaches of the Listing Rules by our Company. Before the end of the three-year period, we must demonstrate and seek the Stock Exchange's confirmation that Mr. Qin (i.e. the proposed company secretary not fulfilling the requirement under Rule 3.28 of the Listing Rules), having had the benefit of Mr. Chow's (i.e. the qualified person) assistance during the three-year period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of company secretary so that a further waiver would not be necessary.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Zhou Wenxing (周文興)	Room 1204, 3/F, No. 18, Gongti West Road, Chaoyang District, Beijing, the PRC	Chinese
Ms. Zeng Yan (曾燕)	Room 1204, 3/F, No. 18, Gongti West Road, Chaoyang District, Beijing, the PRC	Chinese
Mr. Xie Zhiwei (謝志偉)	Room 302, Unit 2, Building 121, Qingshui Bay Garden, Luyuan Middle Road, Tongzhou District, Beijing, the PRC	Chinese
Mr. Lyu Lei (呂磊)	Room 404, No. 112, Shilipu Dongli, Chaoyang District, Beijing, the PRC	Chinese
Non-executive Directors		
Mr. Xue Long (薛龍)	No. 1335, River Garden Villa, Konggang Street, Shunyi District, Beijing, the PRC	Chinese
Mr. Zhu Cheng (朱成)	Room 201, No. 9, Lane 111, Fushan Road, Pudong New District, Shanghai, the PRC	Chinese
Mr. Zhu Aimin (朱愛民)	Room 702, Building 10, No. 188, Fenghuang West Street, Gulou District, Nanjing, Jiangsu Province, the PRC	Chinese
Independent non-executive Directors		
Mr. Zhao Zhenzhi (趙振志)	Room 402, No. 33, Lane 99, Huangjincheng Road, Changning District, Shanghai, the PRC	Chinese
Mr. Gu Quan (顧全)	Room 1103, No. 378, Xujiahui Road, Huangpu District, Shanghai, the PRC	Chinese
Mr. Wang Dong (王棟)	Room B1, 22/F, Block B, The Holborn, 1 Shau Kei Wan Road, Shaukiwan, Hong Kong	Chinese (Hong Kong)
Mr. Ni Wei (倪瑋)	Room 1205, Building 5, Courtyard 3, Sanlihe First Area, Xicheng District, Beijing, the PRC	Chinese

For further information regarding our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

Shenwan Hongyuan Capital (H.K.) Limited
Level 6, Three Pacific Place, 1 Queen's Road East, Hong Kong

[**REDACTED**]

Legal Advisors to our Company

As to Hong Kong laws
Tian Yuan Law Firm LLP
Suites 3304-3309, 33/F, Jardine House, One Connaught Place, Central, Hong Kong

As to PRC laws
Tian Yuan Law Firm
Suite 509, Tower A, Corporate Square, 35 Financial Street, Xicheng District, Beijing, the PRC

As to PRC data compliance laws
Tian Yuan Law Firm
Suite 509, Tower A, Corporate Square, 35 Financial Street, Xicheng District, Beijing, the PRC

Legal Advisors to the Sole Sponsor and [REDACTED]

As to Hong Kong laws
Baker & McKenzie
14/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

As to PRC laws
Jia Yuan Law Offices
F408, Ocean Plaza, 158 FuxingMen Nei Street, Xicheng District, Beijing, the PRC

Auditor and Reporting Accountants

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

Compliance Advisor

Somerley Capital Limited
20/F, China Building, 29 Queen's Road Central, Hong Kong

Industry Consultant

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
Suite 2504, Wheelock Square, 1717 Nanjing West Road, Shanghai, the PRC

[**REDACTED**]

CORPORATE INFORMATION

Registered Office	Room 301, 3/F, Building 2, No. 10, Jiuxianqiao Road, Chaoyang District, Beijing, the PRC
Headquarters and Principal Place of Business in the PRC	Room 301, 3/F, Building 2, No. 10, Jiuxianqiao Road, Chaoyang District, Beijing, the PRC
Principal Place of Business in Hong Kong	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Company's Website	**www.yw56.com.cn** *(the information contained on the website does not form part of this document)*
Joint Company Secretaries	**Mr. Qin Pinqiang (秦品強)** Room 102, No. 8, Lane 1188, Xuying Road, Qingpu District, Shanghai, the PRC **Mr. Chow Tsz Ho (周梓浩)** *(Associate of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Authorized Representatives	**Mr. Zhou Wenxing (周文興)** Room 1204, 3/F, No. 18, Gongti West Road, Chaoyang District, Beijing, the PRC **Mr. Chow Tsz Ho (周梓浩)** 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Audit Committee	Mr. Gu Quan (顧全) *(chairperson)*, Mr. Wang Dong (王棟), Mr. Xue Long (薛龍)
Remuneration Committee	Mr. Zhao Zhenzhi (趙振志) *(chairperson)*, Mr. Zhou Wenxing (周文興), Mr. Gu Quan (顧全)
Nomination Committee	Mr. Wang Dong (王棟) *(chairperson)*, Ms. Zeng Yan (曾燕), Mr. Ni Wei (倪瑋)
Strategy Committee	Mr. Zhou Wenxing (周文興) *(chairperson)*, Ms. Zeng Yan (曾燕), Mr. Zhao Zhenzhi (趙振志)
	[**REDACTED**]
Principal Bank	**China Merchants Bank Co., Ltd.** **Beijing Shuangyushu Sub-branch** 1/F, Ligong Science and, Technology Building, No. 9, Zhongguancun South Street, Haidian District, Beijing, the PRC

The information and statistics set out in this section and other sections of this document were extracted from the report commissioned by us and prepared by Frost & Sullivan, and from various official government publications and other publicly available publications. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**] *and the* [**REDACTED**]*, the* [**REDACTED**]*,* [**REDACTED**]*, or any of our or their respective directors, advisors, officers, employees or agents or any other persons or parties involved in the* [**REDACTED**]*, and no representation is given as to its accuracy.*

SOURCE AND RELIABILITY OF INFORMATION

In connection with the [**REDACTED**], we engaged an independent market research consultant, Frost & Sullivan, to conduct an analysis of, and to prepare an industry report on the industries where we operate with a commission fee of RMB750,000. Founded in 1961, Frost & Sullivan conducts market research and prepares industry report on a variety of industries, among other services. The information from Frost & Sullivan disclosed in this document is extracted from the Frost & Sullivan Report with its consent.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan used the following key methodologies to collect multiple sources, validate the collected data and information, and cross-check each respondent's information and expressions against those of others: (i) secondary research, which involved reviewing published sources including national statistics, annual reports of listed companies, industry reports and data based on Frost & Sullivan's in-house research database; and (ii) primary research, which involved in-depth interviews with the industry participants.

The market projections in the Frost & Sullivan Report are based on the following key assumptions: (i) during the forecast period, the global and China's social, economic, and political environments are likely to remain stable; and (ii) during the forecast period, key industry drivers are likely to propel growth in the global and China's cross-border e-commerce industry. All statistics are based on available information as of the date of the Frost & Sullivan Report.

DIRECTORS' CONFIRMATION

After making reasonable inquiries, our Directors confirm that, to the best of their knowledge, there has been no detrimental change in the market information demonstrated in the Frost & Sullivan Report since the date of the report that may qualify, contradict or have an impact on the information in this document.

CHINA'S B2C CROSS-BORDER E-COMMERCE INDUSTRY

The B2C cross-border e-commerce refers to international commercial activities where trading entities located in different customs jurisdictions reach a transaction intention through the internet and e-commerce platforms, complete online payments and settlements, and deliver goods via direct-shipment and overseas warehouses to fulfill the transaction.

Market Size

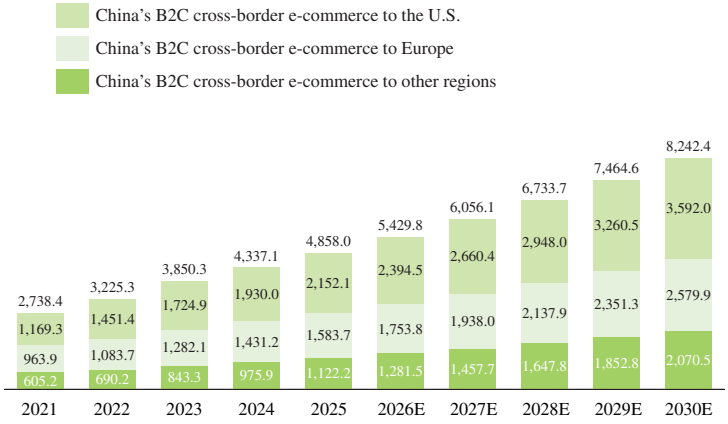
Leveraging China's complete supply chain system, the B2C cross-border e-commerce supply chain demonstrates significant advantages in rapidly responding to market demands and effectively controlling costs. High-cost performance products widely cover various consumer scenarios, providing essential competitive support for the growth in GMV of China's B2C cross-border e-commerce industry.

In the future, as emerging markets such as Southeast Asia and the Middle East continue to expand and online consumption habits become increasingly established, demand for online shopping is expected to grow rapidly. In particular, the e-commerce market in Southeast Asia is expected to experience rapid growth, with e-commerce penetration rate projected to increase from 22.9% in 2025 to 34.1% in 2030. Supported by the rapid increase in e-commerce penetration, the Southeast Asia's B2C cross-border e-commerce market is expected to record a CAGR of 11.4% from 2025 to 2030. In addition, the e-commerce penetration rates in the UK, the U.S., South Korea, and Japan are expected to rise by 2030, from 35.1% to 41.7%, from 19.4% to 25.4%, from 33.4% to 37.2%, and from 15.7% to 18.4%, respectively. The rapidly growing e-commerce penetration rates in these countries offer vast opportunities for the future development of China's B2C cross-border e-commerce market, thereby driving the GMV growth of the B2C cross-border e-commerce market in China.

Market Size of China's B2C Cross-border E-commerce Market, by GMV

Billion RMB, 2021-2030E

CAGR	2021-2025	2025-2030E
Total	15.4%	11.2%
China's B2C cross-border e-commerce to the U.S.	16.5%	10.8%
China's B2C cross-border e-commerce to Europe	13.2%	10.3%



Source: Frost & Sullivan

Market Drivers

- ***Chinese enterprises expanding overseas drive growth in B2C cross-border e-commerce demand***. As globalization accelerates and domestic competition intensifies, more Chinese enterprises are actively expanding overseas to seek new growth. Firms are increasingly reliant on overseas sales channels. Boasting low entry barriers and high operational efficiency, B2C cross-border e-commerce has emerged as a mainstream overseas expansion approach. It significantly increases the willingness to use cross-border e-commerce platforms, thus driving the expansion of the industry's transaction scale.

- ***Chinese e-commerce platforms are gaining global influence and becoming a key driver of B2C cross-border e-commerce growth***. Leveraging highly efficient and cost-effective supply chains, Chinese e-commerce platforms are rapidly increasing their penetration across major markets including North America, Europe, Latin America, and the Middle East. Their strong traffic acquisition, advanced infrastructure, and unique models are influencing the B2C cross-border e-commerce landscape, enabling Chinese merchants to easily reach their global consumers.

- ***The emergence of global online shopping habits is creating new growth opportunities for China's B2C cross-border e-commerce market***. As global crossborder e-commerce infrastructure, payment systems, and logistics networks continue to mature, consumers

worldwide are increasingly adopting online shopping habits. With e-commerce penetration rates rising across countries, demand for cross-border goods continues to grow. At the same time, Chinese companies are accelerating their global expansion and continuously expanding into overseas markets, driving the Chinese B2C cross-border e-commerce industry toward broader market growth opportunities.

Major Pain Points and Challenges

One of the primary challenges faced by players in the B2C cross-border e-commerce industry is inefficiency in logistics transportation. Specifically, such challenge manifests in the following areas:

- ***Lack of Timeliness in Fulfillment***: Cross-border transportation involves multiple steps, including international collection, trunk transportation, customs clearance in the destination country, local distribution, and last-mile delivery. Each stage may be impacted by geopolitical shifts, regulatory policy adjustments, and infrastructure disparities. These challenges lead to delays, mismatches, and lost packages, thereby reducing customer satisfaction and repurchase intention.

- ***High After-sales Service Costs***: Cross-border returns and exchanges are complex with high cost, involving international logistics, customs clearance, and reverse warehousing. Differences in return policies, language barriers, and delays in information increase customer inquiries and inefficiencies, raising labor costs. Additionally, the risk of product damage or loss further squeezes profit margins.

- ***Insufficient Digital Capabilities***: Cross-border logistics involve complex multi-stage and cross-regional processes, requiring high levels of information collaboration and real-time control, but many companies have yet to build a comprehensive digital management system. Without a unified platform, information across stages like order processing, inventory, and transportation is fragmented, making it hard to track goods, monitor inventory, predict risks, or respond to market changes.

CHINA'S B2C CROSS-BORDER E-COMMERCE LOGISTICS SERVICES INDUSTRY

China's B2C cross-border e-commerce logistics services industry is a comprehensive service industry focused on serving global e-commerce trade, utilizing intelligent technologies to implement end-to-end digital management across all stages of the cross-border logistics chain, including first-mile pickup, sorting, cross-border transportation, customs clearance and last-mile delivery. Industry players primarily serve downstream clients, including cross-border e-commerce platforms, cross-border merchants, international brands, and overseas warehouses operators, aiming to empower cross-border supply chains with technology to enhance logistics efficiency, optimize costs, and standardize services.

Value Proposition

B2C cross-border e-commerce logistics services providers offer efficient and reliable fulfillment services to cross-border e-commerce merchants and end consumers, and enhancing their service experience.

- ***High cost-effectiveness***: Providers reduce costs through efficient operations, optimized routes, and streamlined procedures, while maintaining high service standards. By leveraging economies of scale and strict cost control, they offer more competitive pricing, helping sellers lower shipping expenses.

- ***Stable and reliable service***: One of the core elements most critical to cross-border e-commerce merchants and consumers is the stability and efficiency of logistics services. B2C cross-border e-commerce logistics services providers ensure timely delivery, guaranteeing goods reach consumers on schedule while minimizing delays, damage, and other issues.

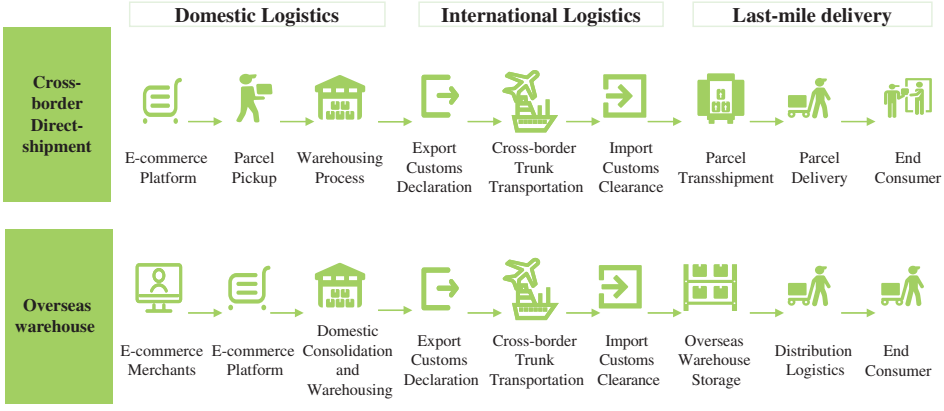
- ***Enhancing service experience***: B2C cross-border e-commerce logistics services providers offer comprehensive solutions covering the entire process, providing sellers with efficient and reliable fulfillment systems. This significantly reduces delivery times to end consumers, enabling faster and more stable delivery experiences. Consequently, it comprehensively empowers and improves the overall shopping experience for end consumers.

Business Model

- ***Cross-border direct-shipment***: Cross-border direct-shipment is currently the mainstream business model in cross-border e-commerce. This model is characterized by transparent cost structures, predictable delivery times, and high flexibility, and for products such as test items, long-tail products, and products with low average order values, direct shipping is still the most efficient solution.

- ***Overseas warehouses operation model***: This model involves pre-shipping bulk goods to warehouses in destination countries, where customs clearance is completed during transit, eliminating complex cross-border clearance procedures. Orders are dispatched directly from overseas warehouses once placed, significantly boosting delivery efficiency, particularly suited for time-sensitive products. However, this model requires sellers to bear higher inventory costs and market forecasting risks, making it more suitable for brand sellers with stable sales volumes and predictable demand, or for popular product categories.

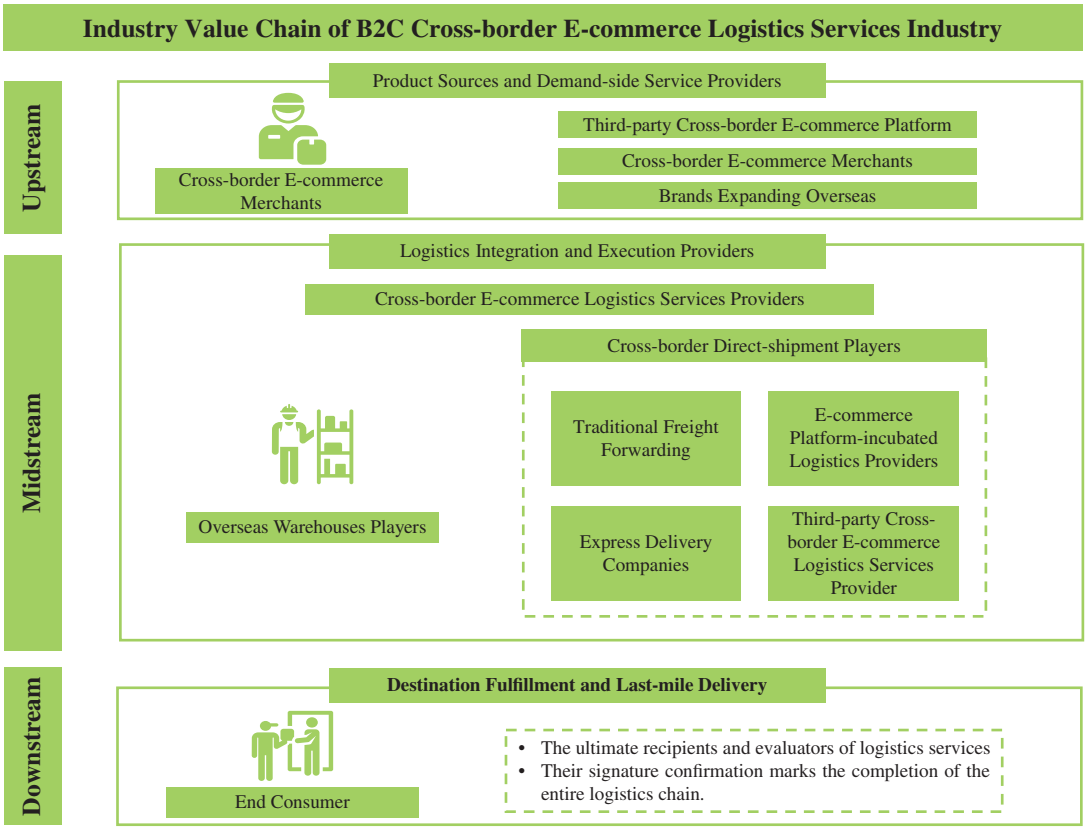
Business Models Comparison for B2C Cross-border E-commerce Logistics Services Providers



Source: Frost & Sullivan

Industry Value Chain

The following diagram illustrates the industry value chain of the B2C cross-border e-commerce logistics services industry in China:



Source: Frost & Sullivan

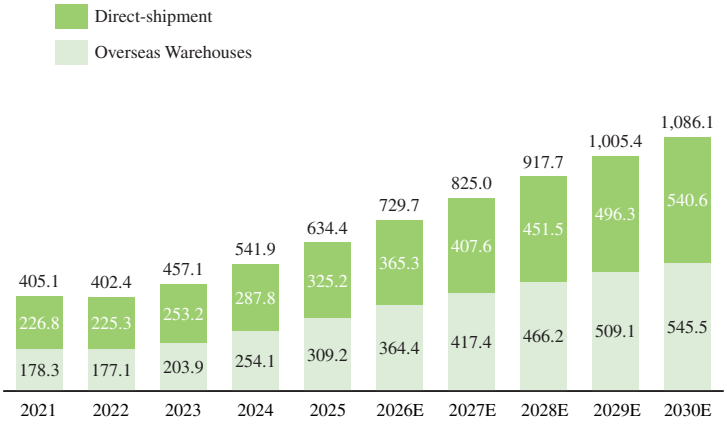
Market Size

From 2021 to 2025, the market size of China's B2C cross-border e-commerce logistics services industry rose from RMB405.1 billion to RMB634.4 billion, with the CAGR of 11.9% during this period. Among these, the market size of direct-shipment grew from RMB226.8 billion to RMB325.2 billion with the CAGR of 9.4% during this period. By 2030, the market size of China's B2C cross-border e-commerce logistics services industry is projected to keep rising to RMB1,086.1 billion, and the market size of direct-shipment is projected to reach RMB540.6 billion, with the CAGR of 11.4% and 10.7% respectively from 2025 to 2030.

Market Size of China's B2C Cross-border E-commerce Logistics Services Market by Revenue

Billion RMB, 2021-2030E

CAGR	2021-2025	2025-2030E
Total	11.9%	11.4%
Direct-shipment	9.4%	10.7%
Overseas Warehouses	14.8%	12.0%



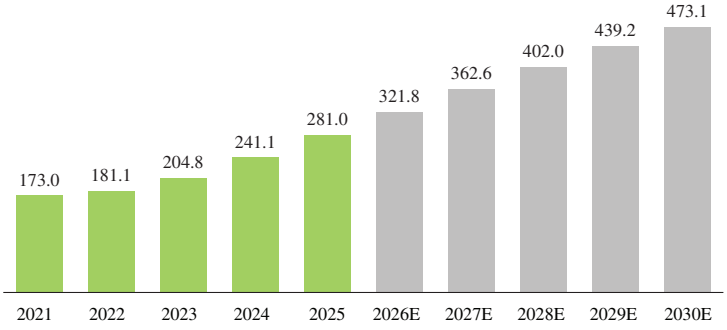
Source: Frost & Sullivan

From 2021 to 2025, China's B2C cross-border e-commerce logistics services revenue generated from parcels delivered to the United States grew from RMB173.0 billion to RMB281.0 billion, achieving a CAGR of 12.9% during the period. By 2030, China's B2C cross-border e-commerce logistics services generated from parcels delivered to the United States is projected to reach RMB473.1 billion, with the 2025-2030 CAGR is projected to be 11.0%.

Market Size of China's B2C Cross-border E-commerce Logistics Services generated from parcels delivered to the United States by Revenue

Billion RMB, 2021-2030E

CAGR	2021-2025	2025-2030E
B2C cross-border e-commerce logistics services generated from parcels delivered to the United States	12.9%	11.0%



Source: Frost & Sullivan

Market Drivers

- *The Global E-commerce Market Continues to Expand with A Growing Cross-border Trend*. The advancement of global internet infrastructure and have made online shopping the dominant form of cross-regional consumption, the need for end-to-end logistics services increase. Besides, as the export share of high-value-added categories such as 3C electronics and smart home products increases in the future, it will drive the China's B2C cross-border e-commerce logistics services market keep growing.

- *Technology Advancements*. The maturation and declining costs of technologies such as big data, IoT, and automation are driving the transformation of cross-border e-commerce logistics, overcoming the inefficiencies and limitations of traditional models.

- *Customers' Growing Demand for Timeliness and Stability*. With the rise of cross-border shopping, overseas consumers now prioritize fast, precise delivery over basic shipping services. Simultaneously, stability in long-distance transit, full traceability, and visible logistics status are essential to reduce consumer anxiety. In response, e-commerce enterprises are making logistics a key competitive advantage, optimizing supply chains, leveraging digital technologies to ensure stable and visible transportation, establishing overseas warehouses for faster local delivery, and refining return and exchange networks to meet higher consumer expectations.

Future Trends

- *Intelligent and Automated Solutions Boost Cost Efficiency and Operational Productivity*. Intelligent automation is central to reducing costs and improving efficiency in cross-border e-commerce logistics, shifting operations from labor-intensive to technology-driven models. Companies are adopting automated warehousing and sorting systems to minimize human error, while intelligent algorithms and predictive planning optimize transport routes and warehouse resource allocation.

- *Leading Industry Players Venture into Local Last-mile Delivery Services*. To strengthen control over the entire logistics chain and boost profitability, leading industry players are focusing on local last-mile delivery services in core markets to improve overseas fulfillment efficiency and the customer experiences. By taking direct control over delivery resources through local teams, partnerships, or acquisitions, they reduce outsourcing costs, improve delivery stability, and increase flexibility.

- *Modular and Customized Logistics Solutions*. The cross-border logistics industry is shifting from traditional one-size-fits-all standardized service toward customized solutions. Enterprises now create tailored logistics plans based on clients' business needs, product types, time sensitivity, and budgets. This approach offers precise solutions for high-value, mass-market, or specialized goods, enhancing customer autonomy and enterprise agility. By offering differentiated services, companies build competitive advantages, driving the industry's high-quality development.

Entry Barriers and Key Success Factors

- *Digital and Intelligent Capabilities*. The key competitive strength in the B2C cross-border e-commerce logistics services industry is driven by technology-enabled efficiency and experience enhancement. Digital and intelligent capabilities are crucial for breaking down data silos across the logistics chain. A unified information system enables real-time, traceable data flow, while intelligent algorithms and dispatch system optimize routes, inventory, and customs processes, thus resolves the traditional logistics issues. Nonetheless, new entrants to the industry often find it difficult to establish an integrated digital system covering the entire process in the short term, as substantial investment in R&D and long-term data accumulation create significant barriers to entry.

- *Precision Operational Capability*. Precision operational capabilities are key to competitive success and profitable growth in B2C cross-border e-commerce logistics services. By optimizing end-to-end processes and efficiently allocating resources, companies reduce operating costs while maintaining service quality. This includes improving route planning,

warehouse management, and customs clearance to minimize waste and delays. Precision operations enhance pricing competitiveness, ensure consistent delivery times, and build customer trust, ultimately expanding profit margins and supporting long-term success in a competitive market. However, new entrants to the industry often find it difficult to quickly accumulate mature cross-border logistics operational experience and the ability to coordinate global resources, the long-term development of a refined operational system and the ability to manage at scale create significant barriers to entry.

- *Storage and Distribution Network Coverage*. The breadth of coverage in warehousing and distribution networks is crucial to the core competitiveness of B2C cross-border e-commerce logistics services providers, influencing their service reach and fulfillment capabilities. A well-developed network reduces transfer steps, cuts costs, and enhances proactive cost control. In mature markets, leveraging localized warehousing resources for last-mile delivery improves delivery flexibility and service adaptability, thereby building customer trust and creating strong, hard-to-replicate competitive barriers. For new entrants, they may find it difficult to establish a global network of overseas warehouses, distribution channels, and local logistics resources in the short term, as substantial upfront capital investments and the need to accumulate long-term experience in network development create significant barriers to entry.

- *Customer Service and Customization Capabilities*. Customer service and customization are core elements for B2C cross-border e-commerce logistics services providers to maintain and build long-term competitive advantages. With diverse customers requiring different delivery times, costs, and compliance needs, standardized services are insufficient to meet customers' needs. Companies with strong customization capabilities offer tailored logistics solutions, such as transportation, customs clearance, warehousing, and last-mile delivery, based on client requirements. For new entrants to the industry, they often find it difficult to establish a mature customer service system and the capability to provide customized cross-regional logistics solutions in a short period of time, with long-term accumulated customer resources, service experience, and localized operational capabilities having created significant barriers to entry.

- *Ecosystem Network Building Capability*. Ecosystem network building capability is a key success factor for B2C cross-border e-commerce logistics services providers to surpass single-service boundaries and establish competitive barriers. Cross-border logistics chains involve multiple stages and parties, requiring integration across the entire supply chain. Successful companies leverage their core competencies to connect upstream and downstream resources, such as customs brokers, carriers, warehouse operators, and local delivery services. This collaboration enhances service control, stability, and efficiency, while offering one-stop integrated solutions. This ecosystem-based approach boosts client retention, achieves economies of scale, and strengthens resource control, creating a sustainable competitive edge. For new entrants, it is typically difficult to establish an ecosystem of partnerships covering the entire cross-border logistics chain in the short term due to the high barriers to entry created by long-term accumulated capabilities in integrating upstream and downstream resources, established partnerships, and experience in collaborative operations.

Competitive Landscape

Major Market Participants

The primary players in the B2C cross-border e-commerce logistics services industry fall into two categories: (i) direct-shipment players; and (ii) overseas warehouses players.

- ***Direct-shipment Players***. Direct shipping players ship orders directly from the origin country to overseas consumers using domestic pickup, postal services, or dedicated lines. This model avoids the risks of overstocking and offers flexibility, making it ideal for diverse products or uncertain demand, particularly for small and medium-sized sellers. However, it faces challenges such as route limitations, customs delays, and fluctuating freight costs, leading to slower delivery times and higher after-sales costs. Key players in this category include non-third-party cross-border e-commerce logistics services providers and third-party cross-border e-commerce logistics services providers.

- *Non-third-party cross-border e-commerce logistics services providers*: In addition to cross-border e-commerce logistics services, these enterprises also engage in other business operations, such as e-commerce business.

- *Third-party Cross-border E-commerce Logistics Services Providers*: Specialize in integrating end-to-end resources including warehousing, customs clearance, trunk transportation, delivery, and information systems to offer one-stop logistics solutions for cross-border sellers.

- ***Overseas Warehouses Players***. These providers establish local warehouses in target markets, pre-stocking goods for faster distribution upon order. This reduces cross-border logistics and customs clearance times, improving fulfillment efficiency and enabling localized after-sales and returns services. However, the high upfront investment in warehouses, teams, and inventory management, along with the risk of inventory buildup due to sales forecast discrepancies, makes this model less adaptable to market fluctuations. Overseas warehouses are best for brands with stable sales, predictable demand, and strong supply chain management.

Ranking

Top 5 Third-party B2C Cross-border E-commerce Logistics Services Providers in China by Revenue in 2025

Ranking	Company Name	Revenue	Market Share
		(Billion RMB)	*(%)*
1	Company A[(2)]	~11.2	3.4%
2	Our Company[(1)]	5.7	1.8%
3	Company B[(3)]	4.3	1.3%
4	Company C[(4)]	3.6	1.1%
5	Company D[(5)]	~1.7	0.5%
	Top 5	**26.5**	**8.1%**

Notes:

(1) Representing our revenue generated from cross-border e-commerce express services.

(2) Company A was founded in 2014 and is headquartered in Shenzhen. It is a private company specializing in global small parcel direct-shipment services.

(3) Company B was founded in 2009 and is headquartered in Guangzhou. It is a private company specializing in cross-border e-commerce supply chain solutions.

(4) Company C was founded in 2010 and is headquartered in Hong Kong. It is a private company specializing in one-stop global cross-border e-commerce logistics solutions.

(5) Company D was founded in 2008 and is headquartered in Shenzhen. The company has completed its shareholding restructuring and is preparing for an [**REDACTED**]. It is specialized in cross-border e-commerce global logistics solutions.

In 2025, the total revenue of China's top 5 third-party B2C cross-border e-commerce logistics services providers reached approximately RMB26.5 billion. Based on 2025 revenue, we ranked as China's second-largest third-party B2C cross-border e-commerce logistics services provider.

Top 5 Third-party B2C Cross-border E-commerce Logistics Services Providers in China by U.S. Parcel Volume in 2025

Ranking	Company Name	Parcel Volume	Market Share
		(Million)	*(%)*
1	Company A	~145.0	2.4%
2	Our Company	80.2	1.4%
3	Company C	51.0	0.9%
4	Company E[(1)]	47.0	0.8%
5	Company B	~30.0	0.5%
	Top 5	**353.2**	**6.0%**

Note:

(1) Company E was founded in 2003 and is headquartered in Shanghai. It is a private company specializing in global cross-border logistics ecosystem.

In 2025, the top 5 third-party B2C cross-border e-commerce logistics services providers in China handled approximately 353.2 million parcels destined for the United States. Based on 2025 parcel volume to the U.S., we ranked as China's second-largest third-party B2C cross-border e-commerce logistics services provider.

Cost Analysis

Costs of the B2C cross-border e-commerce logistics services providers mainly stem from trunk transportation, which primarily consists of air freight and sea freight.

For air freight, Hong Kong is one of the most important outbound hubs in China's B2C cross-border e-commerce logistics services market. Between 2023 and 2025, Hong Kong outbound air freight costs were expected to rise due to the continued growth in cross-border e-commerce demand, increasing from 3,740.2 dollars per ton in 2023 to 4,639.6 dollars per ton in 2025. In the future, as geopolitical conflicts and trade frictions intensify, Hong Kong outbound air freight costs are expected to continue rising slightly. By 2028, the air freight costs are projected to reach 4,859.2 dollars per ton.

U.S. E-COMMERCE LOGISTICS SERVICES INDUSTRY

Current Development Challenges and Pain Points

- ***U.S. e-commerce logistics services are characterized by high cost structures***: The U.S. logistics supply chain has long been dominated by multinational logistics giants, domestic industry leaders, and public sector systems, logistics costs remain persistently high. Small and medium-sized e-commerce merchants are highly cost sensitive and often unable to afford high shipping fees and various surcharges. As a result, they tend to seek alternative logistics solutions that offer better cost effectiveness when fulfilling orders. Leveraging strengths in digital capabilities, efficient supply chain organization, and cost control, Chinese services providers have built a solid foundation for delivering cost-effective logistics services and are well positioned to fill this gap.

- ***Major e-commerce platforms restrict their delivery networks to internal sellers***: Major e-commerce platforms set their mature delivery networks as closed resources, accessible only to sellers operating within their own ecosystems. This exclusivity strategy creates implicit barriers between platform operated logistics networks and independent market participants. From a market structure perspective, such practices not only exclude a large number of external sellers and independent e-commerce merchants from accessing efficient logistics services, thereby constraining the emergence of a diversified, multi-actor-driven market.

- ***U.S. e-commerce logistics services market has high barriers of entry***: At present, the market places increasingly stringent requirements on operational efficiency and cost control. Companies lacking systematic capabilities continue to face sustained operational pressure. Meanwhile, some Chinese enterprises attempting to enter the U.S. market have also struggled to achieve effective expansion due to high operating costs, simplistic profit models, limited channel resources, and insufficient localized management capabilities.

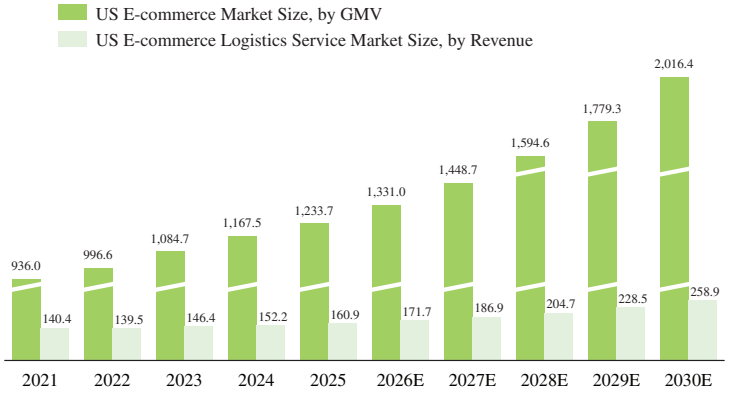
Market Size

During the COVID-19 pandemic, consumer behavior in the United States experienced a structural shift. Lockdown measures accelerated the migration of consumption scenarios to online channels, while government fiscal subsidies further boosted household purchasing power, accelerating the penetration of e-commerce. At the same time, leading e-commerce platforms significantly enhanced the fulfillment experience by introducing high-speed delivery services such as same-day and next-day delivery. Traditional retailers also actively adopted omnichannel strategies, widely promoting "Buy Online, Pick Up In Store" (BOPIS) models, collectively driving the expansion of online consumption. Looking ahead to 2030, supported by multiple growth drivers, including the rise of independent e-commerce websites, the continued entry of Chinese cross-border e-commerce brands, the commercialization of social media platforms, and sustained investments by domestic e-commerce platforms and brick-and-mortar retailers, the U.S. e-commerce market is expected to reach USD2,016.4 billion with a five year CAGR of 10.3%.

Market Size of U.S. E-commerce Logistics Services Market by GMV and Revenue

Billion USD, 2021-2030E

	2021-2025	2025-2030E
US E-commerce Market Size CAGR	7.1%	10.3%
US E-commerce Logistics Service Market Size CAGR	3.5%	10.0%



Source: Frost & Sullivan

From the perspective of e-commerce parcel volume, online consumption surged in 2020 due to the COVID-19 pandemic, leading to a significant increase in parcel volumes compared with 2019. This growth momentum continued into 2021. In 2022, as offline consumption scenarios gradually recovered, U.S. e-commerce parcel volumes experienced a mild and temporary pullback, followed by a return to steady growth. According to available data, U.S. e-commerce parcel volume reached approximately 17.2 billion units in 2021 and increased to 19.6 billion units by 2025, representing a CAGR of 3.3% over the period. Looking ahead, U.S. domestic e-commerce parcel volume is projected to rise to 30.4 billion parcels by 2030, with the CAGR from 2025 to 2030 accelerating to 9.2%.

Future Trends

- ***Continued growth in e-commerce penetration***: In recent years, the U.S. e-commerce market has experienced rapid transformative growth. During the pandemic, restrictions on offline consumption accelerated consumer migration to online channels, significantly increasing e-commerce penetration across age groups and product categories, thereby providing a broader and more stable needs for cross-border logistics services.

- ***Social Media E-commerce is reshaping consumption patterns***: U.S. e-commerce models driven by social media deeply integrate content discovery, product recommendations, and instant purchasing, reshaping the decision-making pathways of younger U.S. consumers. This interest-driven consumption model has increased the share of unplanned purchases and generated a large volume of orders from independent websites and emerging brands, typically characterized by small batch sizes and rapid response requirements. This, in turn, creates new market opportunities for logistics companies with strong service adaptability.

- ***The deepening wave of cross-border expansion***: The leading Chinese cross-border e-commerce logistics services companies gradually enter the U.S. market. Backed by China's manufacturing strengths, logistics companies offering integrated solutions from origin pickup to last-mile delivery are gaining competitive advantages in service responsiveness, cost control, and stability. Over time, this expansion will drive growth in the U.S. e-commerce logistics services market.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN THE PRC

Overview

Our business in the People's Republic of China (the "**PRC**") is subject to supervision and administration by the PRC government. This section sets out a summary of relevant laws and regulations that may have a material impact on our business.

Laws and Regulations on Foreign Investment

The establishment, operation and management of companies in China are governed by the PRC Company Law (《中華人民共和國公司法》), which was promulgated in 1993 and last amended and took effective on July 1, 2024. The PRC Company Law applies to both PRC domestic companies and foreign investment companies.

According to the Foreign Investment Law, which was promulgated on March 15, 2019 and took effective on January 1, 2020, the State Council shall promulgate or approve a list of special administrative measures for access of foreign investments, or the negative list. The Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the negative list. The Foreign Investment Law provides that foreign investors shall not invest in the "prohibited" industries, and shall meet certain requirements as stipulated under the negative list for making investment in "restricted" industries. On September 6, 2024, the Ministry of Commerce of the People's Republic of China (the "**MOFCOM**") and the National Development and Reform Commission (the "**NDRC**") promulgated the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2024) (《外商投資准入特別管理措施(負面清單) (2024年版)》), or the Negative List (2024), which became effective on November 1, 2024.

The Company Law

Pursuant to the Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "Company Law"), which was initially implemented by the Standing Committee of the National People's Congress (SCNPC) on December 29, 1993, most recently revised on December 29, 2023, and effective from July 1, 2024, both limited liability companies and companies limited by shares established within China possess legal person status. Shareholders of a limited liability company are liable to the company to the extent of their respective capital contributions, while shareholders of a company limited by shares are liable to the company to the extent of their respective subscribed shares. Unless the laws on foreign investment provide otherwise, the Company Law is also applicable to foreign-invested enterprises.

The Securities Law

The Securities Law of the PRC (中華人民共和國證券法) (the "Securities Law") took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively, and the latest revised Securities Law came into effect on March 1, 2020. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the Securities Law provides that domestic enterprises issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign issued shares are mainly governed by the regulations and rules promulgated by the State Council and the CSRC.

Laws and Regulations Relating to Express Delivery Services

The PRC Postal Law (《中華人民共和國郵政法》), which was promulgated on December 2, 1986 and was last amended on April 24, 2015, sets out the fundamental rules on the establishment and operation of an express delivery company. Pursuant to the PRC Postal Law, an enterprise that operates and provides express delivery services must operate its express delivery business by obtaining a Courier Service Operation Permit. In order to apply for a Courier Service Operation Permit, a company must meet all the requirements as a corporate legal person and satisfy certain prerequisites with respect to its service capacity and management system, and its registered capital must be no less than RMB2,000,000 to operate international express delivery services. Enterprises engaged in express delivery services other than China Post and their wholly owned and/or controlled enterprises that provide postal services ("**Postal Enterprise**") may not engage in post and mail delivery business which are exclusively operated by Postal Enterprise, and may not deliver any official documents of state-owned organizations.

Pursuant to the Administrative Measures on Courier Service Operation Permits (《快遞業務經營許可管理辦法》), which was promulgated on September 1, 2009 and last amended on November 28, 2019, the Courier Service Operation Permit is valid for 5 years upon its issuance and an enterprise engaged in express delivery services must submit an annual report with the postal administrative authority which issued its Courier Service Operation Permit prior to April 30, each year. Where an enterprise engaged in the express delivery business merges with any other enterprises, survives its division, or establishes, revokes any branch or any item of such branch recorded with the postal administration department changes, it shall file a record with the relevant postal administration departments.

Pursuant to the PRC Postal Law and the Administrative Measures on Courier Service Operation Permits, any entity engaged in express delivery services must obtain a Courier Service Operation Permit from the State Post Bureau or its local counterpart and is subject to their supervision and regulation. If an entity operates express delivery services without obtaining a Courier Service Operation Permit in accordance with the above measures and regulations, it may be compelled to make corrections, subject to the confiscation of its earnings generated from its unlicensed operating express delivery services, imposed a fine ranging from RMB50,000 to RMB100,000 or where the circumstances are severe, ranging from RMB100,000 to RMB200,000. If an express delivery enterprise fails to file a record when merging with any other enterprises, surviving its division or establishing a branch, the postal administration department shall order rectification and impose a fine of up to RMB10,000, and for a serious circumstance, a fine ranging from RMB10,000 to RMB50,000 may be imposed and the postal administration department may order it to suspend its business operation for rectification.

Companies engaged in express delivery service must establish and implement a system for the examination of parcels or articles received for delivery. Pursuant to the PRC Postal Law and Measures for the Supervision and Administration of Postal Security in the Postal Industry (《郵政業寄遞安全監督管理辦法》) issued on January 2, 2020, and last amended on December 20, 2023, express delivery companies must examine the postal articles so as to inspect whether the postal articles are prohibited or restricted from express delivery. Express delivery companies must also examine whether the names, nature and quantity of the postal articles are consistent with delivery form. According to the Interim Regulations on Express Delivery, express delivery operators shall also verify the identity of senders and register their identity information when receiving express parcels. Where senders refuse to furnish their identity information or furnish false identity information, express delivery operators shall not receive their express parcels. Pursuant to the Provisions on the Administration of Articles Prohibited from Delivery (《禁止寄遞物品管理規定》) jointly released by the State Post Bureau, the Ministry of Public Security, and the Ministry of State Security on November 7, 2016, delivery service providers should strictly implement the rules on checking articles received for delivery, and the customer may not insert articles prohibited from delivery in mail or express deliveries, nor attempt to send articles prohibited from delivery by withholding information or lying about such articles.

Pursuant to the E-commerce Law of the PRC (《中華人民共和國電子商務法》) which took effect on January 1, 2019, express delivery operator serving e-commerce businesses are subject to certain requirements, including but not limited to the following: while handing over commodities, express logistics service providers shall remind recipients to examine the commodities immediately on the spot; where the commodities are received by others for recipients, such providers shall obtain the consent of consignees. Express delivery operator shall use environmental-friendly packaging materials in accordance with the relevant provisions in an effort to reduce the consumption of and recycle packaging materials. While offering express logistics services, the providers thereof may also be entrusted by e-commerce operators to collect payments for goods.

Laws and Regulations Relating to Road Transportation Operation

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

Under the Road Freight Provisions, anyone engaged in the business of operating road freight transportation must obtain a Road Transportation Operation Permit from the road transportation administrative bureau, and each vehicle used for road freight transportation must have a Road Transportation Certificate from the same authority. Those who use ordinary freight vehicles with a total mass of 4,500 kg or less to engage in ordinary freight transport operations are not required to apply for obtaining the Road Transportation Operation License and the Road Transportation Certificate. The incorporation of a subsidiary of road freight transportation operator that intends to engage in road transportation business is subject to the same approval procedure. If it intends to establish a branch, it should file with the local road transportation administrative bureau.

Laws and Regulations on International Freight Forwarding and Domestic Transportation

International Freight Forwarding

Pursuant to the Administrative Regulations of the People's Republic of China on International Freight Forwarding Industry (《中華人民共和國國際貨物運輸代理業管理規定》) promulgated on June 29, 1995, international freight forwarding industry refers to the industry where an agent, being entrusted by consignees or consignors of import or export goods, carries out international cargo transportation and related business for its principals in their names or in the agent's own name and receive remunerations for its services. If an application for establishing an international freight forwarding enterprise is to be made, the applicant shall apply to the local competent authority of foreign trades at the place where such enterprise is intended to be established. After being commented by the local competent authority of foreign trades, the application shall be submitted to the competent authority of foreign trades and economic cooperation under the State Council for its review and approval. The competent authority of foreign trades and economic cooperation under the State Council shall decide whether to grant an approval within 45 days upon receipt of application form and other documents for establishing an international freight forwarding enterprise, and issue a certificate of approval to the enterprise being approved to be established.

Pursuant to the Interim Measures for Filing of International Freight Forwarding Enterprises (《國際貨運代理企業備案(暫行)辦法》) which was promulgated on March 2, 2005, and last amended on August 18, 2016, any international freight forwarding enterprise and its branches ("**IFFE**") that are registered with the state administrative authority of industry and commerce

according to law shall complete the filing with the MOFCOM or an institution entrusted by the MOFCOM. The filing authority shall complete the filing procedures within 5 days upon receipt of application materials submitted by the IFFE and affix the filing seal on the Filing Form of International Freight Forwarding Enterprise.

Cargo Transport by Civil Aviation

According to the Provisions on the Administration of Cargo Transport by Civil Aviation (《民用航空貨物運輸管理規定》), promulgated by the Ministry of Transport of the PRC on June 19, 2024, the provisions shall apply to the activities related to cargo transport by civil aviation conducted by carriers, airport management institutions, ground service agents, consignors, and other entities and individuals within the territory of the PRC. A consignor shall accurately declare the cargo name, and correctly classify, identify, pack, mark, and label the cargo, and provide true, complete, and valid documents related to cargo transport by civil aviation. And the consignor's agent engaged in cargo transport by civil aviation shall hold the consignor's letter of authorization, and shall be governed by the provisions of these Provisions on the consignor's responsibilities. No entity or individual may consign, accept for carriage, or carry items prohibited by the state from transport by civil aviation. For items restricted by the state from transport by civil aviation, the consignor shall provide true, complete, and valid supporting documents in accordance with the applicable provisions. A consignor shall not conceal prohibited or restricted items or dangerous goods, among others, in cargo or the package thereof.

Laws and Regulations on Customs Declaration

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

According to the Administrative Provisions of the Customs of the PRC on Record-Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) issued by the General Administration of Customs of the PRC (the "**GACC**") on November 19, 2021 and effective from January 1, 2022, the consignees or consignors of imported and exported goods and the customs clearing enterprise that apply for the filing of records with the customs shall obtain the status of a market entity; where the consignees or consignors of imported and exported goods apply for the filing of records with the customs, the filing of foreign trade dealers shall also be completed.

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

Laws and Regulations on Foreign Exchange

Foreign Exchange

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated in 1996, and last amended on August 5, 2008, and the Administrative Regulations on Foreign Exchange Settlement, Sales and Payment (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on June 20, 1996 and effective on July 1, 1996, Renminbi is freely convertible for payments of current account items such as trade and service-related foreign exchange transactions and dividend payments after the relevant financial institutions have reasonably examined the authenticity of the transactions and their consistency with foreign exchange receipts and payments, but are not freely convertible for capital expenditure items such as direct investment, loans or investments in securities outside the PRC unless the approval of the State Administration of Foreign Exchange (the "**SAFE**") or its local counterparts is obtained in advance.

Pursuant to the Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) promulgated by People's Bank of China and the SAFE on December 24, 2025 and effective on April 1, 2026, a domestic enterprise that conducts an overseas listing shall, within 30 working days from the first trading day of the overseas listing or the completion of the over-allotment option, apply to a bank within the province or the separately-listed municipality where it is registered for overseas listing registration. In principle, funds raised by domestic enterprises through overseas listings shall be remitted back to the territory in a timely manner. Where such funds are retained overseas for the conduct of overseas direct investment, overseas securities investment, overseas lending and other businesses, the domestic enterprise shall obtain the approval or filing documents from the business competent authorities before the date of completion of the overseas issuance or the over-allotment option, and shall comply with relevant cross-border funds administration provisions.

Regulations on Taxation

Enterprise Income Tax

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.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Relevant Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (《財政部、國家税務總局關於進一步支持小微企業和個體工商戶發展有關税費政策的公告》), which was promulgated on 2 August 2023 and implemented on 1 January 2023, the annual taxable income of a small and micro enterprise shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%, which will be extended until 31 December 2027.

According to the Notice of the Ministry of Finance and the State Taxation Administration of the Preferential Enterprise Income Tax Policies for the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (財政部稅務總局關於延續深圳前海深港現代服務業合作區企業所得稅優惠政策的通知) dated May 27, 2021, and will be effective until December 31, 2025 enterprises that meet the conditions and are located in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone are subject to a reduced corporate income tax rate of 15%. To enjoy the aforementioned preferential policies, enterprises must meet the conditions of having the main business as the industrial projects specified in the Corporate Income Tax Preferential Directory in Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone (2021 Edition) (前海深港現代服務業合作區企業所得稅優惠目錄(2021版)), and their main business revenue must account for more than 60% of the total revenue, Cross-border logistics business is classified as the first category of industrial projects "modern logistics industry" in the Corporate Income Tax Preferential Directory in Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone (2021 Edition) (前海深港現代服務業合作區企業所得稅優惠目錄(2021版)) and is eligible for a 15% income tax preference.

Value-added Tax

In accordance with the Provisional Regulations of the People's Republic of China on Value-added Tax (2017 Revision) (《中華人民共和國增值稅暫行條例》(2017修訂)) which was promulgated by the State Council on December 13, 1993, and was latest amended on November 19, 2017, with the latest revision effective on the same date, the Detailed Rules for the Implementation Rules for the Provisional Regulations the People's Republic of China on Value-added Tax (2011 Revision) (《中華人民共和國增值稅暫行條例實施細則》(2011修訂)) which was promulgated by the Ministry of Finance (財政部) on December 25, 1993, and was latest amended on October 28, 2011, with the latest revision effective on November 1, 2011; In accordance with the Decisions on Abolishing the PRC Provisional Regulations on Business Tax and Amending the PRC Provisional Regulations on Value-Added Tax (《國務院關於廢止<中華人民共和國營業稅暫行條例>和修改<中華人民共和國增值稅暫行條例>的決定》) which was promulgated by the State Council and effective on November 19, 2017 and the Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to VAT Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) which was promulgated by the Ministry of Finance and the State Administration of Taxation on April 4, 2018 and came into effect on May 1, 2018, entities and individuals selling goods, services and intangible assets in the People's Republic of China VAT taxpayers and shall pay VAT. Taxpayers selling services and intangible assets are subject to a tax rate of 6%, except in particular circumstances.

On December 25, 2024, the SCNPC promulgated the VAT Law of the PRC (《中華人民共和國增值稅法》), which will come into effective on January 1, 2026, and replace the Provisional Regulations on Value-added Tax of the PRC.

Pursuant to the Administrative Measures on Tax Exemption for Cross-border Acts Subject to VAT in the Pilot Scheme for Levying VAT in place of Business Tax (《營業稅改徵增值稅跨境應稅行為增值稅免稅管理辦法(試行)》), which is promulgated by the State Administration of Taxation on May 6, 2016 and effective on May 1, 2016 with the latest version amended on December 27, 2024, collection and delivery services provided for export goods are exempt from VAT.

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (the "Circular 36"), which was implemented on May 1, 2016, international cargo transport agency services are exempt from VAT.

Dividends Distribution

The principal laws, rules and regulations governing dividend distributions by foreign-invested enterprises in the PRC are the Company Law, promulgated in 1993 and latest amended in 2023, and the Foreign Investment Law and its Implementing Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company is required to allocate at least 10% of their respective accumulated after-tax profits each year, if any, to fund certain capital reserve funds until the aggregate amount of these reserve funds have reached 50% of the registered capital of the enterprises. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was promulgated by the SCNPC on September 10, 1980 and last revised on August 31, 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which was promulgated by the State Council on January 28, 1994 and last revised on December 18, 2018, dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty. Pursuant to the EIT Law and the Implementation Rules of the EIT Law, an enterprise income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless any such non-PRC resident investors' jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese EIT imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with Hong Kong, Macau, and several countries and regions. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the EIT more than the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Laws and Regulations on Outbound Investments by Enterprises

Pursuant to the Administrative Measures on Outbound Investments (《境外投資管理辦法》), which was promulgated by the MOFCOM on March 16, 2009, lastly amended on September 6, 2014 and effective on October 6, 2014, overseas investments of enterprises involving sensitive countries and regions and sensitive industries shall be subject to examination and approval by the competent department of commerce and other overseas investments of enterprises shall be subject to filing. The competent department of commerce shall carry out the administration of overseas investments of enterprises through the overseas investment administration system (境外投資管理系統), and issue to enterprises which have obtained filing or approval a Certificate of Overseas Investments of Enterprises (《企業境外投資證書》). When the domestic institution invests in an overseas enterprise through its overseas subsidiary, it shall report to the competent department of commerce after completing the overseas legal formalities of reinvestment.

Pursuant to the Administrative Measures for the Outbound Investments by Enterprises (《企業境外投資管理辦法》) (the "**Enterprise Outbound Investments Measures**"), which was promulgated by the NDRC on December 26, 2017 and became effective on March 1, 2018, projects

subject to approval are sensitive projects to be carried out by investors either directly or through overseas enterprises controlled thereby and the approval authority is NDRC. Projects subject to filing are non-sensitive projects directly carried out by investors.

Pursuant to the Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the SAFE on July 13, 2009 and implemented on August 1, 2009 and the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and was partially repealed on December 30, 2019, stipulates that, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

Laws and Regulations on Employment and Social Welfare

Labor Law and Labor Contracts

Pursuant to Labor Law of the PRC (《中華人民共和國勞動法》) (last amended by the SCNPC and effective on December 29, 2018), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (last amended by the SCNPC on December 28, 2012 and effective on July 1, 2013) and the Regulation on the Implementation of the Employment Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) (promulgated by State Council and effective on September 18, 2008), an employer unit shall establish and improve its rules and regulations in accordance with the law in order to ensure that workers enjoy labor rights and perform labor obligations. A written labor contract is required when an employment relationship is established between an employer and an employee. A labor contract shall include the following clauses: term of labor contract; working hours and rest periods and off days; labor remuneration; social security; labor protection, working conditions and occupational hazard prevention and protection; and any other matters to be included in a labor contract as stipulated by the laws and regulations.

Social Insurance

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) (last amended by the SCNPC and effective on December 29, 2018), the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) (last amended by the State Council and effective on March 24, 2019), the Regulations on Unemployment Insurance (《失業保險條例》) (promulgated by the State Council and effective on January 22, 1999) and the Regulations on Work-related Injury Insurances (《工傷保險條例》) (last amended on December 20, 2010 by the State Council and effective on January 1, 2011), the state shall establish social security systems such as basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance, family planning insurance, etc., to protect the rights of citizens for obtaining material assistance from the state and the society pursuant to the law in the circumstances of old age, illness, work injury, unemployment, family planning, etc. Employers must pay a number of social security funds for their employees, including basic endowment insurance, medical insurance, work injury insurance, unemployment insurance, family planning insurance. Employers which failed to complete social security registration shall be ordered by the social security administrative authorities to make correction within a stipulated period; where correction is not made within the stipulated period, the employer shall be subject to a fine ranging from one to three times the amount of the social security premiums payable, and the person(s)-in-charge who is/are directly accountable and other directly accountable personnel shall be subject to a fine ranging from RMB500 to RMB3,000.

Housing Provident Fund

Pursuant to Regulation on the Administration of Housing Accumulation Funds (《住房公積金管理條例》) (last amended by the State Council and effective on March 24, 2019), an employer shall go to the housing provident fund management center to undertake registration of payment and deposit of the housing provident fund and, upon verification by the housing provident fund management center, go to a commissioned bank to go through the formalities of opening housing provident fund accounts on behalf of its employees.

Where, in violation of the provisions of the Regulations, an employer fails to undertake payment and deposit registration of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed.

Laws and Regulations on Intellectual Property Rights

Copyright and Software Products

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and lastly amended on November 11, 2020, and the Implementing Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002 and lastly amended on January 30, 2013, the PRC nationals, legal persons, and other organizations shall, enjoy copyright in their works, whether published or not, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software.

In order to further implement the Computer Software Protection Regulations (《計算機軟件保護條例》) which was promulgated by the State Council on June 4, 1991 and effective on October 1, 1991 and lastly amended on January 30, 2013, the National Copyright Administration of China issued the Computer Software Copyright Registration Procedures (《計算機軟件著作權登記辦法》) on February 20, 2002, which applies to software copyright registration, license contract registration and transfer contract registration. The National Copyright Administration of China shall be the competent authority for the nationwide administration of software copyright registration. And the Copyright Protection Center of China, or the CPCC is designated as the software registration authority. The CPCC shall grant registration certificates to the Computer Software Copyrights applicants which conform to the provisions of both the Computer Software Copyright Registration Measures and the Computer Software Protection Regulations.

Trademarks

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》), promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and effective on November 1, 2019, and the Regulation on Implementation of Trademark Law of the PRC (《中華人民共和國商標法實施條例》), promulgated by the State Council on August 3, 2002, last amended on April 29, 2014 and effective on May 1, 2014, any trademark which is registered with the approval of the Trademark Office is a registered trademark, including commodity trademark, service trademark, collective trademark, certification trademark, and the trademark registrant has the exclusive right to use a registered trademark and such right is protected by law. A registered trademark is valid for a period of ten years commencing from the date on which the registration is approved. Use of a trademark that is identical with or similar to a registered trademark, for the same kind of or similar commodities, without authorization of the trademark registrant, constitutes infringement of the exclusive right to use a registered trademark.

Domain Names

Internet domain name registration and related matters are primarily regulated by the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》) which were promulgated by the MIIT on August 24, 2017 and effective on November 1, 2017 and the Implementing Rules on the Registration of National Top-level Domain Names (《國家頂級域名註冊實施細則》) which were promulgated by China Internet Network Information Center and effective on June 18, 2019. Domain name owners are required to register their domain names, and the MIIT is in charge of the administration of PRC internet domain names. The domain name services follow a "first come, first file" principle. Applicants for registration of domain names shall provide their true, accurate and complete information of such domain names to and enter into registration agreements with domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the registration procedure.

Laws and Regulations on Information Security and Data Privacy

On May 28, 2020, the National People's Congress of the PRC approved the Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**"), which has come into effect on January 1, 2021. Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual that need to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, sell, provide or make public personal information of others.

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cyber Security Law**"), which became effective on 1 June 2017. The Cyber Security Law requires network operators to perform certain functions related to cyber security protection and strengthen the network information management. For instance, under the Cyber Security Law, network operators of critical information infrastructure generally shall, during their operations in the PRC, store within the territory of the PRC the personal information and important data collected and produced within the territory of the PRC. When collecting and using personal information, in accordance with the Cyber Security Law, network operator shall abide by the "lawful, legitimate and necessary" principles. Network operator shall collect and use personal information by announcing rules for collection and use, expressly notify the purpose, methods and scope of such collection and use, and obtain the consent of the person whose personal information is to be collected. Network operators shall not disclose, tamper with or destroy personal information that it has collected, or disclose such information to others without prior consent of the person whose personal information has been collected, unless such information has been processed to prevent specific person from being identified and such information from being restored.

On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**2022 Review Measures**"), which came into effect on February 15, 2022, and the Measures for Cybersecurity Review promulgated on April 13, 2020 was repealed simultaneously. The 2022 Review Measures provides that, among others, (i) critical information infrastructure operators (CII operators) purchasing network products and services, and network platform operators (the "**Network Platform Operators**") conducting data processing activities, which affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office (網絡安全審查辦公室), the department which is responsible for the implementation of cybersecurity review under the CAC; and (ii) the Network Platform Operators with personal information data of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"), which integrates the scattered rules with respect to personal information rights and privacy protection and became effective on November 1, 2021. The Personal Information Protection Law aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law and promoting the reasonable use of personal information. The Personal Information Protection Law applies to personal information processing activities within China, as well as certain personal information processing activities outside China, including those for provision of products and services to natural persons within China or for analyzing and assessing acts of natural persons within China.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》), which became effective on September 1, 2021. It stipulates that each organization or individual collecting data shall adopt legal and proper methods, and shall not steal or obtain data by other illegal methods. Besides, it is necessary to establish and improve a whole-process data security management system in accordance with the provisions of laws and regulations, organize and carry out data security education and training, and adopt corresponding technical measures and other necessary measures to ensure data security.

The Administrative Provisions on the Security of Personal Information of Express Service Users (《寄遞服務用戶個人信息安全管理規定》), promulgated by the State Post Bureau on March 19, 2014 and amended on February 13, 2023, provides for the protection of the personal information of users of express or express delivery services, and the supervision on the express operations of postal enterprises and express delivery companies. In accordance with such Provisions, the State Post Bureau and its local counterparts are the supervising and administering authority responsible for the security of the personal information of users of express delivery services, and postal enterprises and express delivery companies must establish and refine systems and measures for the security of such information. Pursuant to the Courier Market Measures, enterprises providing express delivery services are required to limit access to users' personal information to the extent necessary for the performance of express delivery service contracts, and are prohibited from excessively collecting such information. Additionally, these enterprises shall establish management rules and operating procedures to ensure the security of users' personal information. According to the Measures for the Supervision and Administration of Postal Security in the Postal Industry, express delivery service companies shall fulfill security protection obligations in accordance with the requirements on the cybersecurity multi-level protection scheme, so as to ensure that the network is free from interference, damage or unauthorized access, and prevent network data from being divulged, stolen or falsified. Additionally, these enterprises shall establish a management system for shipping details forms and electronic data. They must periodically destroy processed shipping details forms, securely store electronic data such as user information, and implement effective measures to ensure the security of user information.

Furthermore, on July 7, 2022, the CAC promulgated the Measures for Data Cross-border Transfer Security Assessment (數據出境安全評估辦法), which became effective on September 1, 2022. Such data export measures require that any data processor which processes or exports personal information exceeding certain volume threshold under such measures shall apply for security assessment by the CAC before transferring any personal information abroad, including the following circumstances: (i) a data processor transfers important data abroad; (ii) a critical information infrastructure operator or a data processor processing the personal information of more than one million persons transfers personal information abroad; and (iii) a data processor, which has provided a total of 100,000 persons' personal information or 10,000 persons' sensitive personal information abroad since January 1 of the previous year, provides personal information abroad; or (iv) under other circumstances as stipulated by the CAC.

On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-border Data Flows (促進和規範數據跨境流動規定), which became effective the same day. The regulations provide several exemptions for enterprises from the need to conduct data outbound security assessments, obtain personal information protection certifications, or enter into standard contracts for the export of personal information. These exemptions include, but are not limited to, situations where data processors other than operators of critical information infrastructure have provided personal information (excluding sensitive personal information) to overseas recipients for less than 100,000 individuals since January 1 of the current year. Data processors other than operators of critical information infrastructure who have provided (a) personal information (excluding sensitive personal information) to overseas recipients for more than 100,000 but less than 1,000,000 individuals, or (b) sensitive personal information for less than 10,000 individuals since January 1 of the current year, shall enter into standard contracts for the export of personal information or obtain personal information protection certifications with the overseas recipients in accordance with the law. The regulations also explicitly stipulate that data processors are not required to declare a data export security assessment for data that has not been notified or publicly released as important data by relevant departments or regions.

On September 24, 2024, the State Council promulgated the Administrative Regulations on Network Data Security Management (《網絡數據安全管理條例》) (the "**Data Security Regulations**"), which became effective on 1 January 2025. The Data Security Regulations establish the basic framework for the purposes of regulating network data (including personal information) processing activities, ensuring the security of network data, promoting the reasonable and effective use of network data in accordance with the law, protecting the lawful rights and interests of individuals and organizations, and safeguarding national security and public interest.

Laws and Regulations on Environmental Protection

Environment Protection

On April 24, 2014, the SCNPC amended the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), effective on January 1, 2015, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Environmental Protection is authorized to issue national standards for environmental quality and emissions, and to monitor the environmental protection scheme of the PRC. Meanwhile, local environment protection authorities may formulate local standards which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both the national standards and the local standards.

On April 29, 2020, the SCNPC amended the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》). It requires that E-commerce, express delivery, food delivery, and other industries shall prioritize the adoption of reusable and easily recycled packaging, optimize the packaging of items, reduce the use of packaging, and actively recycle packaging. The commerce, post, and other appropriate departments of the local people's governments at or above the county level shall strengthen supervision and administration. It also requires that the owners of commodity retail sites, e-commerce platform enterprises, express delivery enterprises, and food delivery enterprises shall, in accordance with the relevant provisions issued by the state, report the use and recovery of plastic bags and other disposable plastic products to the commerce, post, and other appropriate departments.

Fire Prevention Design and Acceptance

On April 29, 2021, the SCNPC amended the Fire Prevention Law of the PRC (《中華人民共和國消防法》) (the "Fire Prevention Law"), for special construction projects stipulated by the housing and urban-rural development authority of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those stipulated as special development projects, the

developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs. According to the Interim Regulations on Administration of Examination and Acceptance of Fire Protection Design Review and Final Inspection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) amended by the Ministry of Housing and Urban-Rural Development of the PRC on August 21, 2023 and effective on October 30, 2023, an examination system for fire prevention design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

Laws and Regulations on Overseas Listing

Securities Laws and Regulations

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

Overseas Listings

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and five relevant guidelines promulgated by the CSRC on February 17, 2023 and effective on March 31, 2023 (the "Overseas Listing Trial Measures"), a domestic company that seeks to offer and list securities in overseas markets shall fulfill the filing procedure with the CSRC as per requirement of the Overseas Listing Trial Measures. Initial public offerings or listings in overseas markets shall be filed with the CSRC within 3 working days after the relevant application is submitted overseas.

According to Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Provisions on Strengthening Confidentiality and Archives Administration") jointly issued by the CSRC and other relevant departments on February 24, 2023 and effective on March 31, 2023, in the course of overseas issuance and listing of domestic enterprises, domestic enterprises and securities companies and securities service agencies which provide the corresponding services shall strictly comply with the relevant laws and regulations of the PRC and the requirements of the Provisions on Strengthening Confidentiality and Archives Administration, strengthen legal awareness of confidentiality of State secrets and archives administration, establish a sound system for confidentiality and archives work, adopt the requisite measures to perform the responsibilities of confidentiality and archives administration, and shall not divulge State secrets and work secrets of State agencies or harm State and public interests.

LAWS AND REGULATIONS RELATING TO OUR BUSINESS IN THE U.S.

Foreign Investments

Foreign direct investment in the U.S. is generally allowed, but may be subject to regulatory reviews and restrictions depending on the industry and nature of the transaction.

Employment Laws

In the United States, many states follow the general rule of employment at will, including those where the U.S. entity may have employees. Under this doctrine, and absent a written employment contract to the contrary, an employee's employment and/or other terms and conditions of employment may be terminated or modified at any time, for any reason or no reason at all, provided that the reason is not unlawful — such as one involving discrimination, harassment, retaliation, or other prohibited grounds — and with or without advance notice. Similarly, unless otherwise provided in a written contract, severance pay is not required under applicable federal or state law.

In addition to the employment-at-will principle, a wide range of employment laws govern other aspects of the employer-employee relationship and workplace conduct in the United States. These laws exist at the federal, state, and local levels and often vary significantly. State and local regulations frequently impose more stringent or employee-favorable requirements than those under federal law.

Key areas regulated by employment laws include: hours of work, minimum wage, employee classification (e.g., exempt employees or non-exempt employees, employee vs. independent contractor), overtime pay for work exceeding a specified number of hours per week, immigration compliance, equal employment opportunity and fair employment practices, anti-discrimination, anti-harassment, anti-retaliation protections, equal pay, employee benefits, mass layoffs, leave entitlements, collective bargaining rights, workplace health and safety, workers' compensation, unemployment insurance, and affirmative action requirements.

The principal federal agencies responsible for enforcing these laws include the U.S. Department of Labor (DOL), the Equal Employment Opportunity Commission (EEOC), the National Labor Relations Board (NLRB), and U.S. Immigration and Customs Enforcement (ICE), a division of the Department of Homeland Security.

Among the major federal statutes governing employment matters are:

Wage and Hour Laws

The federal Fair Labor Standards Act of 1938 (FLSA) establishes nationwide standards for minimum wage, overtime pay, child labor, and employer recordkeeping. Under the FLSA, non-exempt employees must receive overtime pay at a rate of at least one and one-half times their regular rate of pay for all hours worked over 40 in a workweek. The FLSA does not limit the number of hours an employee may work in a week; however, it mandates overtime compensation for hours worked beyond the 40-hour threshold.

Certain employees are exempt from the FLSA's overtime provisions, including those in executive, administrative, professional, outside sales, and certain computer-related positions. To qualify for these exemptions, employees generally must meet specific criteria related to their job duties and be paid on a salary basis at not less than a specified minimum, usually double the minimum wage age in a specific city or county.

In addition to federal requirements, several states impose more stringent wage and hour laws. For example, California mandates higher minimum wages and has specific overtime rules, including daily overtime one and a half time for hours worked over eight in a day and double time for hours worked over 12 in a day. California also requires employers to provide non-exempt employees with unpaid meal breaks and paid rest breaks. Specifically, employees must receive a 30-minute unpaid meal break if they work more than five hours in a day, and a second 30-minute meal break if they work more than ten hours. Additionally, a paid 10-minute rest break is required for every four hours worked or major fraction thereof.

Discrimination, Harassment, Retaliation, and Related Laws

Federal laws, including Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), the Age Discrimination in Employment Act (ADEA), and the Equal Pay Act of 1963 (EPA), prohibit discrimination, harassment, and retaliation by covered employers based on protected characteristics such as race, color, sex (including pregnancy), religion, national origin, age, disability, and genetic information. These laws also prohibit retaliation against individuals for opposing unlawful practices, filing complaints, or participating in investigations or proceedings related to workplace discrimination.

States may provide broader protections. For example, California law additionally prohibits discrimination based on sexual orientation, gender identity or expression, marital status, military and veteran status, and other characteristics, and imposes stricter standards than federal law in several areas, including harassment prevention training and equal pay.

Unpaid and Paid Leave

Under the federal Family and Medical Leave Act (FMLA), employers with 50 or more employees must provide eligible employees with up to 12 weeks of unpaid, job-protected leave within a 12-month period for qualifying reasons, such as the birth or adoption of a child, the employee's own serious health condition, or to care for a spouse, child, or parent with a serious health condition.

In California, the California Family Rights Act (CFRA) offers similar protections but applies to employers with five or more employees and expands the definition of family members to include domestic partners, grandparents, grandchildren, and siblings.

Additionally, California provides Paid Family Leave (PFL) benefits, offering up to eight weeks of partial wage replacement to employees who take time off to care for a seriously ill family member or to bond with a new child.

For pregnancy-related disabilities, California mandates that employers provide up to four months of job-protected leave under the Pregnancy Disability Leave (PDL) law.

Furthermore, as of January 1, 2024, California law requires employers to provide at least five days or 40 hours of paid sick leave annually to most employees, including full-time, part-time, and temporary workers.

Occupational Health and Safety

The federal Occupational Safety and Health Act (OSHA) requires employers to provide a workplace free from recognized hazards that may cause death or serious physical harm. States like California have established their own occupational safety and health programs, such as Cal/OSHA, which may implement standards that exceed federal requirements. Employers in California must comply with both federal and state occupational safety and health regulations. Employers are

required to implement comprehensive Injury and Illness Prevention Programs (IIPP) that address hazards such as repetitive motion injuries, unsafe equipment operation, and fall risks. Cal/OSHA conducts inspections to ensure compliance with these standards.

Additionally, the Warehouse Quotas Law (AB 701), effective January 1, 2022, mandates that employers provide written descriptions of any work quotas to employees. The law prohibits quotas that interfere with legally mandated meal or rest periods, bathroom breaks, or occupational health and safety laws. Employers are also required to provide employees with information regarding their quota metrics upon request.

Collective Bargaining Laws

The federal National Labor Relations Act of 1935 (NLRA) guarantees employees the right to organize, join labor unions, and engage in collective bargaining through representatives of their own choosing. It also prohibits certain employer and union practices classified as unfair labor practices. The National Labor Relations Board (NLRB) administers and enforces these rights.

U.S. Employment Eligibility Verification Laws

The Immigration Reform and Control Act of 1986 (IRCA) prohibits employers from knowingly hiring or continuing to employ individuals who are not authorized to work in the United States. To comply, employers must complete Form I-9 for each new hire, verifying the employee's identity and employment authorization by examining acceptable documents. This verification process must be completed within three business days of the employee's start date. Employers are required to retain the completed Form I-9 for a specified period and present it upon request by authorized government officials.

Workers' Compensation for Job-Related Injuries

There is no federal law mandating private employers to provide compensation for job-related injuries or illnesses. Instead, each state has its own workers' compensation program that typically requires employers to offer benefits such as wage replacement, medical treatment, and other support for employees who suffer work-related injuries, illnesses, or death. California Labor Code Section 3700 mandates that every employer must carry workers' compensation insurance in they have at least one employee to cover work-related injuries or illness of the employees.

Benefit Plans

The federal Employee Retirement Income Security Act of 1974 (ERISA) governs employers who offer pension or welfare benefit plans to their employees. ERISA establishes standards for plan administration, fiduciary responsibilities, and participant rights, including requirements for plan documentation, disclosure, and reporting. Employers must ensure compliance with ERISA's provisions to protect employees' benefits and avoid potential penalties.

Commercial Vehicle Registration Requirements

Under U.S. federal law, companies operating commercial vehicles transporting passengers or hauling cargo in interstate commerce must register with the Federal Motor Carrier Safety Administration (FMCSA) and obtain a USDOT Number. Additionally, if they transport federally regulated commodities owned by others or arrange for their transport, they must obtain an Operating Authority (MC Number). Companies engaged in interstate commerce are also required to register under the Unified Carrier Registration (UCR) program.

In California, motor carriers operating commercial vehicles within the state, regardless of whether they engage in interstate or intrastate transportation, are required to obtain a USDOT Number, a Motor Carrier Permit (MCP), and a CA Number issued by the California Highway Patrol. Obtaining a USDOT Number is a prerequisite for MCP registration.

Import Compliance

Companies warehousing goods imported from China must comply with U.S. Customs and Border Protection (CBP) regulations, primarily governed by the Tariff Act of 1930 (19 U.S.C. § 1202 et seq.) and the Customs Modernization Act. Importers are required to exercise "reasonable care" in submitting accurate entry documents, including commercial invoices, packing lists, and shipping records. Goods must be properly classified under the Harmonized Tariff Schedule of the United States (HTSUS), valued in accordance with the Customs Valuation Agreement, and marked with their country of origin pursuant to 19 C.F.R. § 134.

Chinese-origin goods may be subject to additional duties under Section 301 of the Trade Act of 1974 (19 U.S.C. § 2411). Since early 2025, the U.S. government has issued multiple executive orders implementing additional tariffs on imports from various jurisdictions, including additional tariff amounting to an aggregate of 145% on imports from the PRC and Hong Kong SAR that took effect on April 10, 2025 (the "**Tariff Increases**"). Moreover, with respect to the duty exemption treatments under the U.S. Tariff Act of 1930 for imports from the PRC and Hong Kong SAR with an aggregate fair retail value of less than US$800 (per person, per day) (the "De Minimis Exemption"), the U.S. government also issued executive orders repealing the De Minimis Exemption with effect from May 2, 2025, and imported goods from the PRC and Hong Kong SAR that are sent through the international postal network valued at or under US$800 will be subject to a duty rate of either 30% of their value or US$25 per item (increasing to US$50 per item after June 1, 2025).

Tax

Income Taxes

U.S. corporations are subject to federal income tax on their worldwide income at a rate of 21%. They must file Form 1120 annually. State income tax obligations also apply in jurisdictions where the corporation operates, with rates varying by state. Taxes paid to state are generally deductible for federal income tax purposes.

In California, corporations are subject to a corporate income tax rate of 8.84%. Additionally, they must pay a minimum franchise tax of $800 annually, regardless of income or operational status. Corporations with 25% or more foreign ownership that engage in reportable transactions with related parties must file Form 5472 alongside Form 1120.

Additionally, corporations are responsible for withholding federal and state income taxes from employee wages and for paying employer portions of federal payroll taxes, including Social Security and Medicare.

Distributions to Foreign Shareholders

Under U.S. tax law, dividend payments from U.S. corporations to foreign shareholders are generally subject to a 30% withholding tax, unless a lower rate applies under an applicable tax treaty. The U.S. entity acts as the withholding agent and is responsible for withholding the appropriate tax, reporting the payment on Form 1042-S, and filing Form 1042 with the IRS.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN HONG KONG

Laws and Regulations on Business Registration

Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) ("BRO")

Every person, (a company or individual), who carries on a business in Hong Kong is required under the BRO to apply for a business registration certificate from the Hong Kong Inland Revenue Department ("**HKIRD**") within one month from the date of commencement of the business, and to display a valid business registration certificate at the place of business. Business registration does not serve to regulate business activities and it is not a licence to trade. Business registration serves to notify the HKIRD of the establishment of a business in Hong Kong. Business registration certificate will be issued on submission of the necessary document(s) together with payment of the relevant fee. A business registration certificate is renewable every year or every three years (if business operators elect for issuance of business registration certificate that is valid for three years). Any person who fails to apply for business registration shall be guilty of an offence and shall be liable to a fine of HK$5,000 and to imprisonment for one year.

Laws and Regulations on Importation and Exportation of Goods

Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong) (the "Import and Export Ordinance")

The Import and Export Ordinance provides for the regulation and control of the import of articles into Hong Kong, the export of articles from Hong Kong, the handling and carriage of articles within Hong Kong which have been imported into Hong Kong or which may be exported from Hong Kong, and any matter incidental to or connected with the foregoing.

The import and export of certain articles are prohibited unless with the relevant licences issued by the Director-General of Trade and Industry of Hong Kong. If the goods to be imported or exported are "prohibited articles" or "reserved commodities" under the Import and Export Ordinance and the Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulations (Chapter 296A of the Laws of Hong Kong), shipping companies, airlines and transportation companies are required to deliver within 14 days to the Director-General of Trade and Industry of Hong Kong the import/export licences together with the relevant manifests of the vessel, aircraft or vehicle.

Pursuant to the Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong), every person who imports/exports any article other than an exempted article shall lodge with the Commissioner an accurate and complete import/export declaration relating to such article using services provided by a specified body, in accordance with the requirements that the Commissioner of Customs and Excise of Hong Kong may specify. Every declaration required to be lodged shall be lodged within 14 days after the importation/exportation of the article to which it relates.

Hong Kong is a free port and does not levy any customs tariff on imports and exports.

Laws and Regulations on Employer/Employee Rights and Obligations

Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (the "Employment Ordinance")

The Employment Ordinance is the main piece of Hong Kong legislation governing conditions of employment in Hong Kong. It provides for the payment of wages, the restrictions on wages deductions, the granting of statutory holidays, and the termination of employment contract, among

other things. In addition to these basic protections, employees who are employed under a continuous contract are further entitled to benefits such as rest days, paid annual leave, sickness allowance, severance and long service payment.

Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) (the "Employees' Compensation Ordinance")

The Employees' Compensation Ordinance establishes a no-fault, non-contributory employee compensation system for work injuries and lays down the respective rights and obligations of employer and employee in respect of injuries or death caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases.

Hong Kong companies are required to maintain employees' compensation insurance in compliance with the Employees' Compensation Ordinance to cover compensation and costs liable for personal injuries of employees in Hong Kong in the course of employment with them.

Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) ("Mandatory Provident Fund Schemes Ordinance")

The Mandatory Provident Fund Schemes Ordinance provides for the establishment of non-governmental mandatory provident funds schemes (the "**MPF Schemes**") for members of the workforce for the purpose of accruing financial benefits on retirement, among other things.

Unless otherwise exempted, employers are required to enroll their employees who are at least 18 but under 65 years of age and employed for not less than 60 days in a MPF Scheme. Employers and employees are each required to make regular mandatory contributions of 5% of the employees' relevant income to the MPF Scheme, subject to the minimum and maximum relevant income levels, which are currently HK$7,100 per month and HK$30,000 per month respectively, provided, however, that employees with a monthly relevant income less than HK$7,100 are exempt and only the employers are required to make contributions to the MPF Scheme.

Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) ("Minimum Wage Ordinance")

The Minimum Wage Ordinance provides for a minimum wage at an hourly rate for certain employees. Currently, the statutory minimum hourly wage rate is HK$42.10. Any employment contract that purports to extinguish or reduce any right, benefit, or protection conferred on the employee by the Minimum Wage Ordinance is void. Failure to comply with the statutory minimum wage rate requirement constitutes an offence under the Employment Ordinance.

Laws and Regulations on Tax

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the "IRO")

Under the IRO, for a company carrying on a trade, profession or business in Hong Kong, its assessable profits arising in or derived from Hong Kong shall be chargeable to profits tax.

The IRO also provides for the obligation to do the followings:

(a) to keep sufficient records of the company's income and expenditure to enable the assessable profit to be readily ascertained for at least 7 years;

(b) to inform the Inland Revenue Department of its chargeability to tax;

(c) to submit tax return as required; and

(d) to inform the Inland Revenue Department of the commencement and cessation of employment of its employees.

Transfer Pricing

Section 20A of the IRO gives the Inland Revenue Department wide powers to collect tax due from non-residents. The Inland Revenue Department may also make transfer pricing adjustments by disallowing expenses incurred by the Hong Kong resident under sections 16(1), 17(1)(b) and 17(1)(c) of the IRO, make additional assessments under section 60 of the IRO and challenging the entire arrangement under general anti-avoidance provisions such as sections 61 and 61A of the IRO.

In December 2009, the Inland Revenue Department released Departmental Interpretation and Practice Notes No.46 ("**DIPN 46**"). DIPN 46 provides clarifications and guidance on the Inland Revenue Department's views on transfer pricing and how it intends to apply the existing provisions of the IRO to establish whether related parties are transacting at arm's length prices.

In general, the practices followed by the Inland Revenue Department are based on the transfer pricing methodologies recommended by the OECD Transfer Pricing Guidelines.

In April 2009, the Inland Revenue Department released Departmental Interpretation and Practice Notes No. 45 ("**DIPN 45**"). DIPN 45 provides that where double taxation arises as a result of transfer pricing adjustments made by the tax authorities of another country, a Hong Kong taxpayer may potentially claim relief under the treaty between Hong Kong and that country (countries entered tax arrangements with Hong Kong includes Mainland China).

The Hong Kong Government has gazetted the Inland Revenue (Amendment) (No. 6) Ordinance 2018 ("**Amendment Ordinance No. 6**") on July 13, 2018. The Amendment Ordinance No. 6 introduces provisions for a statutory transfer pricing regime and for transfer pricing documentation in Hong Kong. The major issues covered under the Amendment Ordinance No. 6 are as follows:

(a) codify arm's length principle for related party transactions;

(b) introduce transfer pricing documentation in Hong Kong, which includes country-by-country report, master file and local file;

(c) codify Advance Pricing Arrangement ("**APA**") regime and extend application to unilateral APAs;

(d) introduce legal framework for mutual agreement procedures, which includes arbitration.

The major provisions under the Amendment Ordinance No. 6 start to apply for years of assessment commencing from April 1, 2018.

On July 19, 2019, the HKIRD issued Departmental Interpretation and Practice Notes No. 59 ("**DIPN 59**") — "Transfer Pricing between Associated Persons". DIPN 59 explains Rule 1 in Section 50AAF of the Amendment (No. 6) (i.e. arm's length principle for provision between associated persons) and its application; clarifies the criteria for exemption of domestic transactions available under Rule 1; provides guidance on grandfathered transactions (i.e. transactions before the commencement date of Amendment (No. 6); explains the key aspects of determining arm's length price including functional analysis, comparability analysis, functional characterizations, global price lists, business strategies, etc.; and provides guidance on penalties and additional taxes for non-compliance with Rule 1.

OVERVIEW

We are a leading third-party B2C cross-border e-commerce logistics services provider in China. Our history can be traced back to 1998, when our Company was established as a limited liability company in the PRC. On September 21, 2020, our Company was converted into a joint stock company with limited liability under the PRC laws. Under the leadership of our founders, i.e. Mr. Zhou and Ms. Zeng, and with over two decades of operational experience, we have built an integrated logistics service system that spans first-mile pickup, sorting, cross-border transportation, customs clearance and last-mile delivery. Underpinned by our consistently reliable services, self-operated global logistics network and continuous digitalization, we deliver efficient, transparent and trustworthy end-to-end logistics solutions to our customers and their global end consumers. See "Directors and Senior Management" for the biographical details of our founders.

OUR MILESTONES

The following sets forth the key milestones of our Group:

Year	Milestone
1998 . . .	• Our Company was established as a limited liability company in the PRC.
2009 . . .	• We initiated cross-border express delivery business following the promulgation of the Postal Law of the People's Republic of China (2009 Revision).
2016 . . .	• We strategically established an independently operated cross-border logistics network with sorting centers and self-owned fleets, and pioneered the first self-developed sorting equipment designed for cross-border e-commerce in the industry.
	• We received the Series A Investment and Series A+ Investment.
2017 . . .	• We received the Series B Investment.
	• We have upgraded our cross-border logistics solutions with dedicated parcel services to achieve cost reduction and efficiency gains for sellers, refining industry standards for cross-border e-commerce delivery and fulfillment.
2019 . . .	• We received the Series B+ Investment.
	• We established our subsidiaries in Hong Kong and U.S. in line with our long-term global strategy, facilitating our international expansion and optimizing our industrial chain layout.
2020 . . .	• Our Company was converted into a joint stock company with limited liability.
2021 . . .	• We were recognized as a National AAAA-level Logistics Enterprise (國家AAAA級物流企業) by China Federation of Logistics & Purchasing (中國物流與採購聯合會).
2024 . . .	• We established our second and third subsidiaries in the U.S. and a subsidiary in Belgium.
	• We launched our brand, i.e. YANWEN EXPRESS, to extend our last-mile fulfillment capabilities into the U.S. market under our global corporate structure, addressing both the U.S. and international e-commerce logistics demands.
2026 . . .	• Our self-operated delivery network with ten regional sorting centers covering major metropolitan and high-density population areas in the U.S., achieved a broad service coverage across 41 states, reaching approximately 70.0% of the U.S. population.

OUR MAJOR CORPORATE DEVELOPMENT

Early Development and Shareholding Changes

On April 16, 1998, our Company was established as a limited liability company in the PRC with a registered capital of RMB100,000. We were initially held by Mr. Zhou (our founder and Controlling Shareholder), Mr. Zhou Daren (周大任) and Ms. Mei Suhua (梅素華) (the parents of Mr. Zhou) as to 80.00%, 10.00% and 10.00%, respectively.

In the early years after our establishment, our initial Shareholders had a series of capital increases and equity transfers, and as of June 29, 2009, our Company had a registered capital of RMB6,000,000 and was owned by Mr. Zhou, Mr. Zhou Daren and Ms. Mei Suhua as to 40.00%, 30.00% and 30.00%, respectively. From September 2015 to January 2017, a sequence of equity transfers took place among Mr. Zhou Daren, Ms. Mei Suhua, Mr. Zhou and Ms. Zeng (the spouse of Mr. Zhou, our co-founder and Controlling Shareholder) due to the impending retirement of Mr. Zhou Daren and Ms. Mei Suhua. During these equity transfers, the shareholding interest in our Company originally held by Mr. Zhou Daren and Ms. Mei Suhua were transferred to Mr. Zhou and Ms. Zeng, and as of January 24, 2017, Mr. Zhou Daren and Ms. Mei Suhua ceased to be our Shareholders.

Other than the equity transfers among the family members of Mr. Zhou as mentioned above, our major shareholding changes were mostly related to the [**REDACTED**] Investments. From December 2015 to June 2019, we successively underwent four rounds of financing, including the Series A Investment, Series A+ Investment, Series B Investment and Series B+ Investment. See "— [**REDACTED**] Investments" for further details.

Conversion into a Joint Stock Limited Liability Company

On September 21, 2020, our Company was converted from a limited liability company into a joint stock company with limited liability. Upon completion, our registered capital was RMB10,000,000 divided into 10,000,000 Shares with a par value of RMB1.00 each. Further, on December 31, 2020, the registered capital of our Company increased from RMB10,000,000 to RMB60,000,000 by way of capitalization of capital reserves allocated to the then existing Shareholders on a pro rata basis. The then shareholding structure of our Company was as follows:

Shareholder	Number of Shares[5]	Percentage of shareholding
Controlling Shareholders		
– Mr. Zhou	17,949,600	29.91%
– Ms. Zeng	14,242,200	23.74%
– Hengqin Biaosheng[1]	3,991,800	6.65%
Sub-total	**36,183,600**	**60.30%**
Legend Capital		
– Legend Huicheng[5]	10,231,800	17.05%
– Suzhou Junjunde[5]	732,000	1.22%
Sub-total	**10,963,800**	**18.27%**
Jiangsu Modern Service Fund	**3,018,000**	**5.03%**
Guangfa Investment		
– Guangfa Xinde[2]	2,832,000	4.72%
– Guangfa Xinde Jinyuan	860,400	1.43%
– Zhuhai Kangyuan	118,200	0.20%
Sub-total	**3,810,600**	**6.35%**
Pingtan C&D No. 3	**2,451,000**	**4.09%**
Jiaxing Joshua	**1,756,200**	**2.93%**
Rongsong Investment	**732,000**	**1.22%**
Qipu Chengshi[3][4]	**718,800**	**1.20%**
Ningbo Rongshi[5]	**366,000**	**0.61%**
Total	**60,000,000**	**100.00%**

Notes:

(1) In February 2016, Hengqin Biaosheng, our employee stock ownership platform, was established in the PRC as a limited partnership with an initial capital contribution of RMB10,000 and RMB990,000 by Mr. Zhou as its general partner and Ms. Zeng as its limited partner, respectively. In March 2016, Hengqin Biaosheng acquired RMB600,000 registered capital of our Company (equivalent to 3,991,800 Shares as of the Latest Practicable Date) from Mr. Zhou at a total consideration of RMB600,000, which was determined based on our then registered capital and fully settled on December 21, 2018. We subsequently implemented our share incentives by transferring the partnership interests owned by Ms. Zeng to the grantees under the [**REDACTED**] ESOP. As of the Latest Practicable Date, the partnership structure of Hengqin Biaosheng was as follows:

Name	Capacity of partnership interest	Position in our Group	Percentage of partnership interest
Mr. Zhou	General partner	Chairman of the Board and executive Director	1.00%
Ms. Zeng	Limited partner	Vice chairwoman of the Board, executive Director and general manager	44.00%
Mr. Xie Zhiwei	Limited partner	Executive Director, vice general manager and senior director of information technology center	3.55%
Mr. Lyu Lei	Limited partner	Executive Director and director of information technology center	4.58%
Ms. Wei Yajun	Limited partner	Vice general manager and financial director	4.58%
Mr. Qin Pinqiang	Limited partner	Vice general manager, secretary of the Board and joint company secretary	2.47%
Mr. Wang Hua	Limited partner	Vice general manager and senior director of operation center	2.86%
Other 18 grantees	Limited partner	Employees and former employee of our Group	36.96%
Total			**100.00%**

The partnership interests owned by Mr. Zhou and Ms. Zeng represent their beneficial interests and are not subject to our [**REDACTED**] ESOP. The partnership interests owned by other partners represent the share awards granted to them under the [**REDACTED**] ESOP. All such grantees are the current employees of our Group, except for one former employee who held approximately 2.72% partnership interest in accordance with the [**REDACTED**] ESOP. See "— [**REDACTED**] ESOP" for details.

(2) On June 13, 2023, due to the adjustment of the internal investment structure, Guangfa Xinde transferred 2,832,000 Shares it then held to its affiliate, i.e. Guangfa Qianhe, at a consideration of approximately RMB38.46 million. Such consideration was determined with reference to the original investment cost of Guangfa Xinde and was fully settled as of July 19, 2023. Upon completion of such share transfer, Guangfa Xinde ceased to be a Shareholder.

(3) In order to realize returns after years of investment for liquidity purpose, on September 2, 2023, Qipu Chengshi transferred all its 718,800 Shares to Mr. Wang Yongsheng (王永勝), an Independent Third Party, at a consideration of RMB25.18 million. Such consideration was determined based on the original investment cost of Qipu Chengshi plus its required rate of return and was fully settled as of September 25, 2023. Upon completion of such share transfer, Qipu Chengshi ceased to be a Shareholder.

(4) On August 28, 2025, due to the personal liquidity needs and the realization of investment returns, Mr. Wang Yongsheng transferred 359,400 Shares originally acquired from Qipu Chengshi to Ms. Zeng at a consideration of approximately RMB14.73 million. Such consideration was determined based on the original investment cost of Mr. Wang Yongsheng plus the required rate of return and was fully settled as of August 29, 2025.

(5) Considering the extended investment duration and liquidity needs of certain investors and after negotiations with them, on February 21, 2025, our Company repurchased an aggregate of 9,098,066 Shares held by Legend Huicheng, Suzhou Junjunde and Ningbo Rongshi at a total consideration of RMB232.04 million. Such consideration was determined after arm's length negotiations between the parties with reference to the original investment costs of such investors, and was fully settled on March 11, 2025. Upon completion, Ningbo Rongshi ceased to be a Shareholder and the registered capital of our Company was reduced from RMB60,000,000 to RMB50,901,934. Such repurchases were undertaken by our Company after taking into account the commercial considerations as set out above and were not caused by any exercise of redemption rights by the relevant investors. The redemption rights granted to the relevant investors were already terminated on February 8, 2021. See "— [**REDACTED**] Investments — Special Rights" for details. As confirmed by the PRC Legal Advisors, the repurchases by our Company were carried out by way of capital reduction in compliance with PRC laws and regulations.

PRINCIPAL SUBSIDIARIES

The following entities are the principal subsidiaries which made a material contribution to our financial results during the Track Record Period:

Subsidiary	Shareholding held by our Group	Place and date of establishment	Date of commencement of business	Principal business activities
Qianhai Yanwen	100%	February 1, 2021, PRC	February 1, 2021	International freight forwarding services
Yanwen Hong Kong	100%	March 29, 2019, Hong Kong	March 29, 2019	International freight forwarding services and international express services
Yanwen Logistics America	100%	November 15, 2019, U.S.	November 15, 2019	International freight forwarding services and international express services
Yanwen Express America	100%	January 10, 2024, U.S.	March 9, 2024	International express services
Yanwen Belgium	100%	July 4, 2024, Belgium	July 4, 2024	Investment holding

[**REDACTED**] ESOP

To motivate and encourage our employees to drive our business development, we granted share awards from 2016 to 2025 pursuant to the then effective rules of employee stock ownership plans or similar plans. We further adopted the [**REDACTED**] ESOP on December 30, 2025, which amended, restated and superseded all historical scheme rules and was applicable to all share awards previously granted by our Company. As of the Latest Practicable Date, an aggregate of 2,195,614 Shares, representing approximately 4.31% of the total issued Shares immediately before completion of the [**REDACTED**], underlying all the share awards granted by our Company to a total of 23 eligible participants under the [**REDACTED**] ESOP, were held by Hengqin Biaosheng, our employee stock ownership platform.

The general partner of Hengqin Biaosheng is Mr. Zhou, who is entitled to exercise the voting rights of Hengqin Biaosheng over our Company. The share awards granted to the eligible participants under the [**REDACTED**] ESOP are in the form of partnership interests as limited partners of Hengqin Biaosheng transferred from Ms. Zeng, who is the initial and a current limited partner of Hengqin Biaosheng. The grantees under the [**REDACTED**] ESOP are only entitled to the economic benefits of the underlying Shares, which shall be subject to specific lock-up period and transfer restrictions as prescribed under the [**REDACTED**] ESOP.

The rest 1,796,186 Shares held by Hengqin Biaosheng, which were indirectly owned by Mr. Zhou and Ms. Zeng through being the general partner and limited partner of Hengqin Biaosheng, were their beneficial interest and not subject to the [**REDACTED**] ESOP, as (i) Hengqin Biaosheng was initially established and funded by Mr. Zhou and Ms. Zeng, and (ii) they obtained interests therein under general commercial investment arrangements, rather than receiving them as grants by our Company under the [**REDACTED**] ESOP or any other previous employee stock ownership plan or similar plan. Therefore, no share-based payments were recognized on the partnership interests owned by Mr. Zhou and Ms. Zeng, and such interests are freely disposable subject to the compliance with the Listing Rules and other applicable laws and regulations and not restricted by any terms of the [**REDACTED**] ESOP.

The [**REDACTED**] ESOP is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of new awards by our Company after the [**REDACTED**]. As all the underlying Shares subject to the [**REDACTED**] ESOP have already been issued, the [**REDACTED**] ESOP will not have (i) any further dilution effect on the shareholding of our Shareholders after the [**REDACTED**] or (ii) any further dilution effect or impact on the earnings per share of our Company. See "Appendix IV — Statutory and General Information — D. [**REDACTED**] ESOP" for the principal terms of the [**REDACTED**] ESOP.

ACQUISITION, DISPOSAL AND DEREGISTRATION

Acquisition of Minority Interest

During the Track Record Period, we acquired a 10% minority interest in Sichuan International Air Cargo Development Co., Ltd. (四川省國際航空貨運發展有限公司)("**Sichuan Air Cargo**") from Sichuan Hanghong Enterprise Management Center (Limited Partnership) (四川航宏企業管理中心(有限合夥))("**Sichuan Hanghong**"), an Independent Third Party, at a consideration of RMB90.00 million. Such consideration was determined after arm's length negotiation with reference to the net asset value of Sichuan Air Cargo as of August 31, 2024 and the price-to-book ratio of comparable companies. Our Company had fully paid the consideration as of October 27, 2025 and the acquisition was completed on October 16, 2025. Sichuan Air Cargo is an international air cargo service provider, and we believe that the acquisition can further support our long-term sustainable growth strategy.

As such acquisition was completed during the Track Record Period and each of the applicable percentage ratios is less than 25%, it does not constitute a major transaction as defined under Rule 4.05A of the Listing Rules and no pre-acquisition financial information of Sichuan Air Cargo is required to be included in this document. During the Track Record Period and up to the Latest Practicable Date, we did not have any acquisition that would fall within the scope of a material transaction under Rule 4.05A of the Listing Rules.

Disposal of Minority Interest

During the Track Record Period and as of the Latest Practicable Date, we disposed of our minority interests in certain companies which principally engage in logistics business directly and/or through subsidiaries. The considerations of such disposals had been fully settled as of the Latest Practicable Date, which were determined after arm's length negotiations with reference to our original investment costs and the business status and financial position of the invested companies. Upon completion, we no longer held any interest in these companies. Such disposals had no material adverse effect on our business operations or financial position. Details are set out below.

Name of company	Transferee	Date of disposal	Interest disposed of	Consideration	Reasons for disposal
Shanghai PSE Logistics Tech Co., Ltd. (上海派送冀物流科技有限公司) ("**Shanghai PSE**")	N/A[(1)]	December 8, 2025	28.57%	approximately RMB4.5 million	We disposed of our interest in Shanghai PSE to realize investment returns.
Guangdong Deyun International Logistics Co., Ltd. (廣東德運國際物流有限公司) ("**Guangdong Deyun**")	N/A[(1)]	November 5, 2024	35.00%	approximately RMB5.7 million	We disposed of our interest in Guangdong Deyun to realize investment returns.
Leading Honour Holdings Limited ("**Leading Honour**")	Chan Wai Fung Rafael, an Independent Third Party	May 9, 2025	50.00%	approximately USD0.3 million	We disposed of our interest in Leading Honour, our investment vehicle with no business operation, following the cessation of operations and disposal of its key operating subsidiary, i.e. Transportation Logistics Corp., in September 2024.

Note:

(1) We disposed of our interests in Shanghai PSE and Guangdong Deyun by way of capital reduction, thus no transferee is applicable.

Deregistration of Companies

During the Track Record Period and up to the Latest Practicable Date, certain of our subsidiaries and companies we invested in were deregistered to streamline and optimize our business and corporate structure. Such deregistrations had no material adverse effect on our business operations or financial position. Details are set out below.

Name of company	Date of deregistration	Interest held before deregistration	Reasons for deregistration
Shenzhen Gengze Technology Co., Ltd. (深圳市庚澤科技有限公司) ("**Shenzhen Gengze**") and Alreach Group (HK) Limited ("**Alreach**"), a wholly-owned subsidiary of Shenzhen Gengze	June 12, 2025 and August 1, 2025	50%	Shenzhen Gengze and Alreach were deregistered as their businesses did not develop as anticipated.
Shenzhen Qianhai Yanwen International Supply Chain Management Co., Ltd. (深圳前海燕文國際供應鏈管理有限公司) ("**Yanwen SCM**")	January 2, 2024	85%	Yanwen SCM was deregistered as its operations ceased following our business development and strategic optimization.
Yanwen Express Sdn. Bhd. ("**Yanwen Malaysia**")	October 24, 2023	85%	Yanwen Malaysia was deregistered as it had no actual operations.

COMPLIANCE CONFIRMATION

Our PRC Legal Advisors have confirmed that all the capital increases and other changes of shareholdings as set out herein have been legally completed and settled in accordance with the applicable PRC laws and regulations in all material respects, and all applicable regulatory approvals and filings under the PRC laws and regulations have been obtained.

PREVIOUS A SHARE LISTING ATTEMPT

In order to explore the opportunity of accessing capital markets and broaden our investor base, our Company previously considered the possibility of seeking an initial public offering on different markets in the PRC. On June 23, 2021, our Company submitted an application for a proposed initial public offering and listing on the main board of the Shenzhen Stock Exchange (the "**A Share Listing Application**").

We received and addressed certain enquiries on our A Share Listing Application from the CSRC, which requested further details on our history, financial information, business operation and compliance. Following our last round of responses to the enquiries, we have not received any further enquiry on the A Share Listing Application from the CSRC. As of the Latest Practicable Date, there was no outstanding comment or enquiry from the CSRC or Shenzhen Stock Exchange in connection with the A Share Listing Application.

On January 17, 2023, Mr. Zhou and Ms. Zeng entered into an agreement with Mr. Zhou Daren, Ms. Mei Suhua and Ms. Zhou Wenling (周文靈), the sister of Mr. Zhou, for family assets arrangement purposes. Pursuant to such agreement, Mr. Zhou proposed to transfer a minority of his interest in our Company to Ms. Zhou Wenling at nil consideration to facilitate the elderly care for Mr. Zhou's parents. Such agreement was entered into during our A Share Listing Application process, and considering the potential shareholding changes of our Company, we voluntarily withdrew our A Share Listing Application on January 17, 2023 in accordance with applicable PRC laws and regulations. Subsequently, due to the changes of family circumstances, the parties had agreed that the aforementioned share transfer shall no longer be carried out, and the previous agreement had been terminated as of the Latest Practicable Date.

Considering that the Stock Exchange, as an internationally recognized and reputable stock exchange, would be an appropriate [**REDACTED**] venue to provide us with a good platform to access to the international equity market in alignment with our business positioning, our Directors considered that a [**REDACTED**] status on the Stock Exchange would facilitate our strategically overseas expansion, enhance our international brand recognition and solidify our global presence. Hence, our Company decided to pursue the [**REDACTED**] on the Stock Exchange.

As confirmed by our Directors, as of the Latest Practicable Date, (i) there were no disputes or disagreements between our Company and any professional parties engaged in relation to the A Share Listing Application, (ii) no major comments or issues were raised or identified in the enquiries from the CSRC that would affect our Company's suitability for [**REDACTED**] on the Stock Exchange, (iii) there were no unresolved or outstanding matters in this regard, and (iv) we were not aware of any material adverse impact of the A Share Listing Application on the [**REDACTED**], or any other material matter in relation to the A Share Listing Application that needs to be brought to the attention of the Shareholder or Stock Exchange.

Based on the independent due diligence work conducted by the Sole Sponsor regarding the A Share Listing Application, nothing material has come to its attention in relation to the A Share Listing Application that would cast doubt on the Directors' view as to the suitability of the Company for [**REDACTED**] on the Stock Exchange.

[REDACTED] INVESTMENTS

Overview

We have received four rounds of [**REDACTED**] Investments since our establishment, which are summarized below.

	Series A Investment	Series A+ Investment[4]	Series B Investment[6]	Series B+ Investment[7]
Date(s) of agreement	December 30, 2015	October 11, 2016	October 16, 2017	June 3, 2019
Name of investor(s)[11]	Guangfa Xinde[5][8], Jingxing Zhongying[6], Shanghai Deku[6], Guangfa Xinde NEEQ[5][6] and Zhuhai Kangyuan[5]	East Tianli[5][7], Dongzheng Jinyuan[5][7] and Qipu Chengshi[5][9]	Legend Huicheng and Jiangsu Modern Service Fund	Legend Huicheng, Ningbo Rongshi, Rongsong Investment and Suzhou Junjunde
Fully settlement date	November 2, 2017[10]	October 21, 2016	November 28, 2017	June 18, 2019
Number of Shares subscribed[1]	5,739,665 Shares	2,634,145 Shares	8,048,778 Shares	3,658,563 Shares
Total consideration paid	RMB88.00 million	RMB60.00 million	RMB200.00 million	RMB100.00 million
Approximate cost per Share	RMB15.33	RMB22.78	RMB24.85	RMB27.33
Discount to the [REDACTED][2]	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%
Post-money valuation[3]	RMB700 million	RMB1,100 million	RMB1,400 million	RMB1,640 million

	Series A Investment	Series A+ Investment[4]	Series B Investment[6]	Series B+ Investment[7]
Basis of consideration	The consideration of the [**REDACTED**] Investments was determined based on arm's length negotiations between our Company and the [**REDACTED**] Investors with reference to the timing of the investments, the status of our business operation and the prospects of our Group.			
Use of proceeds from the [REDACTED] Investments	We utilized the proceeds from the [**REDACTED**] Investments for the development and operation of our principal business and other general working capital purposes. As of the Latest Practicable Date, the proceeds from the [**REDACTED**] Investments were fully utilized.			
Strategic benefits to our Company	At the time of the [**REDACTED**] Investments, our Directors were of the view that our Group could benefit from the additional capital provided by the [**REDACTED**] Investors and their knowledge and experience. Moreover, the investments by the [**REDACTED**] Investors demonstrated their confidence in the business operations of our Group and served as an endorsement of our performance and prospects.			
Lock-up period	Pursuant to the applicable PRC laws, each of the existing Shareholders of the Company (including the [**REDACTED**] Investors) is subject to a lock-up period of 12 months following the [**REDACTED**].			

Notes:

(1) As adjusted to reflect our issued Shares as of the Latest Practicable Date after our conversion from a limited liability company into a joint stock company and capitalization of capital reserves.

(2) Assuming the [**REDACTED**] is fixed at HK$[**REDACTED**], being the mid-point of the indicative [**REDACTED**] range.

(3) The post-money valuation is calculated based on (i) the cost per Share paid to the Company for the corresponding round of [**REDACTED**] Investment and (ii) the total registered share capital or issued Shares of the Company immediately following the corresponding round of [**REDACTED**] Investment.

(4) Apart from the newly issued capital of our Company subscribed by the investors, the Series A+ Investment also included the following equity transfers by Mr. Zhou and Ms. Zeng to Jiaxing Joshua, Guangfa Xinde Jinyuan and Zhuhai Kangyuan in order to facilitate such round of investment. The considerations for such equity transfers were excluded from the total consideration paid for the Series A+ Investment set out in the above table.

(a) On October 10, 2017, Mr. Zhou and Ms. Zeng transferred an aggregate of RMB263,945 registered capital of our Company to Jiaxing Joshua, which is equivalent to 1,756,200 Shares as of the Latest Practicable Date. The total consideration for such equity transfers was RMB40,000,000, which was determined based on a post-money valuation of approximately RMB1,100 million of our Company after the Series A+ Investment and was fully settled as of December 12, 2016.

(b) On October 10, 2017, Mr. Zhou and Ms. Zeng transferred an aggregate of RMB131,975 registered capital of our Company to Guangfa Xinde Jinyuan and Zhuhai Kangyuan, which is equivalent to 877,936 Shares as of the Latest Practicable Date. The total consideration for such equity transfers was RMB20,000,000, which was determined based on a post-money valuation of approximately RMB1,100 million of our Company after the Series A+ Investment and was fully settled as of June 12, 2018.

Investor	Transferor	Consideration	Equivalent Shares transferred
		(RMB)	
Jiaxing Joshua	Mr. Zhou	20,000,000	878,100
Jiaxing Joshua	Ms. Zeng	20,000,000	878,100
Guangfa Xinde Jinyuan	Mr. Zhou	10,000,000	438,980
Guangfa Xinde Jinyuan	Ms. Zeng	9,600,000	421,420
Zhuhai Kangyuan	Ms. Zeng	400,000	17,536
Total		**60,000,000**	**2,634,136**

(5) On December 26, 2017, Mr. Zhou and Ms. Zeng entered into equity transfer agreements with the following investors under the Series A Investment and Series A+ Investment, pursuant to which Mr. Zhou and Ms. Zeng agreed to transfer an aggregate of RMB121,219 registered capital of our Company, which is equivalent to 806,447 Shares as of the Latest Practicable Date, to the following investors at nominal consideration. Such equity transfers served as financial compensation to these investors by our Controlling Shareholders, as we fell short of the committed net profit target stipulated in the agreements of the Series A Investment and Series A+ Investment.

Investor	Transferor	Equivalent Shares transferred
Zhuhai Kangyuan	Ms. Zeng	9,647
Guangfa Xinde NEEQ	Ms. Zeng	241,459
Guangfa Xinde	Mr. Zhou and Ms. Zeng	313,889
Dongzheng Jinyuan	Mr. Zhou	160,957
Qipu Chengshi	Mr. Zhou	60,356
East Tianli	Mr. Zhou	20,139
Total		**806,447**

(6) Apart from the newly issued capital of our Company subscribed by Legend Huicheng under the Series B Investment, it also acquired equity interest in our Company from the following then existing Shareholders as a part of the Series B Investment. The considerations for such equity transfers were excluded from the total consideration paid for the Series B Investment set out in the above table. Upon completion, Jingxing Zhongying, Shanghai Deku and Guangfa Xinde NEEQ were no longer Shareholders.

(a) On June 11, 2018, in order to realize investment returns for liquidity purpose, Jingxing Zhongying and Shanghai Deku transferred an aggregate of RMB176,400 registered capital of our Company to Legend Huicheng, which is equivalent to 1,173,645 Shares as of the Latest Practicable Date. The total consideration for such equity transfers was RMB29,162,400, which was determined based on a post-money valuation of approximately RMB1,400 million of our Company after the Series B Investment and was fully settled as of January 31, 2018.

(b) On October 8, 2018, in light of the fund's expiration and for the purpose of realizing investment returns, Guangfa Xinde NEEQ entered into an equity transfer agreement with Legend Huicheng, pursuant to which Legend Huicheng agreed to acquire from Guangfa Xinde NEEQ an aggregate of RMB330,393 registered capital of our Company, which is equivalent to 2,198,209 Shares as of the Latest Practicable Date. The total consideration for such equity transfer was RMB54,620,757, which was determined based on a post-money valuation of approximately RMB1,400 million of our Company after the Series B Investment and was fully settled as of October 9, 2018.

Date	Investor	Transferor	Consideration	Equivalent Shares transferred
			(RMB)	
June 11, 2018	Legend Huicheng	Jingxing Zhongying	16,201,200	652,025
June 11, 2018	Legend Huicheng	Shanghai Deku	12,961,200	521,620
October 8, 2018	Legend Huicheng	Guangfa Xinde NEEQ	54,620,757	2,198,209
Total			**83,783,157**	**3,371,854**

(7) Apart from the newly issued capital of our Company subscribed by the investors, the Series B+ Investment also included the following equity transfers by East Tianli and Dongzheng Jinyuan to Pingtan C&D No. 3 to facilitate the Series B+ Investment and to realize their investment returns. The considerations for such equity transfers were excluded from the total consideration paid for the Series B+ Investment set out in the above table. Upon completion, East Tianli and Dongzheng Jinyuan were no longer Shareholders.

(a) On July 4, 2019, Mr. Zhou entered into an equity transfer agreement with East Tianli and Dongzheng Jinyuan to transfer RMB4,908 and RMB39,295 registered capital of our Company, which is equivalent to 32,656 and 261,457 Shares as of the Latest Practicable Date, to East Tianli and Dongzheng Jinyuan respectively, at nominal consideration. Such equity transfers served as financial compensation to these investors by our Controlling Shareholders, as we fell short of the committed net profit target as stipulated in the agreements of the Series A+ Investment.

(b) On July 4, 2019, East Tianli and Dongzheng Jinyuan entered into equity transfer agreements with Pingtan C&D No. 3, pursuant to which Pingtan C&D No. 3 agreed to acquire from them an aggregate of RMB324,164 registered capital of our Company, which is equivalent to 2,156,887 Shares as of the Latest Practicable Date. The total consideration for such equity transfers was RMB58,950,045.55, which was determined based on a post-money valuation of approximately RMB1,640 million of our Company after the Series B+ Investment and was fully settled as of August 16, 2019. Subsequently, on August 28, 2019, East Tianli and Dongzheng Jinyuan entered into equity transfer agreements with Pingtan C&D No. 3, pursuant to which Pingtan C&D No. 3 agreed to further acquire from them an aggregate of RMB44,203 registered capital of our Company, which is equivalent to 294,113 Shares as of the Latest Practicable Date. The total consideration for such equity transfers was RMB8,038,427.66, which was determined based on a post-money valuation of approximately RMB1,640 million of our Company after the Series B+ Investment and was fully settled as of September 30, 2019.

Date	Investor	Transferor	Consideration	Equivalent Shares transferred
			(RMB)	
July 4, 2019	Pingtan C&D No. 3	East Tianli	6,550,510.21	239,673
August 28, 2019	Pingtan C&D No. 3	East Tianli	892,532.25	32,656
July 4, 2019	Pingtan C&D No. 3	Dongzheng Jinyuan	52,399,535.34	1,917,214
August 28, 2019	Pingtan C&D No. 3	Dongzheng Jinyuan	7,145,895.41	261,457
Total			**66,988,473.21**	**2,451,000**

(8) On June 13, 2023, Guangfa Xinde transferred all its 2,832,000 Shares to Guangfa Qianhe. Guangfa Xinde ceased to be a Shareholder. See note (2) to the table under "— Our Major Corporate Development — Conversion Into a Joint Stock Limited Liability Company" for details.

(9) On September 2, 2023, Qipu Chengshi transferred all its 718,800 Shares to Mr. Wang Yongsheng. Upon completion of such equity transfer, Qipu Chengshi was no longer a Shareholder. See note (3) to the table under "— Our Major Corporate Development — Conversion Into a Joint Stock Limited Liability Company" for details.

(10) The prolonged settlement of the Series A Investment was primarily due to the extended time required for Zhuhai Kangyuan to collect capital contributions from its various individual partners.

(11) See "— Information about the [**REDACTED**] Investors" below for further details of our investors as of the Latest Practicable Date. Below summarizes the information of the investors that had divested from our Company as of the Latest Practicable Date.

Guangfa Xinde is a limited liability company established in the PRC on December 3, 2008, which is wholly owned by GF Securities Co., Ltd. (stock code: 000776.SZ and 1776.HK) ("**GF Securities**"), an Independent Third Party.

Guangfa Xinde NEEQ is a limited partnership established in the PRC on May 22, 2015, the general partner of which is Guangfa Xinde.

Jingxing Zhongying is a limited partnership established in the PRC on December 28, 2015, which is owned as to 60.00% and 40.00% by Jiang Rong (蔣榮) and He Yuan (何淵) as its general partner and sole limited partner, respectively, both of whom are Independent Third Parties.

Shanghai Deku is a limited partnership established in the PRC on December 17, 2015, the general partner of which was Zhu Peifang (朱培芳), an Independent Third Party, immediately before its deregistration on October 14, 2019.

Dongzheng Jinyuan is a limited partnership established in the PRC on October 16, 2015, which is owned as to (i) 30.00% by as its general partner, Lianshui Jiyuan Trading Co., Ltd. (漣水吉緣貿易有限公司), a company owned as to approximately 39.85% by Lianshui Suiyuan Enterprise Management Center (Limited Partnership) (漣水隨緣企業管理中心(有限合夥)) with Liu Yongqian (劉永前) (an Independent Third Party) as general partner, and (ii) 70.00% by Jiangsu King's Luck Brewery Joint-Stock Co., Ltd. (江蘇今世緣酒業股份有限公司) (stock code: 603369.SH) ("**King's Luck Brewery**"), an Independent Third Party.

East Tianli is a limited partnership established in the PRC on September 30, 2015, the general partners of which were Shanghai Ruisihong Investment Management Co., Ltd. (上海瑞司紅投資管理有限公司) and Haining Tianli Investment Management Partnership (Limited Partnership) (海寧天力投資管理合夥企業(有限合夥)), immediately before its deregistration on March 13, 2024, both of which were ultimately beneficially owned by certain individuals who are Independent Third Parties.

Qipu Chengshi is a limited partnership established in the PRC on August 10, 2016, the general partner of which is Shanghai Qipu Investment Management Company Limited (上海啟浦投資管理有限公司), which is ultimately controlled by Dai Yanfei (戴艷斐), an Independent Third Party.

Ningbo Rongshi is a limited partnership established in the PRC on June 29, 2016, the general partner of which is Ningbo Zhenyi Venture Capital Partnership (Limited Partnership) (寧波真逸創業投資合夥企業(有限合夥)), which is ultimately controlled by Cai Dekai (蔡德開), an Independent Third Party.

Special Rights

We granted customary special rights to the [**REDACTED**] Investors under the [**REDACTED**] Investments, including financial compensation, redemption rights, rights of co-sale, pre-emptive rights, rights of first refusals, liquidation preference rights, directors' nomination rights, restrictions on equity transfer, no more favourable terms, anti-dilution rights, rights to restrict certain corporate actions and dividend rights. Such special rights were all terminated on February 8, 2021.

Information about the [REDACTED] Investors

Set out below is a description of our [**REDACTED**] Investors.

(a) Guangfa Investment (including Guangfa Qianhe, Guangfa Xinde Jinyuan and Zhuhai Kangyuan)

Guangfa Qianhe is a limited liability company established in the PRC on May 11, 2012, mainly engaging in investments in new economy, technology, advanced manufacturing and healthcare sectors. Guangfa Qianhe is wholly owned by GF Securities. GF Securities is a leading capital markets service provider specializing in providing comprehensive solutions to Chinese enterprises and investors with diverse financial product and service needs.

Guangfa Xinde Jinyuan is a limited partnership established in the PRC on June 13, 2016, mainly engaging in investments in logistics and tourism sectors. Guangfa Xinde Jinyuan is owned as to (i) 20.00% by Guangfa Xinde as its general partner, which is wholly owned by GF Securities, (ii) 50.00% by Shanghai Youyuan Investment Management Co., Ltd. (上海酉緣投資管理有限責任公司) as its limited partner, which is in turn wholly owned by King's Luck Brewery, a company ultimately controlled by the People's Government of Lianshui County (漣水縣人民政府), and (iii) 30.00% by Guangfa Qianhe as the remaining limited partner.

Zhuhai Kangyuan is a limited partnership established in the PRC on November 18, 2014. It is a co-investment platform of Guangfa Xinde and a party acting in concert with Guangfa Xinde Jinyuan, the general partner of which is Guangfa Xinde. Zhuhai Kangyuan is owned as to approximately (i) 18.24% by Xu Yiyu (許一宇) as its general partner, an Independent Third Party, (ii) 4.26% by Mr. Zhu Cheng, our non-executive Director as its limited partner, and (iii) 77.50% by the remaining 36 individual limited partners, each an Independent Third Party holding less than 30% partnership interest therein.

(b) Jiangsu Modern Service Fund

Jiangsu Modern Service Fund is a limited partnership established in the PRC on May 29, 2015, mainly engaging in equity investments. Jiangsu Modern Service Fund is owned as to approximately (i) 0.95% by Nanjing Addor Equity Investment Management Enterprises (Limited partnership) (南京毅達股權投資管理企業(有限合夥)) ("**Nanjing Addor**") as its general partner, (ii) 31.55% by Jiangsu Provincial Government Investment Fund (Limited Partnership) (江蘇省政府投資基金(有限合夥)) as its limited partner, which is ultimately controlled by Department of Finance of Jiangsu Province (江蘇省財政廳), and (iii) 67.50% by the remaining 44 limited partners, each an Independent Third Party holding less than 30% partnership interest in Jiangsu Modern Service Fund. Nanjing Addor is owned as to 99.00% by Xizang Aida Huicheng Private Fund Management Co., Ltd. (西藏愛達匯承私募基金管理有限公司) as its general partner, which is in turn wholly owned by Jiangsu Addor Equity Investment Fund Management Co., Ltd. (江蘇毅達股權投資基金管理有限公司) ("**Jiangsu Addor**"). Jiangsu Addor is owned as to (i) 40.00% by Nanjing Addor Capital Management Enterprise (Limited Partnership) (南京毅達資本管理企業(有限合夥)), an entity owned as to approximately 7.58% by Nanjing Addor Investment Management Co., Ltd. (南京毅達投資管理有限公司) as its general partner, which is in turn owned by six individuals, each an Independent Third Party holding less than 30% equity interest therein, (ii) 35.00% by Jiangsu Govtor Capital Group Co., Ltd. (江蘇高科技投資集團有限公司), which is held as to approximately 73.06% by Jiangsu Provincial People's Government (江蘇省人民政府), and (iii) 25.00% by its other five shareholders which are Independent Third Parties.

(c) Pingtan C&D No. 3

Pingtan C&D No. 3 is a limited partnership established in the PRC on January 26, 2018, mainly engaging in equity investments. Pingtan C&D No. 3 is owned as to approximately (i) 0.04% by Xiamen Jianxin Investment Co., Ltd. (廈門建鑫投資有限公司) as its general partner, which is in turn controlled by Xiamen C&D Emerging Industry Equity Investment Co., Ltd. (廈門建發新興產業股權投資有限責任公司) ("**C&D Emerging Capital**"), and (ii) 99.96% by C&D Emerging Capital as its sole limited partner. C&D Emerging Capital is ultimately controlled by Xiamen C&D Group Co., Ltd. (廈門建發集團有限公司), an Independent Third Party which is wholly owned by Xiamen Municipal People's Government SASAC (廈門市人民政府國有資產監督管理委員會).

(d) Legend Capital (including Legend Huicheng and Suzhou Junjunde)

Legend Huicheng is a limited partnership established in the PRC on January 13, 2016, mainly engaging in equity investments. Legend Huicheng is owned as to approximately (i) 1.50% by Lhasa Junqi Enterprise Management Co., Ltd. (拉薩君祺企業管理有限公司) ("**Lhasa Junqi**") as its general partner, which is wholly owned by Legend Capital Management Co., Ltd. (君聯資本管理股份有限公司) ("**LCM**"), (ii) 33.33% by the National Council for Social Security Fund of People's Republic of China (全國社會保障基金理事會) as its largest limited partner, and (iii) 65.17% by the remaining 21 limited partners, each an Independent Third Party holding less than 30% partnership interest therein. LCM is owned as to 80.00% by Beijing Juncheng Hezhong Investment Management Partnership (Limited Partnership) (北京君誠合眾投資管理合夥企業(有限合夥)) ("**Juncheng Hezhong**"). Juncheng Hezhong is controlled by Beijing Junqi Jiarui Enterprise Management Co., Ltd. (北京君祺嘉睿企業管理有限公司) ("**Junqi Jiarui**") as its general partner, which is owned as to (i) 40.00% by Mr. Chen Hao (陳浩), an Independent Third Party, and (ii) 60.00% by the remaining three individual shareholders, each an Independent Third Party holding less than 30% equity interest therein.

Suzhou Junjunde is a limited partnership established in the PRC on January 26, 2017, mainly engaging in equity investments. Suzhou Junjunde is owned as to approximately (i) 1.00% by Lhasa Junqi as its general partner, which is wholly owned by LCM, and (ii) 99.00% by the remaining 15 limited partners, each an Independent Third Party holding less than 30% partnership interest therein.

(e) Jiaxing Joshua

Jiaxing Joshua is a limited partnership established in the PRC on December 18, 2015, mainly engaging in equity investments. Jiaxing Joshua is owned as to approximately (i) 0.02% by Shenzhen Tzitzit Private Equity Investment Fund Management Co., Ltd. (深圳市緹子私募股權投資基金管理有限公司) ("**Shenzhen Tzitzit**") as its general partner and (ii) 99.98% by 24 limited partners, each an Independent Third Party holding less than 30% partnership interest therein. Shenzhen Tzitzit is owned as to approximately (i) 51.19% by Shenzhen Muen Investment Management Co., Ltd. (深圳市牧恩投資管理有限公司), which is ultimately controlled by Wu Manping (吳蔓萍), an Independent Third Party, and (ii) 48.81% by the remaining 7 shareholders each an Independent Third Party holding less than 30% equity interest therein.

(f) Rongsong Investment

Rongsong Investment is a limited partnership established in the PRC on December 21, 2017, mainly engaging in equity investment. Rongsong Investment is owned as to approximately (i) 0.0087% by Shanghai Zicheng Private Equity Fund Management Co., Ltd. (上海資乘私募基金管理有限公司) as its general partner ("**Shanghai Zicheng**"), and (ii) 39.9965% by Ningbo Meishan Bonded Port Rongqian Investment Management Partnership (Limited Partnership) (寧波梅山保税港區榮乾投資管理合夥企業(有限合夥)), 39.1270% by Ningbo Meishan Bonded Port Rongxiu Investment Management Partnership (Limited Partnership) (寧波梅山保税港區榮秀投資管理合夥企業(有限合夥)), and 20.8678% by Ningbo Meishan Bonded Port Rongchun Investment Management Partnership (Limited Partnership) (寧波梅山保税港區榮春投資管理合夥企業(有限合夥)), as its three limited partners (collectively, the "**Rongsong Limited Partnerships**"). Shanghai Zicheng is owned as to 51.00% by Hu Kaijun (胡鍇雋) and 49.00% by other three individual shareholders, each an Independent Third Party holding less than 30% equity interest therein. Each of the Rongsong Limited Partnerships is owned by (i) Shanghai Leiyi Asset Management Co., Ltd. (上海雷溢資產管理有限公司) as its general partner, which is wholly owned by Shanghai Haozhen Investment Management Co., Ltd. (上海好臻投資管理有限公司) and ultimately controlled by Howbuy Wealth Management Co., Ltd. (好買財富管理股份有限公司) (stock code: 834418.NEEQ), and (ii) their remaining individual limited partners, each an Independent Third Party holding less than 30% partnership interest therein.

(g) Mr. Wang Yongsheng

Mr. Wang Yongsheng is an individual investor and an Independent Third Party. He has served as the general manager of Yichen (Shanghai) Investment Co., Ltd. (億宸(上海)投資有限公司) since July 2012.

Sole Sponsor's Confirmation

On the basis that (i) the considerations for the [**REDACTED**] Investments were irrevocably settled more than 28 clear days before the date of our first submission of the [**REDACTED**] to the Stock Exchange; and (ii) all the special rights granted to the [**REDACTED**] Investors as set out herein have been terminated, the Sole Sponsor confirmed that the [**REDACTED**] Investments comply with the guidance in Chapter 4.2 (Pre-IPO Investments) of the Guide for New Listing Applicants.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Immediately upon completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares (assuming the [**REDACTED**] is not exercised), our Company will have [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares, among which:

(i) [**REDACTED**] Unlisted Shares (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**]) will not be considered as part of the public float as such Unlisted Shares will not be converted into H Shares;

(ii) among the [**REDACTED**] H Shares,

- [**REDACTED**] H Shares (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**]) to be converted from the Unlisted Shares held by our Controlling Shareholders will not be considered as part of the public float as the aforesaid Shareholders are core connected persons of our Group;

- [**REDACTED**] H Shares (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**]) to be converted from the Unlisted Shares held by our existing Shareholders other than the Controlling Shareholders will be counted towards the public float as none of the aforesaid Shareholders (i) is a core connected person of our Group or controlled by any provincial governmental body such that their aggregated shareholding would constitute a core connected person of our Group; (ii) has been financed directly or indirectly by our Company (or any of its subsidiaries) or a core connected person of our Company for the acquisition of the Shares; or (iii) is accustomed to take instructions from our Company (or any of its subsidiaries) or a core connected person of our Company in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it; and

- [**REDACTED**] H Shares (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**]) to be issued by our Company under the [**REDACTED**] to [**REDACTED**] Shareholders will be counted towards the public float.

In light of the above, upon completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares (assuming the [**REDACTED**] is not exercised), an aggregate of [**REDACTED**] H Shares or approximately [**REDACTED**]% of the total issued share capital of our Company will be counted towards the public float upon [**REDACTED**], which is more than [**REDACTED**]%, representing the prescribed percentage of the H Shares required to be held in public hands under 19A.13A of the Listing Rules, based on the [**REDACTED**] and the expected market value of our total issued Shares not exceeding HK$[**REDACTED**]. Therefore, our Company will be able to meet the minimum public float requirement under Rule 19A.13A of the Listing Rules.

Satisfaction of the Free Float Requirement

Pursuant to the applicable PRC laws, within the 12 months following the [**REDACTED**], all existing Shareholders (including the [**REDACTED**] Investors) cannot dispose of any of the Shares held by them. As such, the H Shares held by the existing Shareholders as of the date of this document shall not be counted towards the free float of our Company at the time of [**REDACTED**]. It is expected that immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), [**REDACTED**] H Shares or approximately [**REDACTED**]% of our total issued Shares, with an expected market value of not less than HK$[**REDACTED**] based on the bottom end of the [**REDACTED**] range, will be held by the public and not subject to any disposal restrictions upon [**REDACTED**]. Accordingly, our Company will be able to satisfy the minimum free float requirement under Rule 19A.13C of the Listing Rules.

CAPITALIZATION

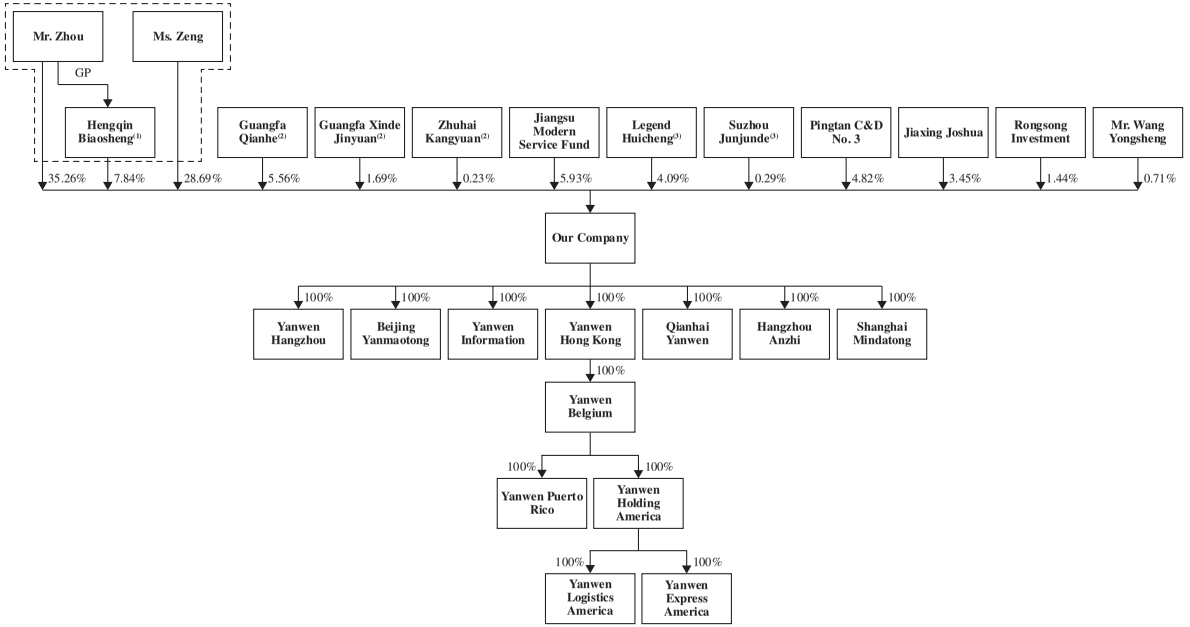
Set out below is a summary of capitalization of our Company (a) as of the Latest Practicable Date and (b) immediately upon completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares (assuming the [**REDACTED**] is not exercised).

	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming no exercise of the [REDACTED])		
Shareholder	**Number of Shares**	**Percentage of shareholding in the total issued share capital**	**Number of Unlisted Shares**	**Number of H Shares**	**Percentage of shareholding in the total issued share capital**
Controlling Shareholders					
– Mr. Zhou	17,949,600	35.26%	[REDACTED]	[REDACTED]	[REDACTED]%
– Ms. Zeng	14,601,600	28.69%	[REDACTED]	[REDACTED]	[REDACTED]%
– Hengqin Biaosheng	3,991,800	7.84%	[REDACTED]	[REDACTED]	[REDACTED]%
Sub-total	**36,543,000**	**71.79%**	[REDACTED]	[REDACTED]	[REDACTED]%
Jiangsu Modern Service Fund	**3,018,000**	**5.93%**	[REDACTED]	[REDACTED]	[REDACTED]%
Guangfa Investment					
– Guangfa Qianhe	2,832,000	5.56%	[REDACTED]	[REDACTED]	[REDACTED]%
– Guangfa Xinde Jinyuan	860,400	1.69%	[REDACTED]	[REDACTED]	[REDACTED]%
– Zhuhai Kangyuan	118,200	0.23%	[REDACTED]	[REDACTED]	[REDACTED]%
Sub-total	**3,810,600**	**7.48%**	[REDACTED]	[REDACTED]	[REDACTED]%
Pingtan C&D No. 3	**2,451,000**	**4.82%**	[REDACTED]	[REDACTED]	[REDACTED]%
Legend Capital					
– Legend Huicheng	2,082,732	4.09%	[REDACTED]	[REDACTED]	[REDACTED]%
– Suzhou Junjunde	149,002	0.29%	[REDACTED]	[REDACTED]	[REDACTED]%
Sub-total	**2,231,734**	**4.38%**	[REDACTED]	[REDACTED]	[REDACTED]%
Jiaxing Joshua	**1,756,200**	**3.45%**	[REDACTED]	[REDACTED]	[REDACTED]%
Rongsong Investment	**732,000**	**1.44%**	[REDACTED]	[REDACTED]	[REDACTED]%
Mr. Wang Yongsheng	**359,400**	**0.71%**	[REDACTED]	[REDACTED]	[REDACTED]%
Other [REDACTED] Shareholders	**–**	**–**	[REDACTED]	[REDACTED]	[REDACTED]%
Total	**50,901,934**	**100.00%**	[REDACTED]	[REDACTED]	[REDACTED]%

CORPORATE STRUCTURE

Corporate Structure immediately before the [REDACTED]

The following chart sets forth the simplified corporate structure of our Group immediately before the completion of the [**REDACTED**]:



Notes:

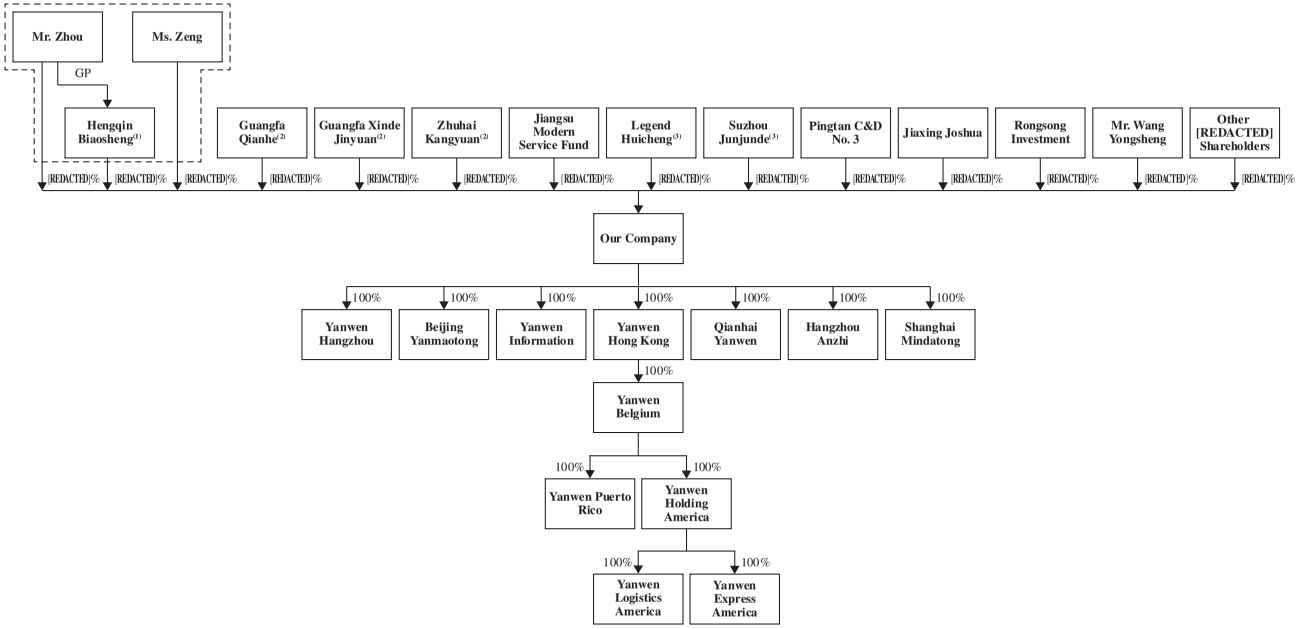
(1) The remaining limited partners of Hengqin Biaosheng include Ms. Zeng and the 23 grantees under the [**REDACTED**] ESOP, consisting of 22 employees and one former employee of our Group.

(2) Guangfa Qianhe is wholly owned by GF Securities, and Guangfa Xinde Jinyuan is owned as to 20.00% by Guangfa Xinde as its general partner, which is in turn wholly owned by GF Securities. Zhuhai Kangyuan is a co-investment platform of Guangfa Xinde and a party acting in concert with Guangfa Xinde Jinyuan, the general partner of which is Guangfa Xinde. Therefore, Guangfa Qianhe, Guangfa Xinde Jinyuan and Zhuhai Kangyuan are a group of Shareholders.

(3) The general partner of both Legend Huicheng and Suzhou Junjunde is Lhasa Junqi, which is wholly owned by LCM. Therefore, Legend Huicheng and Suzhou Junjunde are a group of Shareholders.

Corporate Structure immediately following the [REDACTED]

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



Notes:

(1)-(3) See the corresponding notes to the chart in "— Corporate Structure immediately before the [**REDACTED**]."

OUR VISION

To become a globally most trustworthy partner in cross-border e-commerce logistics.

OUR MISSION

To continuously enhance cross-border logistics efficiency through technology and to deliver globally connected services across diverse e-commerce scenarios, enabling global manufacturing to reach consumers worldwide.

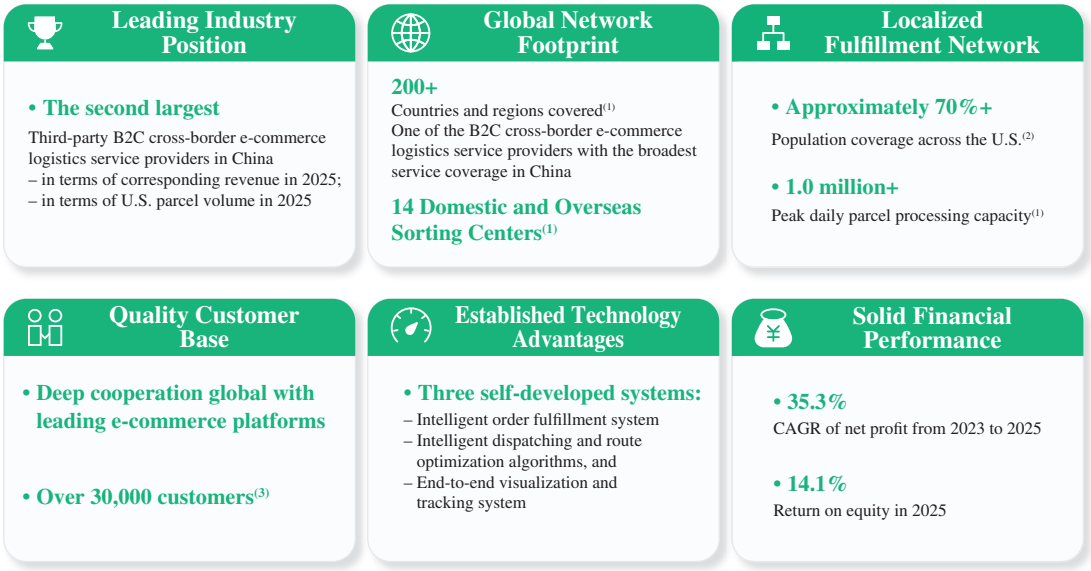
OVERVIEW

Who We Are

We are a leading third-party B2C cross-border e-commerce logistics services provider in China. According to Frost & Sullivan, we ranked second among third-party B2C cross-border e-commerce logistics service providers in China in terms of revenue from cross-border e-commerce express services in 2025, with a market share of 1.8%. We also ranked second among third-party B2C cross-border e-commerce logistics service providers in China in terms of parcel volume shipped to the U.S. in 2025, with a market share of 1.4%.

During the Track Record Period, we provided cross-border e-commerce express services and local last-mile delivery services. With over two decades of operational experience, we have built an integrated logistics service system that spans first-mile pickup, sorting, cross-border transportation, customs clearance and last-mile delivery. Underpinned by our consistently reliable services, self-operated logistics network and continuous digitalization, we deliver efficient, transparent and trustworthy end-to-end logistics solutions to our customers and their global end consumers.

The diagram below highlights our operational and financial achievements:



Notes:

(1) As of the Latest Practicable Date

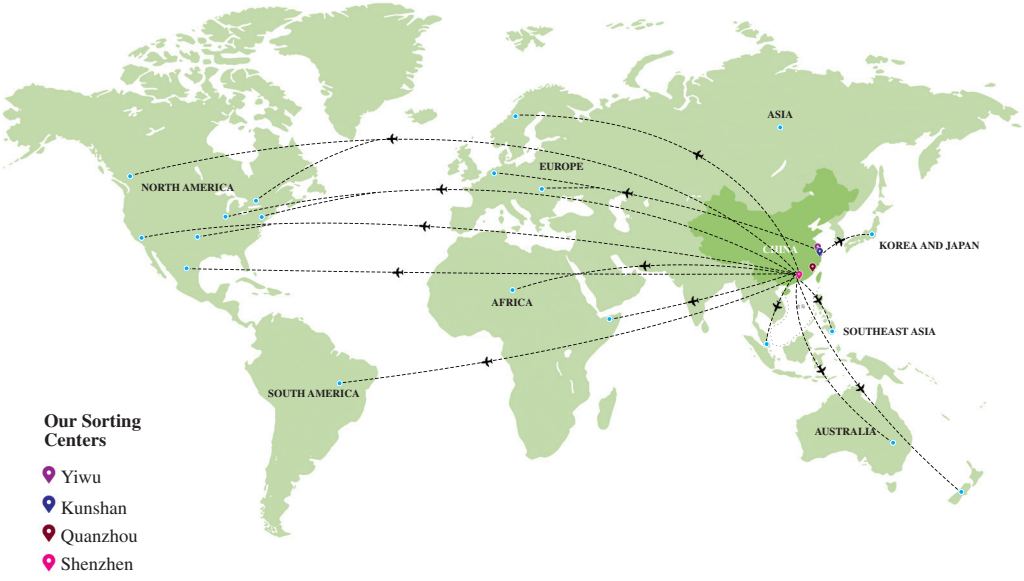
(2) As of December 31, 2025

(3) For each year of the Track Record Period

- ***Our Extensive Self-operated Global Network***

  Our cross-border e-commerce express services embrace a service coverage across over 200 countries and regions worldwide. This places us among the few China-based logistics companies with broad global service coverage. In addition, we have established a nationwide domestic pickup network in China. The high degree of control afforded by our self-operated network enhances coordination across key logistics nodes, improves service stability and cost efficiency. As a result, we are well positioned to meet cross-border merchants' core requirements for delivery timeliness, operational reliability and regulatory compliance.

  Set forth below is the geographic coverage of our cross-border e-commerce express services as of December 31, 2025:

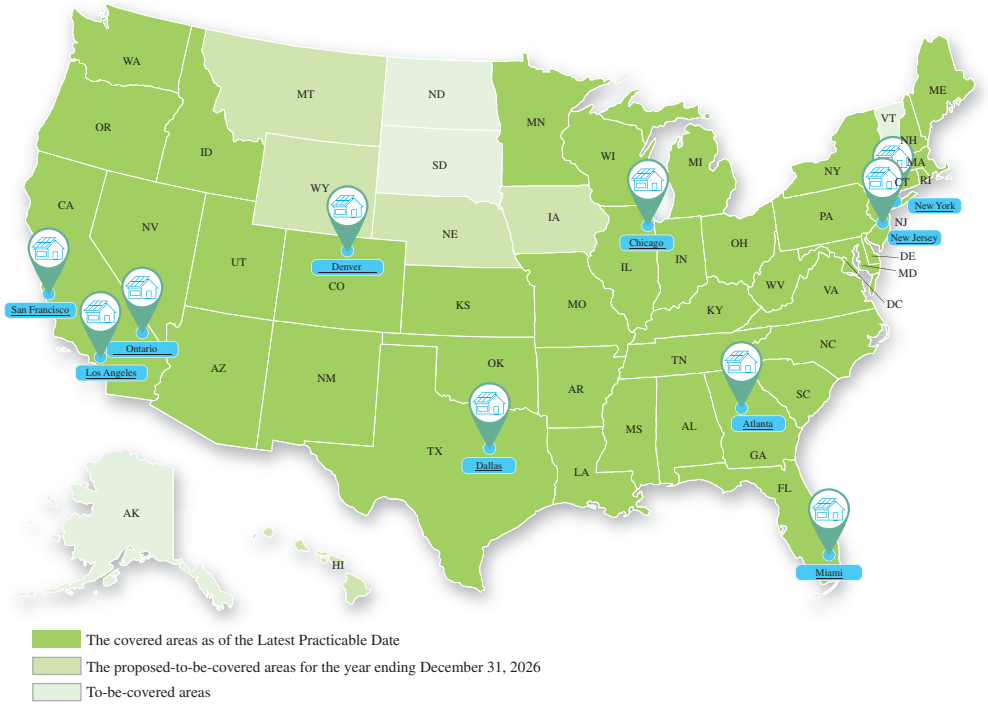


- ***Our Fast-growing Local Last-mile Delivery Services in the United States***

  The U.S. is one of the world's top e-commerce markets but struggles with structural challenges in local delivery. High operating costs of commercial courier services, limited third-party access to proprietary networks operated by major e-commerce platforms and fragmented regional capacity have collectively boosted sustained demand for cost-efficient local delivery solutions with broad geographic coverage. In response to these market dynamics, we strategically launched local last-mile delivery services in the U.S. in March 2024, marking a key milestone in our globalization journey. By integrating our self-operated distribution infrastructure with flexible crowdsourced capacity, we have established a delivery model that balances cost efficiency, service quality and scalability, enabling us to address both cross-border and domestic U.S. e-commerce logistics needs.

  Over the course of two years, we rapidly built a scalable local delivery network across major U.S. metropolitan areas. As of the Latest Practicable Date, we established 10 regional sorting centers in Los Angeles, Ontario, San Francisco, Dallas, Chicago, Atlanta, New York, New Jersey, Miami and Denver, with a broad service coverage across 41 states, reaching approximately 70.0% of the U.S. population. With rising network density, our parcel delivery volume in the U.S. continued to grow. Our U.S. services have expanded from handling our own cross-border parcels to supporting local U.S. small and medium-sized e-commerce merchants and overseas warehouses, providing a broad customer base for our business growth. In the fourth quarter of 2025, our peak daily parcel delivery volume exceeded 377.4 thousand parcels, including cross-border parcels under our cross-border e-commerce express services, as well as domestic parcels from U.S. e-commerce merchants and overseas warehouses.

Set forth below is our service coverage in the U.S. as of the Latest Practicable Date:



- ***Our Self-developed, Full-chain Logistics Information Management Platform***

  Our technology-driven operating model differentiates us from other logistics services providers. As an early mover in China, we developed a proprietary, full-chain logistics information management platform tailored to the operational characteristics of cross-border e-commerce logistics. Anchored by a long-standing focus on technology-driven efficiency, our digital infrastructure supports key functions including order fulfillment, end-to-end visibility, cost optimization and compliance management.

  As of the Latest Practicable Date, we had accumulated six registered patents and 28 registered copyrights that were material to our business operations. Our proprietary technologies are deeply embedded across key operational nodes, enhancing coordination along the logistics chain, improving service stability and supporting a consistent customer experience.

- ***Our Broad Customer Base***

  Supported by our transportation network coverage, consistent service performance and operational capabilities, we have established a diversified customer base, including third-party e-commerce platforms, cross-border merchants and Chinese brands expanding overseas. We served over 30,000 customers in each year during the Track Record Period. We have also established long-term partnerships with major global e-commerce platforms, enhancing deeper collaboration in areas such as system integration, process optimization and fulfillment management.

- ***Our Long-term Relationships with Freight Carriers***

  On the supply chain side, we have established long-standing and stable partnerships with key service providers, including airlines, freight forwarders, customs brokers and overseas delivery providers. Leveraging a diversified capacity procurement framework that combines chartered capacity, block-space agreements and rate-locking arrangements, we are able to

enhance the predictability of air freight costs and mitigate the impact of market volatility. In parallel, our region-specific supplier selection and management approach enables us to align logistics resources with local market conditions, thereby strengthening the resilience, flexibility and reliability of our overseas logistics network. During the Track Record Period, we had established cooperation relationships with over 1,000 suppliers across different regions and business lines.

- ***Our Financial Highlights***

  Supported by our customer base, global logistics network, ongoing technological enhancement, and established commercialization model, we maintained profitability throughout the Track Record Period. Despite the decrease in revenue from RMB9,482.9 million in 2023 to RMB5,827.0 million in 2024 , primarily due to changes in the logistics procurement model adopted by certain large-scale e-commerce platforms, we maintained positive profitability through continued optimization of our customer mix and improvement in gross profit margin. Our net profit remained relatively stable at RMB58.1 million and RMB49.7 million in 2023 and 2024, respectively. Our business rebounded in 2025, with revenue increasing to RMB6,687.1 million and net profit increasing significantly to RMB106.3 million.

Our Development Path and Strategic Progression

We began with international air freight services in the early development stage, gradually building connectivity to the global logistics network and establishing a nationwide core operational system in China, which laid the foundation for our subsequent business growth. As China's B2C cross-border e-commerce sector expanded, we evolved from traditional international express services into cross-border e-commerce express solutions, establishing our core positioning as a global delivery partner serving China's cross-border e-commerce merchants. With the enhancement of our cross-border logistics network management capabilities and continuous strengthening of our in-house digital systems, we further extended our service capabilities from cross-border transportation to localized overseas delivery networks. In the U.S., we were among the early China-based logistics services providers to establish an integrated cross-border transportation and local last-mile delivery service model. Building on this experience, we plan to further replicate this model in other mature e-commerce markets, such as Europe, to further expand our business footprint.

Our Market Opportunities

The continued growth of global cross-border e-commerce presents substantial and sustainable opportunities for the cross-border logistics industry. According to Frost & Sullivan, China's B2C cross-border e-commerce industry experienced rapid growth from 2021 to 2025 and is expected to continue expanding steadily through 2030. The market size of China's B2C cross-border e-commerce logistics services industry in terms of revenue increased from RMB405.1 billion in 2021 to RMB634.4 billion in 2025, representing a CAGR of 11.9% from 2021 to 2025, and is expected to reach RMB1,086.1 billion in 2030, with a CAGR of 11.4% from 2025 to 2030. See "Industry Overview — China's B2C Cross-border E-commerce Industry" and "Industry Overview — China's B2C Cross-border E-commerce Logistics Services Industry." Direct-shipment models, which support small-batch and high-frequency orders and meet rising consumer expectations for delivery speed, are expected to maintain a relatively high growth rate.

From a regional perspective, the U.S. is expected to remain a resilient and structurally robust demand source for China's cross-border e-commerce logistics services. According to Frost & Sullivan, the market size of China's B2C cross-border e-commerce logistics services industry in terms of revenue generated from parcels delivered to the U.S. increased from RMB173.0 billion in 2021 to RMB281.0 billion in 2025, representing a CAGR of 12.9% from 2021 to 2025. The market is projected to reach RMB453.3 billion by 2030, with a CAGR of 11.0% from 2025 to 2030. Demand in the U.S. is supported by its large consumer base, high penetration of online shopping

and relatively stable logistics infrastructure. At the same time, long-standing structural constraints in the U.S. local delivery market, including relatively high delivery costs, fragmented regional capacity and closed platform ecosystems, continue to create market opportunities for third-party logistics service providers with localized operational capabilities.

Since entering the U.S. local delivery market in 2024, we have gradually established an integrated cross-border transportation and local last-mile delivery service model supported by our self-operated sorting network, crowdsourced delivery capacity and proprietary routing algorithms. These capabilities enable us to serve both cross-border e-commerce parcels and local U.S. e-commerce delivery demand, supporting the expansion of our local last-mile delivery business. Europe, Japan and Canada continue to demonstrate stable demand, while emerging markets such as Southeast Asia and Latin America are also experiencing continued growth driven by increasing e-commerce penetration and evolving consumption patterns. With a global service network, we are well-positioned to capture stable demand in mature markets and incremental growth in emerging markets.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths can empower us to achieve sustainable growth.

A leading third-party B2C cross-border e-commerce logistics services provider in China

We are one of the leading third-party B2C cross-border e-commerce logistics services providers in China. According to Frost & Sullivan, we ranked second among third-party B2C cross-border e-commerce logistics services providers in China in terms of revenue from cross-border e-commerce express services in 2025, with a market share of 1.8%. We ranked second among B2C cross-border e-commerce logistics services providers in China in terms of parcel volume shipped to the U.S. in 2025, with a market share of 1.4%. Our industry leadership is sustained by strong order fulfillment and service capabilities and a well-established presence in cross-border e-commerce logistics corridors.

Our leading position is rooted in long-term, deep cultivation and sustained investment in China's B2C cross-border e-commerce logistics services industry. Established in 1998, we have consistently captured structural opportunities across different stages of market development. During the early stage of China's B2C cross-border e-commerce industry, we transitioned from providing traditional international express services to cross-border e-commerce express services. Building upon the understanding of cross-border supply chains and operational expertise accumulated during our years of operations, we have progressively established end-to-end service capabilities. Throughout the industry's rapid expansion, we have consistently scaled our operations, diversified our service portfolio, and strengthened our network footprint, culminating in our comprehensive competitive strengths.

Over years of operation, we have built strong brand recognition, a solid service reputation, resilient network coverage capabilities and long-term and stable customer relationships. These strengths underpin our ability to compete effectively in a rapidly-changing market and reinforce our essential role in China's B2C cross-border e-commerce logistics services industry. During the Track Record Period, we maintained profitability, as demonstrated by our net profit of RMB58.1 million, RMB49.7 million and RMB106.3 million in 2023, 2024 and 2025, respectively. This financial performance demonstrates the scalability and resilience of our business model and provides a solid foundation for sustained market leadership.

Strategic deployment of the localized U.S. service network to support a clear growth engine

Our strategic expansion into the U.S. e-commerce logistics services market has established a differentiated competitive position and has become an important engine supporting our business scale expansion and global operating capability. As one of the world's top e-commerce logistics

markets, the U.S. has long faced structural challenges in local delivery, including constrained capacity supply, high operating costs and uneven service standards. These market characteristics have created opportunities for logistics services providers with strong resource coordination capabilities and digitalized operating systems. Against this backdrop and based on our forward-looking assessment of industry trends and structural gaps, we launched local last-mile delivery services in the U.S. in March 2024. We became among the early China-based logistics services providers to integrate cross-border logistics operations with a self-operated local delivery network in the U.S.

Our U.S. operating model, anchored by a self-operated warehouse network and supported by technology-enabled delivery capabilities, provides a sustainable foundation for service quality enhancement and cost structure optimization. As of December 31, 2025, we established 10 regional sorting centers in Los Angeles, Ontario, San Francisco, Dallas, Chicago, Atlanta, New York, New Jersey, Miami and Denver, covering major metropolitan and high-density population areas across the U.S. We have gradually introduced automation equipment and standardized operating procedures, improving processing efficiency while mitigating the impact of labor cost fluctuations. In last-mile delivery, we have built a technology-centric operational framework that deeply integrates three key components: transportation capacity resources, a proprietary delivery application, and an intelligent route-planning algorithm. Leveraging data analysis and real-time dynamic traffic conditions, this framework not only enhances the precision and efficiency of transportation capacity dispatch but also provides data-driven decision support for the continuous iterative optimization of the delivery network.

With the progressive expansion of network coverage and service capability, the average daily parcel volume of our U.S. service network, including cross-border parcels under our cross-border e-commerce express services, as well as domestic parcels from U.S. e-commerce merchants and overseas warehouses, increased from approximately 28.0 thousand in 2024 to 105.4 thousand in 2025. In particular, such average daily parcel volume increased from approximately 72.1 thousand in December 2024 to 219.3 thousand in December 2025.

Advanced digitalized and intelligent capabilities enhancing our operational and technology strengths

Since our establishment, we have consistently positioned technological innovation as a core enabler of our business development. Through sustained investment in research and development, we have built a digital operating infrastructure and developed digital and intelligent capabilities that support the stability of our business operations. Drawing on the integration of technological architecture, business processes, and data assets, we have established a digital operation system constituting differentiated competitive strength.

Our self-developed full-chain digital platform is designed to facilitate efficiency collaboration across the cross-border logistics ecosystem. The platform connects over 100,000 customers and suppliers and provides a unified operational interface that integrates order placement, rate enquiry, financial settlement and shipment tracking. By consolidating multiple functions into a single system, the platform reduces information fragmentation and improves operational efficiency. In response to diverse business needs, we offer modular solutions across pickup, sorting, trunk line and fulfillment, allowing customers to flexibly configure workflows aligned with their specific operational requirements.

Over years of operations, we have accumulated extensive structured logistics data, spanning key business scenarios, including order flows, transportation routes, customs clearance processes, warehouse network scheduling and last-mile delivery execution. These data assets support continuous refinement of internal operations and service performance, while also continuously creating value for customers, suppliers and ecosystem partners. Years of data accumulation and technological iteration have enabled our systems to generate increasing compounding effect as business scales, thereby continuously expanding our leading edge in the industry.

Our digital and intelligent capabilities improve internal efficiency and cost management, while ensuring stable and transparent service experiences for customers. These capabilities constitute a technology advantage and provide an important foundation for the coordinated development of our cross-border e-commerce express services and local last-mile delivery services.

Diversified customer base and global supplier network supporting resilient growth

Through long-term accumulation in the cross-border e-commerce sector, we have built a diversified customer base. Our customers include cross-border e-commerce third-party platforms, cross-border merchants and Chinese brands expanding overseas, spanning different business sizes, product categories and operating models. We served over 30,000 customers in each year during the Track Record Period.

As our business continued to evolve, we further expanded our cooperation with cross-border merchants and Chinese brands expanding overseas, enabling us to cultivate a broader and more diversified customer base while supporting the improvement of our overall profitability profile. Our customer structure combines the scale advantages contributed by platform customers with the relatively stable and diversified demand from merchants and brand owners, allowing us to support business growth while mitigating volatility arising from industrial seasonality.

We continue to enhance our service offerings and operational processes to address the differentiated needs of customers at various stages of development. Through long-term cooperation and continuous service optimization, we have established stable customer relationships and fostered a business ecosystem characterized by mutual reinforcement and shared growth.

On the supplier side, we have established long-term, stable, and close cooperative relationships with global third-party logistics partners, forming a cross-border logistics service network that covers major e-commerce destination countries and regions. Our partners encompass providers of trunk line air transport, customs brokers, and overseas delivery services providers, among others, spanning all key nodes of the cross-border logistics chain.

Supported by a mature supplier management system and strong resource integration capabilities, we are able to coordinate capacity efficiently across regions and service stages. Our extensive industry experience allows us to navigate differences in regulatory requirements, customs procedures and service standards across transit hubs and destination markets. Leveraging our tailored supplier resources, we achieve the optimal balance among service reliability, cost efficiency, and delivery performance by precisely matching compliance standards of the destination countries and regions, delivery time requirements, and parcel characteristics.

Systematic operating capabilities driving efficiency and supporting scalable growth

We have developed a systematic and end-to-end operating model that enables deep integration across the principal segments of the cross-border logistics value chain. Through coordinated full-chain execution, refined operational management and self-operated critical nodes, we continuously enhance operational efficiency, cost effectiveness and service reliability, providing a resilient foundation for the scalable development of our business. Our operating system spans first-mile pickup, sorting, cross-border transportation, customs clearance and last-mile delivery, forming a highly connected and well-coordinated execution network.

Self-operation at selected critical nodes of cross-border e-commerce logistics services represents our key initiative to build standardized and scalable operational capabilities. By establishing self-operated domestic pickup networks, automated sorting centers and our U.S. warehouse network, we have achieved end-to-end control over critical nodes that directly impact overall service timeliness and quality, including pickup response, warehouse sorting, and last-mile

delivery. In parallel, we also adopt selective external partnerships to maintain operational flexibility and control capital expenditure. This has ultimately led to the formation of an asset-light operational model of "self-operation + partnership," achieving an optimal balance between service quality and cost efficiency.

OUR BUSINESS STRATEGIES

We intend to leverage our existing strengths and carry out the following strategies to capture growing market opportunities, further solidify our market position and achieve our mission:

Deepening dual-business synergy to support long-term growth

Rooted in our fundamental positioning of serving cross-border e-commerce merchants in both China and abroad, we are not only solidifying our strength in cross-border e-commerce express services but also developing local last-mile delivery services as a new growth engine. This creates a dual-business structure of cross-border operations and localized overseas operations, establishing a solid structural foundation for our long-term competitiveness.

For our cross-border e-commerce express services, we are executing a dual focus on refining domestic operations while expanding our global network. On the domestic front, we plan to further enhance the coverage density and operational efficiency of our pickup network, with particular focus on penetrating into key cross-border e-commerce clusters in South, East and North China. These initiatives are intended to improve pickup responsiveness and service density at the front end of the logistics chain. Internationally, we will continue to refine our global service network by expanding partnerships with high-quality logistics providers, optimizing international trunk routes and improving customs clearance processes, thereby enhancing service efficiency. In parallel, we will continue to explore growth opportunities in emerging regions where cross-border e-commerce penetration is increasing, through the gradual development of localized service capabilities and supporting infrastructure.

For our local last-mile delivery services, we will continue to refine an operating model that emphasizes self-operation at core sorting centers while leveraging crowdsourced capacity for last-mile delivery. This approach is intended to balance operational control with cost efficiency as we scale our U.S. business. For last-mile delivery, we aggregate delivery capacity through platform-based models and manage order allocation, route tracking and delivery status confirmation through our proprietary mobile application. Intelligent routing algorithms support dynamic route planning, contributing to improvements in delivery efficiency and service consistency. At the core sorting stage, we will continue to prioritize self-operated facilities, supported by automated sorting equipment and standardized operating procedures, to provide a solid operational guarantee for the scaling growth of our business.

Enhancing efficiency and competitiveness driven by digitalization and automation

Building upon digitalization and automation, we enhance end-to-end operating efficiency, strengthen refined cost control and support coordinated global operations. We intend to progressively expand the application of automation in core operating scenarios. We also plan to utilize suitable automation applications in domestic pickup and overseas last-mile delivery, such as automated sorting equipment and embodied AI robots, with the objective of gradually establishing an automation-enabled operating foundation. These initiatives are expected to enhance processing volume, reduce dependence on manual labor and lower operational error rates.

At the same time, we will continue to strengthen the digitalization of our global operations to enhance chain-wide efficiency, cost discipline and network resilience. We plan to further iterate our dynamic routing algorithms by integrating real-time traffic conditions, weather data and warehouse capacity information, enabling more effective route optimization, dynamic capacity allocation across trunk transportation and last-mile fulfillment. In China, these efforts are expected to enhance coordination between self-operated short-haul capacity and outsourced long-haul resources. In

overseas markets, we plan to leverage crowdsourcing platforms and intelligent matching systems to better manage order fluctuations and network expansion. In parallel, we intend to deepen digital connectivity with global airlines and freight forwarders to support real-time rate visibility and capacity locking, thereby mitigating the impact of market volatility.

Globally, we plan to utilize advanced systems to facilitate multi-language communication, multi-currency settlement and compliance with different tax regimes, thereby integrating of overseas warehouses, customs brokers and local delivery resources under more unified operating standards. In last-mile delivery, we plan to further enhance our proprietary mobile application with intelligent routing and dispatch functions. These efforts are expected to support continued improvements in delivery efficiency, service quality and cost management.

Deepening customer value development and expanding integrated cross-border logistics service capabilities

Guided by a customer-centric philosophy, we seek to deepen engagement with our customers by broadening cooperation scope and extending service depth.

For our core customer base, including third-party e-commerce platforms, cross-border merchants and Chinese brands expanding overseas, we plan to further differentiate our service offerings through modular and customizable solutions. These include tailored full-chain visibility tools and scenario-based fulfillment solutions designed to align with customers' operational characteristics and growth stages. By enabling customers to flexibly configure service components from first-mile pickup to last-mile delivery, we aim to better address their diverse operational needs and evolving business requirements. Leveraging the continued expansion of our self-operated network in the U.S., we also plan to extend integrated distribution and local delivery services to U.S. domestic merchants and overseas warehouse operators, thereby broadening our customer reach and supporting the scalability of our dual-business structure.

Executing a phased global expansion with a focus on high-potential destination markets

Global expansion is a central pillar of our long-term development strategy. Guided by a location-selection framework that prioritizes e-commerce consumer density, and an expansion approach that emphasizes markets with strong demand fundamentals and manageable risk profiles, we plan to leverage our accumulated operational experience in the U.S. market to expand our international footprint through a phased and disciplined rollout. This structured approach is intended to support the gradual establishment of a cross-border logistics and local fulfillment network across major global e-commerce consumption markets, thereby laying a solid foundation for sustainable growth.

The U.S. is expected to remain the primary focus of our near-term overseas expansion. We plan to continue strengthening our local delivery network by expanding coverage and enhancing service quality. As our U.S. operating model matures and demonstrates scalability, we intend to progressively replicate this approach in selected developed markets, such as Europe.

Building on this, we will also selectively assess expansion opportunities in emerging markets such as Latin America, where e-commerce penetration and consumer demand are showing sustained growth momentum. Through a measured and orderly deployment of resources, we aim to broaden our global service coverage while maintaining high-quality operational efficiency. This phased expansion strategy is expected to enhance our international presence and support the long-term development of our cross-border logistics business.

Enhancing cost competitiveness and profitability management to support scaled and sustainable earnings growth

Disciplined cost management and structured profitability oversight are integral to sustaining healthy growth and strengthening long-term earnings quality. Through continuous optimization across the logistics value chain, adaptive product strategies and a more systematic approach to supplier management, we seek to enhance profitability while supporting the orderly expansion of our business.

We plan to further refine our product mix and pricing framework by aligning service offerings with customer profiles and shipment characteristics. By maintaining a balance between standardized products that serve broad-based demand and customized solutions designed for high-value services, we aim to support stable profitability and improve overall revenue quality.

From an operational perspective, we intend to improve pickup efficiency through intelligent routing and scheduling, maintain a structured capacity procurement strategy combining chartered flights, block-space agreements and rate-locking arrangements to mitigate trunk transportation cost volatility, and apply dynamic partner selection in overseas last-mile delivery to balance cost efficiency with service reliability.

OUR BUSINESS MODEL

We provide end-to-end B2C cross-border e-commerce logistics services to our customers. Supported by our extensive operational network and established supplier ecosystem, our integrated service offering covers the full cycle of cross-border fulfillment.

Our business model is built around two principal business lines, combining cross-border logistics and overseas local fulfillment. These core offerings are complemented by other cross-border services that enhance service flexibility and broaden customer reach. Our principal business lines comprise:

- ***Cross-border E-commerce Express Services***: This business line provides customers with full-process cross-border logistics solutions, covering first-mile pickup, sorting, cross-border transportation, customs clearance and last-mile delivery. We charge customers on a per-parcel basis, with pricing determined by factors such as parcel weight, destination, transportation route and required delivery timeliness. As our core service offering and primary revenue contributor during the Track Record Period, this business line supports customers in fulfilling cross-border e-commerce orders in a stable and efficient manner; and

- ***Local Last-mile Delivery Services***: We offer an integrated solution that combines overseas sorting and local delivery in the U.S. to support last-mile fulfillment. Revenue is generated on a per-parcel delivery basis, taking into account delivery zone, parcel characteristics and fulfillment complexity. This business line enhances our end-to-end fulfillment capability in key destination market, deepens our service engagement with customers and supports the scalability of our cross-border logistics services.

In addition, we also provide other cross-border services on a supplementary basis, which primarily consist of last-mile delivery services carried out by other suppliers, customs clearance services, first-leg logistics services for designated cross-border e-commerce platform merchants and international air freight forwarding services. These offerings enable us to address more diversified shipping needs, provide customized logistics arrangements and further enhance customer acquisition and revenue stability.

During the Track Record Period, we derived revenue from the provision of (i) cross-border e-commerce express services; (ii) local last-mile delivery services; and (iii) other cross-border services. The table below sets forth our revenue by business line during the years indicated.

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

Note:

(1) Other cross-border services primarily consist of last-mile delivery services carried out by other suppliers, customs clearance services, first-leg logistics services for designated cross-border e-commerce platform merchants and international air freight forwarding services.

OUR B2C CROSS-BORDER E-COMMERCE LOGISTICS SERVICES

Our B2C 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 global expansion of Chinese cross-border e-commerce merchants. We primarily serve three major customer groups including cross-border e-commerce third-party platforms, cross-border merchants and Chinese brands expanding overseas.

By integrating each key stage spanning first-mile pickup to last-mile delivery into a unified fulfillment chain, we provide customers with full-cycle logistics solutions that enable direct delivery from origin to overseas consumers. This integrated service model enhances delivery efficiency, transparency and compliance across multiple product categories and destination markets, supports scalable order fulfillment and improves the overall logistics experience for merchants and end consumers.

Leveraging cross-border e-commerce express services with a global coverage, together with a growing overseas local operational footprint in key consumption markets such as the U.S., we play an important role in connecting China's export-oriented merchant base with global end consumers, strengthening our position within the B2C cross-border e-commerce logistics services industry in China. According to Frost & Sullivan, we ranked second among third-party B2C cross-border e-commerce logistics services providers in China in terms of revenue from cross-border e-commerce express services in 2025, with a market share of 1.8%, and ranked second among cross-border e-commerce export logistics services providers in China in terms of parcel volume shipped to the U.S. in 2025, with a market share of 1.4%.

Cross-border E-commerce Express Services

Our cross-border e-commerce express services operate as a standardized, visible and controlled cross-border direct-shipping system. The services cover all key stages of the fulfillment chain, including first-mile pickup, sorting, cross-border transportation, customs clearance and last-mile delivery. This business line demonstrates our ability to execute cross-border logistics in a consistent and coordinated manner across multiple regions and operational nodes, and forms the core foundation of our B2C cross-border e-commerce logistics capabilities.

Our global service network covers major cross-border e-commerce destination markets such as the United States, Canada, the United Kingdom, France, Germany, Italy and Spain, as well as Australia, Japan and selected markets in Latin America. This broad geographic coverage enables us to support cross-border e-commerce third-party platforms, cross-border merchants and Chinese brands expanding overseas in establishing and scaling their international fulfillment operations. During the Track Record Period, through our cross-border e-commerce express services, we fulfilled a total of approximately 364.2 million international parcels, reflecting both our service scale and operational reliability.

Tiered Product Offerings

To address varying requirements for delivery speed, destination specifics, product attributes and cost sensitivity, we structure our cross-border e-commerce express services into a tiered product framework primarily featuring dedicated parcel services, supplemented by economy parcel services. These offerings are differentiated primarily by timeliness, pricing, geographic coverage and service features, allowing customers to select services that align with their operational needs across various markets and product profiles.

- *Dedicated Parcel Services*

  Dedicated parcel services represent our core and competitive offering within the cross-border e-commerce express service portfolio. These services are designed to deliver higher service stability, stronger control and enhanced visibility throughout the fulfillment process in key cross-border markets, including North America, Europe and Asia-Pacific.

  Within this category, we integrate service features traditionally associated with registered delivery, including full-chain tracking, milestone visibility and enhanced delivery assurance. We also offer scenario-based services tailored to different shipment characteristics, such as general cargo routes, special cargo routes, oversized parcel lines and apparel-focused routes. These services are designed for customers with clearer requirements for delivery certainty, timeliness and operational predictability.

  The table below summarizes the key features of our dedicated parcel services under cross-border e-commerce express service:

	Dedicated Parcel Services
Primary Destination Coverage	Global coverage with strategic focus on North America, Europe, Asia-Pacific, and Latin America markets
Delivery Timeliness	North America: around eight to 12 days; Europe: around seven to 12 days; Asia-Pacific: around five to eight days; Latin America and Africa: around 15 to 20 days
Service Features	Full-chain visualization tracking, enhanced delivery assurance and commercial-grade customs clearance; designed for higher service stability and chain control
Business Scenarios	Focusing on cross-border direct logistics scenarios with the core requirements of high certainty, high visibility, and high timeliness

	Dedicated Parcel Services
Targeted Customer Type	Merchants with higher requirements for delivery timeliness, service reliability and customer experience
Typical Parcel Profile	Parcels weighing up to 30kg

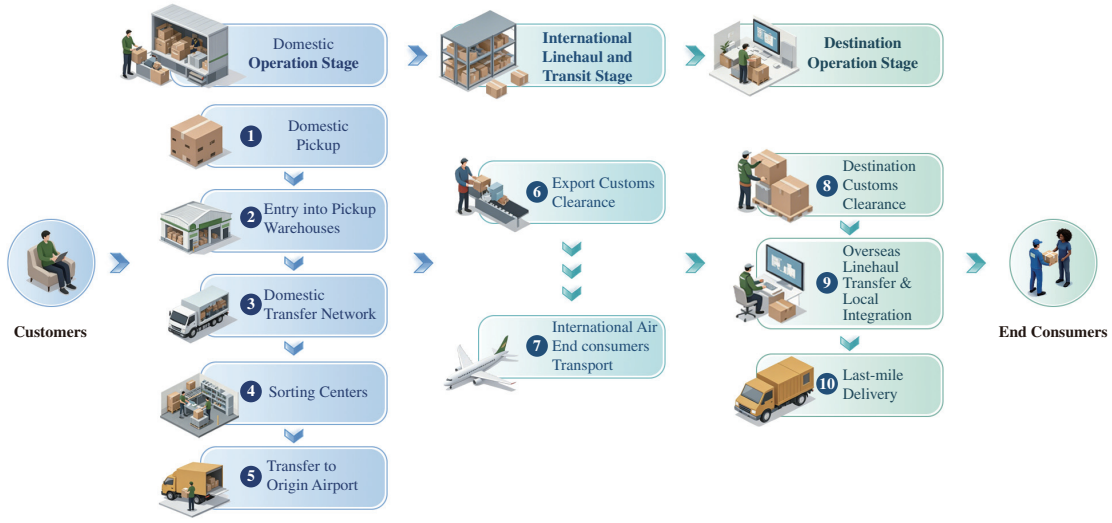
- *Economy Parcel Services*

  Economy parcel services are designed for cost-sensitive customers by offering broad destination coverage at competitive rates. These services are typically used for lightweight parcels (generally up to 2 kg) where delivery speed is less critical, such as low-value or long-tail SKUs. Economy parcel services currently represent only a minimal portion of our cross-border e-commerce express services.

Our cross-border e-commerce express services are priced according to industry-standard pricing principles. Charges are calculated on a per-parcel basis, comprising a handling fee and a transportation fee determined by the greater of actual weight and volumetric weight. This pricing framework applies consistently across dedicated parcel services and economy parcel services. See "— Pricing."

Service Process

We have established an integrated and closely coordinated operating system in which each stage of the fulfillment chain is clearly defined and seamlessly connected. This structure supports stable, orderly and efficient cross-border deliveries at scale. The following diagram illustrates the service process of our cross-border e-commerce express services:



- *Domestic Operation Stage*

  The fulfillment process is initiated through our self-operated domestic pickup network, which covers major cross-border e-commerce industrial clusters across China. Our professional pickup teams provide timely and compliant door-to-door collection and ensure that parcels are smoothly onboarded into our standardized operating system. As of the Latest Practicable Date, we offered pickup services in 105 cities and surrounding areas, utilizing our self-operated pickup network supplemented by third-party transportation partners in regions not yet covered by our own network. After pickup,

parcels are processed through standardized pre-shipment procedures, including security screening, labeling, weighing, measurement and initial sorting. These steps improve data accuracy, operational consistency before parcels enter subsequent transfer stages. Parcels are then consolidated through our self-operated domestic transfer network and routed to sorting centers, where they undergo secondary cartonization, secondary screening and dispatch preparation. Our sorting centers operate under standardized workflows with increasing levels of automation, enabling high processing efficiency and controlled error rates, even during periods of significant order volatility, thereby ensuring stable and controllable fulfillment quality.

- *International Linehaul and Transit Stage*

  Following domestic processing, parcels are allocated to international routes based on destination, service type and transit requirements. We coordinate airfreight capacity through structured route planning and capacity management arrangements. Parcels are delivered to airport cargo terminals, where export customs declaration, security inspection and other regulatory procedures are completed prior to departure. These processes are managed under established operating standards to ensure compliance and schedule reliability.

- *Destination Operations Stage*

  Upon arrival in the destination country, parcels are transferred into local clearance and delivery networks. Apart from our self-operated logistics capacity, we work closely with third-party customs brokers and last-mile delivery partners to facilitate timely import customs clearance, efficient handover and stable final delivery. This coordinated destination-stage execution ensures continuity of service quality through to end consumers.

Service Performance

We closely monitor key service-quality metrics, including delivery performance, on-time arrival rates and parcel damage and loss rates. During the Track Record Period, our delivered-in-full rate remained at approximately 99.8%, demonstrating our unwavering commitment to reliability and customer satisfaction. Even during peak shopping seasons, promotional surges or periods of regulatory adjustment in destination markets, we have been able to maintain stable fulfillment performance through real-time chain-wide monitoring, controlled processing nodes and efficient exception-handling mechanisms.

The number of customers of our cross-border e-commerce express services amounted to 32.3 thousand, 32.7 thousand and 35.9 thousand in 2023, 2024 and 2025, respectively. Despite the shift of logistics procurement model of certain large-scale e-commerce platforms in 2024, the number of customers of our cross-border e-commerce express services increased steadily throughout the Track Record Period, reflecting the continued resilience of our core business and customer base, as well as our reduced reliance on any single customer or platform and the increasingly diversified and stable development of our business.

Local Last-mile Delivery Services

In March 2024, we strategically launched our local last-mile delivery operations in the U.S. This marked an important milestone in the expansion of our global logistics network and aligned with the increasing internationalization of China's cross-border e-commerce sector and the overseas expansion of Chinese brands. While the U.S. is one of the world's top mature e-commerce markets, its last-mile delivery sector continues to face structural challenges, including high operating costs, fragmented capacity and uneven service quality. Traditional logistics models often struggle to meet e-commerce merchants' requirements for timeliness, flexibility and operational transparency.

Building on our experience in cross-border logistics, we have applied our capabilities in network planning, digital dispatching, standardized operations and scenario-based solutions to the U.S. local delivery market. These capabilities enable us to handle high parcel volumes, complex address environments and multi-source parcel aggregation more effectively. As a result, we have established a differentiated operating position in U.S. local last-mile delivery services.

Our U.S. local last-mile delivery services serve both as an extension of our cross-border e-commerce express services in a key destination market and as a standalone last-mile delivery solution. We support cross-border merchants shipping into the U.S. as well as local delivery needs of U.S. small and medium-sized e-commerce merchants. Through our integrated model covering domestic pickup, cross-border transportation and U.S. local delivery, we improve terminal delivery efficiency, reduce operational uncertainty and provide stronger logistics support for merchants entering the U.S. market. At the same time, we introduce operational and digitalized management capabilities developed in China into the U.S. logistics market, contributing additional service capacity and differentiated operating models.

Service Network and Performance

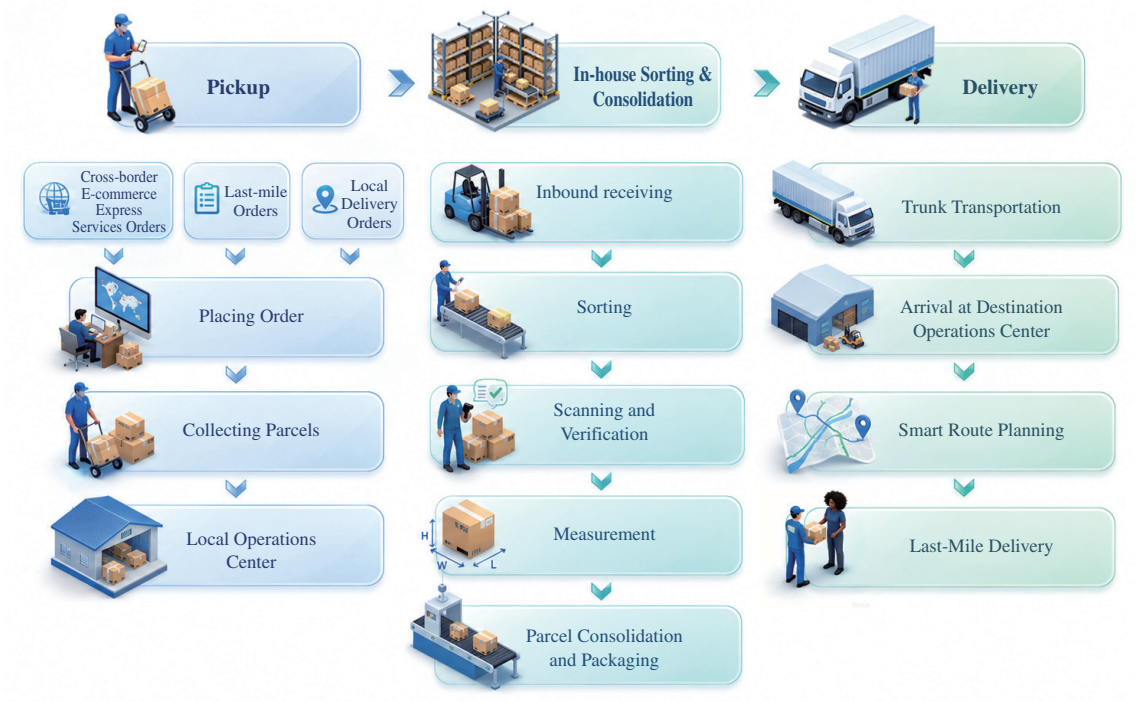
Since its launch, we have steadily expanded our business presence in the U.S. In the initial phase, we focused on major consumption regions along the East Coast, West Coast and Central U.S., establishing core operating nodes and gradually extending service coverage to surrounding states. Through continuous network optimization and refinement of sorting and warehouse layouts, we have strengthened our end-to-end local delivery capability. Within two years of operations, we have achieved prominent progress. As of December 31, 2025, we established 10 regional sorting centers in Los Angeles, Ontario, San Francisco, Dallas, Chicago, Atlanta, New York, New Jersey, Miami and Denver, spanning across major metropolitan and high-density population areas in the U.S.

Our U.S. service network handles both (i) cross-border parcels involved in our cross-border e-commerce express services, and (ii) domestic parcels from U.S. small and medium-sized e-commerce merchants, as well as parcels delivered to overseas warehouses under last-mile orders from cross-border e-commerce merchants. Since its launch in March 2024 until December 31, 2025, through our U.S. service network, we processed an aggregate of approximately 46.8 million parcels. The average daily parcel volume of our U.S. service network, including cross-border parcels under our cross-border e-commerce express services, as well as domestic parcels from U.S. e-commerce merchants and overseas warehouses, increased from approximately 28.0 thousand in 2024 to 105.4 thousand in 2025. This growth reflects the progressive expansion of our operational capacity and execution capabilities in the U.S. local last-mile delivery market.

Supported by local operational infrastructure, digitalized systems and experienced operating teams, we have maintained stable service performance in the U.S. market. During the Track Record Period, our delivered-in-full rate remained at approximately 99.5%.

Service Process

We operate a fully integrated localized delivery workflow supported by standardized operating procedures and intelligent dispatching technologies. This enables high coordination across operational nodes and provides full-chain visibility throughout the delivery process. The following diagram illustrates our service process of local last-mile delivery services:



- *Pickup*. We arrange personnel to collect parcels based on customer instructions and transfer them to our local operations centers. Parcel inflows are diversified and include parcels transferred from our cross-border e-commerce express services, last-mile orders from cross-border e-commerce merchants, and domestic delivery orders from U.S. small and medium-sized e-commerce merchants. This multi-source intake model supports efficient aggregation and flexible downstream processing.

- *In-house Sorting & Consolidation*. Upon arrival at our regional sorting centers, parcels undergo standardized procedures, including sorting, scanning and verification, measurement, and consolidation. These processes ensure data accuracy, operational consistency and compliance with trunk transportation requirements, while preparing parcels for efficient onward movement.

- *Delivery*. For trunk transportation, we flexibly deploy road or air transport based on delivery timelines and cost considerations, transferring consolidated parcels to the destination operations center closest to the recipient. Upon arrival, parcels are unpacked, re-sorted and prepared for last-mile delivery. Our intelligent dispatching system generates optimized delivery routes based on address-level data. Delivery personnel retrieve parcels and complete item-by-item scanning through our proprietary delivery system, ensuring end-to-end traceability. Parcels are delivered in accordance with system-generated routes to maintain consistent efficiency and service quality.

Expansion Plan

Looking ahead, we have formulated a phased expansion strategy for the U.S. market, focused on strengthening network foundations and deepening market penetration to support scalable growth. By the end of 2026, we expect our network to reach over 13,000 postal code areas in the U.S. This expanded footprint is intended to enhance our fulfillment capability in the U.S., improve delivery efficiency and support a broader customer base.

In parallel, we plan to continue upgrading our operational infrastructure and automation capabilities at key regional sorting centers. By the end of 2028, we target to achieve a daily sorting capacity of approximately 2.0 million parcels. This capacity build-out is designed to provide sufficient headroom for future volume growth while improving service quality and cost efficiency.

Synergies Between Our Cross-border E-commerce Express and Local Last-mile Delivery Businesses

Built on our self-operated cross-border logistics network, we have continued to strengthen our local last-mile delivery capabilities, forming a synergistic business model. Our cross-border e-commerce express services and local last-mile delivery services are complementary in network resources, operational capabilities and service coverage. Together, they form an integrated fulfillment chain that connects cross-border transportation with destination-country delivery and enhances our overall service competitiveness.

On the cross-border leg, our cross-border e-commerce express services provide reliable intercontinental transportation supported by standardized processes and stable trunk capacity. This ensures predictable delivery timelines into destination markets. On the destination leg, our local last-mile delivery services extend the value chain through localized sorting and last-mile delivery capabilities, improving terminal delivery performance and customer experience. Operating in tandem, the two service lines form an integrated cross-border transportation and local delivery model that supports scalable growth across both businesses.

Synergies are evident in trunk transportation connectivity and full-chain lead time optimization. Parcels arriving in the U.S. through our cross-border e-commerce express services can be seamlessly routed into our self-operated local delivery network, reducing reliance on third-party carriers, streamlining handover procedures and improving overall efficiency. At the same time, we dynamically adjust routing and capacity allocation based on destination distribution, order density and delivery urgency, enabling effective coordination between cross-border and local operations.

This integrated service model creates meaningful value for cross-border merchants, particularly those operating across multiple platforms and managing diverse inventory strategies. By linking cross-border transportation with destination-country delivery under a unified operating framework, we provide an end-to-end solution from first-mile pickup to final delivery. This approach optimizes timeliness, cost control and compliance, enhances merchants' fulfillment efficiency in the North American market and supports long-term customer engagement and business expansion.

Other Cross-border Services

In addition to our two principal business lines, we provide other cross-border services on a segmented and on-demand basis to address specific customer needs under certain operating scenarios. These services are essentially derived from the unbundling of individual stages within our cross-border e-commerce express services and are offered as standalone services in accordance with customers' actual needs. As such, they do not form part of our core business operations and are provided primarily upon customer request.

Other cross-border services primarily consist of last-mile delivery services carried out by other suppliers, customs clearance services, first-leg logistics services for designated cross-border e-commerce platform merchants and international air freight forwarding services. Revenue generated from other cross-border logistics services accounted for 19.2%, 18.2% and 8.4% of our total revenue in 2023, 2024 and 2025, respectively. Given their non-core nature and customer-requested basis, revenue from these services has shown a declining trend over the Track Record Period.

First-leg Logistics Services

We provide first-leg logistics services to cross-border e-commerce platforms and merchants to satisfy their integrated logistics needs under scenarios such as overseas warehouse replenishment, semi-managed business models and forward inventory deployment. Our services involve transporting goods from China or other origins to customers' designated overseas warehouses, platform warehouses or other designated destinations.

Depending on customer requirements, shipments may be transported via international express, air freight, sea freight, railway or truck transportation. Our first-leg logistics services primarily include export customs declaration, international linehaul transportation, import customs clearance and warehouse inbound supporting services.

We also provide various value-added services related to warehouse inbound requirements to help customers satisfy the inbound standards of different overseas warehouses and e-commerce platforms, thereby improving warehouse inbound certainty and inventory replenishment efficiency.

OUR OPERATIONAL ACHIEVEMENTS

The following table sets forth selected performance metrics of our services:

	Year ended/As of December 31,		
	2023	2024	2025
Number of customers[(1)]	33,048	33,647	36,813
Total parcel processing volume			
– Cross-border e-commerce express services	137,448,436	106,503,565	120,260,772
– Local last-mile delivery services	–	5,246,027	25,231,646
Total	137,448,436	111,749,592	145,492,418
PRC fulfillment network			
– Number of warehouses	39	36	35
• Number of sorting centers	6	4	4
U.S. fulfillment network			
– Number of warehouses	–	4	21
• Number of sorting centers	–	2	10
– U.S. population coverage (%)	–	approximately 13.4	approximately 70.0

Note:

(1) Number of customers refers to customers that contributed revenue to us during the relevant year.

In 2024, the parcel processing volume of our cross-border e-commerce express services decreased as compared to 2023. This decline was primarily attributable to a reduction in shipment volumes from certain large cross-border e-commerce third-party platforms beginning in early 2024. These platforms adjusted their logistics procurement strategies by shifting from a centralized, single-supplier model to a more segmented transportation approach, engaging multiple service providers for different stages of the logistics chain. Such adjustments were driven by enhanced focus on logistics cost control, operational flexibility and risk diversification. As a result, a portion of parcel volumes that had previously been consolidated with us was redistributed among multiple logistics providers, leading to a temporary moderation in our cross-border e-commerce express volumes.

OUR LOGISTICS NETWORK

Our Warehouses

As of December 31, 2025, we managed a total of 56 warehouses, including 35 warehouses in the PRC with an aggregate GFA of 51,680.81 sq.m. and 21 overseas warehouses.

Our domestic warehouses are categorized into (i) pickup warehouses; and (ii) sorting centers based on their primary functions. Pickup warehouses are located in cities with high concentrations of e-commerce merchants, industrial clusters and commercial zones, serving as the operational base for door-to-door pickup and first-mile consolidation. Sorting centers are strategically located in major gateway cities including Shenzhen, Yiwu and Kunshan, handling large-scale consolidation and trunk transportation across regions.

Our overseas warehouses consist of (i) sorting centers; and (ii) delivery depots, with our U.S. sorting centers primarily located near major international airports and seaports. Leveraging these sorting centers as anchor nodes, we extend our network by establishing delivery depots in surrounding metropolitan areas, enabling couriers to access parcels efficiently and complete last-mile delivery with speed and reliability.

Our warehouse planning adheres to the principles of proximity to customers, proximity to cargo sources and proximity to key transportation nodes, balancing service coverage, operational efficiency and cost considerations. Domestically, pickup warehouses are mainly located in areas with dense e-commerce activity, strong industrial clusters and convenient transportation access, shortening pickup radius and accelerating parcel onboarding. Sorting centers are prioritized in cities adjacent to major ports, airports or expressway hubs, ensuring trunk transportation efficiency while accommodating future parcel volume growth, labor availability, rental levels and infrastructure quality. Overseas, particularly in the U.S., we design our network around major international airports and ports for sorting centers, complemented by delivery depots in key consumption zones and regions with high concentrations of third-party overseas warehouses. This enables efficient interstate trunk movement and city-level last-mile delivery, supporting stable coverage and end-to-end fulfillment quality.

To enhance processing efficiency, stability and fulfillment capacity, we continue to deploy automation and digitalization technologies across our domestic and overseas warehouses. Key initiatives include:

- *Automated Sorting Equipment*: We have deployed various types of automated equipment, including automated sorting equipment, conveyor systems, automated weighing and volumetric measurement devices. These facilities enable automatic parcel identification, measurement, weighing and route sorting, significantly improving processing efficiency and operational accuracy.

- *Intelligent Warehouse Management Systems*: We utilize self-developed transport management systems (TMS) and warehouse management systems (WMS) to achieve digitalized, visualized and finely tuned warehouse operations. These systems support precise inventory volume calculations, real-time parcel monitoring and seamless integration with domestic and overseas transportation links, improving overall operational efficiency.

These automated systems and digital capabilities form a critical backbone of our cross-border logistics operations, enabling us to maintain high, stable warehouse performance even during peak cycles, large-scale promotional events or multi-scenario processing conditions.

Our Global Service Coverage

Leveraging our global routing capabilities and diversified partner network, our services cover major e-commerce consumption markets across North America, Europe, Asia-Pacific, Latin America and other emerging destinations. The table below sets forth our revenue from cross-border e-commerce express services by destination market during the years indicated:

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

Note:

(1) Primarily representing Asia-Pacific, Latin America and other emerging destinations.

Supported by our in-house capacity and collaborated third-party capacity, we have built an integrated and multi-layered transportation network comprising the domestic pickup network, airfreight capacity network and overseas delivery network, providing end-to-end operational connectivity and supporting the stable execution of our cross-border logistics services.

Domestic Pickup Network

We have built a nationwide trunk transportation network centered around three major gateway hubs, including Shanghai, Shenzhen and Yiwu. This network operates under a mixed model of self-operated capacity as the foundation, core outsourced transportation as the mainstay, and flexible supplemental capacity to ensure an optimal balance among stability, scalability and cost efficiency.

As of December 31, 2025, leveraging our self-operated capacity and outsourced third-party transportation capacity, our domestic pickup network covers approximately 106 transportation routes, including 22 core strategic routes each with an average monthly volume exceeding 50 tons. These routes connect key domestic hubs across full-truckload, less-than-truckload and airfreight channels, supporting diverse cross-regional transfer requirements under different volume and timeliness needs.

Our self-operated capacity accounts for approximately 24% of the total domestic trunk capacity and is deployed on high-frequency trunk routes among East China, South China and other major hubs. This includes self-owned vehicles, which strengthen the stability of critical lanes and provide essential fulfillment reliability during peak seasons, holidays and large-scale promotional campaigns.

To extend our coverage across broader geographic regions, we maintain a network of third-party transportation suppliers, supporting cross-province movement, remote-area pickup and regions beyond our self-operated footprint. We maintain long-term partnerships with core outsourced transportation providers and adjust supplemental capacity in response to seasonal fluctuations to ensure resilience and peak-period delivery performance.

Airfreight Capacity Network

We have maintained strong relationships with multiple international airlines and third-party freight forwarders to build a stable and cost-competitive airfreight capacity network. This network serves as the backbone of the international leg of our cross-border e-commerce express services.

Through cooperation with major international airlines, we operate charter and block-space routes between China and key cross-border destinations, providing sufficient air freight capacity, stable flight schedules and reliable transit times. To safeguard service quality, we maintain a partner evaluation framework that assesses operational history, flight reliability, capacity allocation capability and service performance.

As of December 31, 2025, our global airfreight network was supported by more than 420 airfreight routes serving key cross-border markets. This network provides a solid infrastructure foundation for the cross-border transportation stage of our cross-border e-commerce express services.

Overseas Delivery Network

We have established a local delivery network in major destination markets, particularly in the U.S., covering core metropolitan areas and major consumption zones. Given the geographic scale of the U.S. and its dispersed population and order distribution, we adopt a hybrid model combining self-operated resources and crowdsourced drivers, forming a flexible, cost-efficient and time-reliable last-mile delivery capability that supports continued network expansion.

For long-haul interstate transfers, we primarily engage experienced third-party carriers to undertake cross-state and intercity transportation, ensuring sufficient elasticity to accommodate seasonal and cyclical volume fluctuations. For short-haul, intra-city and high-frequency delivery scenarios, we rely on registered crowdsourced drivers on our platform.

Supported by our U.S. sorting centers and delivery depots located near major airports and key consumption areas, together with digital dispatch systems and real-time route optimization tools, we can achieve granular operational control and consistent service performance. By analyzing order-density heatmaps, optimizing routing algorithms and closely monitoring courier productivity and delivery performance, we maintain stable timeliness, high delivery-in-full rates and low exception rates in the U.S. market. This capability forms a critical component of our overseas fulfillment infrastructure and provides vital support for cross-border sellers expanding into the U.S.

OUR KEY TECHNOLOGIES

We have developed a full-service-chain logistic information management platform that spans order management, dispatch execution and end-to-end visibility, forming the backbone that supports the stability, timeliness and scalability of our cross-border fulfillment operations. The platform comprises our intelligent order fulfillment system, intelligent dispatching and route optimization algorithms, and end-to-end visualization and tracking system, collectively creating a high-performance digital foundation capable of supporting high-concurrency, multi-node and multi-region logistics operations.

Intelligent Order Fulfillment System

Our intelligent order fulfillment system serves as the front-end entry point of the cross-border fulfillment chain. Built on a modular architecture, it enables coordinated management of key functions including order processing, pickup, transportation and delivery, supporting stable operations during peak shopping seasons such as Double 11 and Black Friday. The system consolidates order information from customers' ERP systems, third-party e-commerce platforms and our internal systems, and supports full-lifecycle order management covering order creation,

validation, route planning, label printing and status updates. The system enables efficient order intake, data standardization and risk screening, and supports daily peak processing volumes of over one million orders during high-demand periods.

Drawing on shipper information, product details and consignee data, the system automatically triggers pickup tasks, generates parcel routing data and applies such data to the monitoring of parcels across all logistics nodes throughout the fulfillment process. It acts as the primary data interface between us and our customers and is the core infrastructure that connects operational data across all stages of the cross-border logistics chain.

Intelligent Dispatching and Route Optimization Algorithms

For pickup and local delivery scenarios, our intelligent dispatching and route optimization algorithms enable smart task allocation, dynamic route planning and real-time visibility through a coordinated model that connects customers, dispatchers and drivers.

The algorithms first analyze service areas using digital maps and historical order data. Based on factors such as postal codes, order concentration and road network characteristics, it dynamically divides delivery regions into service zones. Orders are then grouped intelligently by taking into account parcel characteristics, delivery time requirements, customer priority and vehicle capacity, allowing the algorithms to determine suitable loading and delivery combinations and improve resource utilization efficiency.

For route planning, we combine internationally recognized third-party mapping and navigation engines with our route evaluation logic. The algorithms assess multiple route options using real-time traffic conditions, estimated driving time, distance, fuel cost and vehicle workload, and dynamically calculate optimized delivery paths to balance delivery efficiency and operating cost. During execution, our intelligent dispatching algorithms match delivery tasks with available drivers and vehicles, adjust schedules dynamically in response to changing conditions such as traffic congestion or order fluctuations, and support timely identification and handling of operational exceptions through real-time operational dashboards.

In addition, our address correction module enhances first-attempt delivery success through intelligent address parsing and validation capabilities. Driver applications further support standardized task execution, including scanning, delivery confirmation and exception reporting, while maintaining operational flexibility.

Key capabilities of our intelligent dispatching and route optimization algorithms include: (i) smart service area planning, which dynamically defines delivery zones based on geography, order density and road conditions, improving route stability and coverage efficiency; (ii) intelligent order grouping and vehicle loading, which considers delivery urgency, parcel attributes and vehicle capacity to improve loading efficiency and reduce unnecessary trips; (iii) optimized route selection, which evaluates multiple route options using real-time traffic data, distance and time estimates to enhance delivery efficiency and control operating costs; (iv) dynamic dispatching and driver matching, which allocates tasks based on driver location, workload and availability, and adjusts assignments in response to real-time conditions; and (v) end-to-end execution support through driver applications, enabling standardized task execution, scanning, delivery confirmation and exception reporting, while maintaining operational flexibility.

These capabilities further enhance delivery efficiency, improve resource utilization and support consistent service quality across both pickup and local delivery operations.

End-to-end Visualization and Tracking System

Our end-to-end visualization and tracking system aggregates logistics node data from multiple carriers, languages and formats, and standardizes such data through automated parsing, logical validation and key-event extraction. We have established over 200 data collection points across the entire fulfillment logistics process. The system dynamically adjusts data-fetching frequency based on the stage of transportation to maintain completeness and continuity of tracking information. Key capabilities include: (i) multi-source tracking acquisition: the system automatically retrieves tracking data from hundreds of global logistics carriers in collaboration with us and adjusts acquisition frequency based on shipment status, while fail-over mechanisms ensure uninterrupted data retrieval; (ii) data parsing and standardization: multi-language tracking descriptions are normalized into a unified event library, with erroneous or illogical entries automatically filtered, and key information extracted for internal alerts and customer support; and (iii) visualization and multi-channel notifications: tailored views are available for different user types, including a simplified consumer view and a detailed operational timeline for sellers. Automated notifications may be delivered via SMS, email or enterprise communication tools, and API access is available for enterprise customers to integrate standardized tracking data into their internal systems. Customers can access tracking information through multiple channels, including API interfaces, web platforms, mini-programs and email notifications, enhancing both operational transparency and customer experience.

PRICING

We have developed a flexible pricing mechanism that can accommodate diverse fulfillment scenarios and service requirements. Our pricing is primarily determined based on destination countries or regions, and varies depending on factors such as parcel weight, parcel volume, parcel attributes and required delivery timeliness. Our pricing is also dynamically adjusted in response to variables including fluctuations in upstream transportation costs and changes in the competitive landscape.

In particular, the core factors affecting our pricing primarily include parcel weight and volume, delivery timeliness and parcel attributes, each of which affects pricing in the following ways:

- ***Parcel weight and volume***: Differences in parcel weight and volume significantly affect sorting center processing efficiency, international air transportation costs and destination-country last-mile delivery costs. These differences determine the underlying cost structure of transportation routes and constitute a core component of pricing assessment.

- ***Delivery timeliness***: Delivery speed is positively correlated with resource input. Faster service levels generally require higher-cost resources, including priority sorting center processing, priority transportation capacity allocation and closer end-to-end operational coordination and monitoring, thereby forming a clear relationship between delivery timeliness and pricing.

- ***Parcel attributes***: Different parcel categories require differentiated transportation handling methods, compliance procedures and operational workflows. For example, ordinary goods and battery-powered products each have distinct cost structures arising from upstream supplier charges, as well as our differentiated investments in protective handling and compliance review, which in turn result in different pricing structures.

We generally determine freight charges based on chargeable weight, being the higher of actual weight and volumetric weight, under a core pricing model consisting of the applicable chargeable weight multiplied by the corresponding per-kilogram rate, together with a fixed handling fee based on different weight brackets.

SALES AND MARKETING

As of December 31, 2025, we employed 297 sales and marketing professionals responsible for customer acquisition, account management, branding and market outreach.

Brand Positioning and Strategy

Our brand positioning is built on our deep understanding of the needs of cross-border e-commerce third-party platforms, cross-border merchants and Chinese brands expanding overseas. Within a regulatory-compliant framework, we are committed to providing secure, efficient and cost-competitive integrated cross-border logistics services through reliable fulfillment capabilities, continuously optimized service experience, diversified product offerings and digitalized operational capabilities.

Our core competitiveness lies not only in our network coverage and transportation capabilities, but also in our stable delivery performance, risk management capabilities, customer responsiveness and collaboration with participants across the e-commerce ecosystem. We continuously strengthen our brand recognition by enhancing service quality, fulfillment timeliness, product adaptability and customer experience, thereby improving customer retention and conversion and driving business growth through full-lifecycle customer management.

Customer Acquisition and Retention

We have established a diversified customer acquisition and relationship management system supported by our brand recognition, product competitiveness, customer service capabilities and industry resources. Our customer acquisition channels include inbound inquiries driven by brand recognition, referrals from cooperative platforms and existing customers, online and offline marketing and new media promotion, cooperation with cross-border e-commerce associations and industry exhibitions, as well as business development efforts by our in-house sales team.

We adopt a tiered customer management approach based on customer scale, business type, growth potential and strategic value. For large platform customers and key accounts, we deepen cooperation through regular business communications, operational reviews, dedicated service solutions and cross-department coordination. For growth-stage customers, we establish early-stage cooperation through flexible product offerings, route optimization and operational support, and expand the scope of cooperation as their businesses grow.

We place strong emphasis on customer experience and service quality. By continuously monitoring customer feedback, fulfillment performance, exception handling efficiency and system user experience, we continuously optimize our products, operations and customer service processes. Our evolving service mechanisms help enhance customer stickiness, reduce customer churn and promote cross-selling and incremental business opportunities, thereby supporting the long-term growth of our business.

OUR CUSTOMERS

We serve cross-border e-commerce third-party platforms, cross-border merchants and Chinese brands expanding overseas. Our customers span a wide spectrum of business scales and product categories, ranging from platform-based sellers and independent-site merchants to emerging Chinese consumer brands targeting global markets. In 2023, 2024 and 2025, the number of our customers with revenue contribution to us amounted to 33.0 thousand, 33.6 thousand and 36.8 thousand, respectively. The table below sets forth our revenue by customer type for the years indicated:

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

In 2023, 2024 and 2025, our revenue generated from our five largest customers in each year during the Track Record Period amounted to RMB6,068.7 million, RMB1,842.9 million and RMB1,201.6 million, respectively, accounting for 64.0%, 31.6% and 18.0% of our total revenue in the same years, respectively. In 2023, 2024 and 2025, revenue contributed from our largest customer in each year during the Track Record Period amounted to RMB4,923.8 million, RMB1,269.2 million and RMB558.2 million, respectively, accounting for 51.9%, 21.8% and 8.4% of our total revenue in the same years, respectively. The payment method adopted by our five largest customers in each year during the Track Record Period was wire transfer.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest customers in each year during the Track Record Period were Independent Third Parties. To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers in each year as of the Latest Practicable Date.

During the Track Record Period, we did not have any material disputes with, nor did we receive any material complaints from our customers.

The following table sets forth the details of our five largest customers in each year during the Track Record Period.

Year ended December 31, 2023

Customer	Service nature	Revenue	Percentage of total revenue	Year of commencement of business relationship
		(RMB'000)	*(%)*	
Customer A[(1)]	Cross-border e-commerce express services; other cross-border services	4,923,750	51.9	2022
Customer B[(2)]	Cross-border e-commerce express services; other cross-border services	856,467	9.0	2016

Customer	Service nature	Revenue	Percentage of total revenue	Year of commencement of business relationship
		(RMB'000)	*(%)*	
Customer C[3]	Cross-border e-commerce express services; other cross-border services	120,892	1.3	2018
Customer D[4]	Cross-border e-commerce express services	85,658	0.9	2020
Customer E[5]	Cross-border e-commerce express services; other cross-border services	81,892	0.9	2021
Total		**6,068,659**	**64.0**	

Year ended December 31, 2024

Customer	Service nature	Revenue	Percentage of total revenue	Year of commencement of business relationship
		(RMB'000)	*(%)*	
Customer A[1]	Cross-border e-commerce express services; local last-mile delivery services; other cross-border services	1,269,221	21.8	2022
Customer B[2]	Cross-border e-commerce express services; other cross-border services	242,314	4.1	2016
Customer F[6]	Cross-border e-commerce express services	133,230	2.3	2019
Customer G[7]	Cross-border e-commerce express services	113,007	1.9	2018
Customer E[5]	Cross-border e-commerce express services; other cross-border services	85,132	1.5	2021
Total		**1,842,904**	**31.6**	

Year ended December 31, 2025

Customer	Service nature	Revenue	Percentage of total revenue	Year of commencement of business relationship
		(RMB'000)	*(%)*	
Customer A[1]	Cross-border e-commerce express services; local last-mile delivery services; other cross-border services	558,221	8.4	2022
Customer B[2]	Cross-border e-commerce express services	226,046	3.4	2016

Customer	Service nature	Revenue	Percentage of total revenue	Year of commencement of business relationship
		(RMB'000)	*(%)*	
Customer G[7]	Cross-border e-commerce express services; other cross-border services	173,245	2.6	2018
Customer F[6]	Cross-border e-commerce express services	128,501	1.9	2019
Customer H[8]	Cross-border e-commerce express services	115,624	1.7	2025
Total		**1,201,637**	**18.0**	

Notes:

(1) Customer A is a company incorporated in 2015 in Shanghai primarily engaged in e-commerce and cross-border trade, with a registered capital of RMB10.0 million. We granted a credit term of 15 days in 2023 and 2024, and 15 business days in 2025 to Customer A.

(2) Customer B is a company incorporated in 2016 in Hangzhou, Zhejiang province, primarily engaged in software development, courier services and supply chain management, with a registered capital of RMB50.0 million. We granted a credit term of 10 business days to Customer B.

(3) Customer C is a company incorporated in 2017 in Shenzhen, Guangdong province, primarily engaged in e-commerce logistics platform development, supply chain management, and international freight forwarding, with a registered capital of USD4.0 million. We granted a credit term of 10 business days to Customer C.

(4) Customer D is a company incorporated in 2014 in Shenzhen, Guangdong province, primarily engaged in B2C cross-border e-commerce operations, global retail of consumer electronics, apparel, and household goods, with a registered capital of RMB500 thousand. We granted a credit term of 7 days to Customer D.

(5) Customer E is a company incorporated in 2012 in Beijing, primarily engaged in technology development, television and radio program production, e-commerce platform operation, and cross-border e-commerce, with a registered capital of RMB0.2 billion. We granted a credit term of 15 business days to Customer E.

(6) Customer F includes two Hong Kong-based companies, primarily engaged in comprehensive overseas marketing services for Chinese enterprises. We granted a credit term of 15 days to Customer F.

(7) Customer G is a company incorporated in 2015 in Zhengzhou, Henan province, primarily engaged in enterprise management consulting, technical services, exhibition organization, and professional business support services, with a registered capital of RMB500 thousand. We granted a credit term of 7 days to Customer G.

(8) Customer H is a company incorporated in 2025 in Wuxi, Jiangsu province, primarily engaged in supply chain management, online sales, and warehousing and logistics services, with a registered capital of RMB3.0 million. We granted a credit term of 7 days to Customer H.

Key Terms of Agreements with Our Customers

We typically enter into service agreements with our customers. The salient terms of a typical service agreement with our customers are set out below:

Terms	Typically one year or are perpetually valid
Service Scope	Cross-border E-commerce Express Services: standard express delivery services covering first-mile pickup, sorting, cross-border transportation, customs clearance and last-mile delivery of parcels;

	Local Last-mile Delivery Services: standard express delivery services covering pickup, sorting, transportation, and delivery of parcels
Pricing	With reference to standardized pricing for the relevant services or fee rates otherwise agreed between the parties, subject to mutually agreed upon fee changes
Payment Term	Settlement typically within 30 days
Termination	May be terminated by one or either party upon prior notice upon certain events

Customer Support

We place strong emphasis on service quality and customer experience, viewing both as essential drivers of customer loyalty, brand reputation and sustainable business expansion. To better address the diversified requirements of customers at different business stages, we have established a differentiated customer service model:

- *Dedicated Key Account Customer Service*. For large-scale brands and merchants with sophisticated operational requirements, we assign dedicated key account managers who conduct regular business review meetings to understand evolving customer needs, assess fulfillment performance and collect service feedback. Key account managers also identify potential cross-selling or upselling opportunities across our service suite to enhance customer engagement and strengthen long-term cooperation.

- *Self-service Support for SMEs*. For small- and mid-sized cross-border merchants, we provide a convenient self-service interface through our digital platforms, enabling customers to submit orders, raise last-mile service requests, track parcels and access frequently asked questions. Service tickets are automatically generated and routed within our system, enabling customer service representatives to follow up promptly and ensure timely and effective issue resolution. In addition, similar to our services for large-scale brands and merchants with sophisticated operational requirements, we serve SMEs in dedicated WeCom groups, offering timely online support through both manual and automated replies.

In addition, we maintain a structured and transparent customer complaint management mechanism. Customer complaints may be submitted through various channels including our customer service center, online customer service, 400 hotline, enterprise WeChat work groups and our sales team. Internally, we follow standardized escalation procedures to ensure all issues are properly resolved. During the Track Record Period, we did not experience any material customer complaints.

Quality Management and Service Monitoring

We have established a service quality monitoring system to ensure fulfillment performance remains stable and predictable. Key quality indicators, including successful delivery rate, on-time performance, node completeness and timeliness, and complaint rate per ten thousand parcels, are continuously monitored across each stage of the cross-border logistics chain.

To embed quality control into day-to-day operations, we have set up a dedicated quality control department and implemented cross-departmental mechanisms such as operational quality meetings, product operations meetings and sales-operations alignment meetings. Meanwhile, our

customer service team consolidates and analyzes customer feedback from multiple channels, such as our customer service center, online customer service, 400 hotline, offline service representatives and sales teams, to identify root causes, evaluate recurrence risks and drive continuous optimization.

OUR SUPPLIERS

We have a broad network of third-party transportation service providers, cross-border linehaul operators, customs brokerage firms, and last-mile delivery service providers to support seamless fulfillment from origin to final delivery destination.

Supplier Selection and Management

We consistently engage reputable and experienced suppliers to safeguard service quality and operational reliability. Supplier selection is conducted through a rigorous, multi-factor evaluation process that assesses, among others, transportation capacity and network coverage, qualifications, historical delivery performance and cost competitiveness. We evaluate prospective suppliers through on-site inspections, documentation reviews and performance assessments based on prior cooperation experience or initial trial periods. Suppliers that meet our standards are included in the qualified supplier list maintained by our supply chain and quality management teams.

Qualified suppliers are subject to ongoing performance monitoring and periodic assessments to ensure continued compliance with our service, safety and operational requirements. Any material non-compliance or significant service quality issue triggers an immediate reassessment, which may result in warnings, procurement restrictions or removal from our qualified supplier list.

Our Major Suppliers

In 2023, 2024 and 2025, purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB2,560.0 million, RMB1,378.1 million and RMB1,706.5 million, respectively, accounting for 28.4%, 25.8% and 28.0% of our total purchases in the same years, respectively. In 2023, 2024 and 2025, purchases from our largest supplier in each year during the Track Record Period amounted to RMB761.9 million, RMB420.5 million and RMB518.1 million, respectively, accounting for 8.5%, 7.9% and 8.5% of our total purchases in the same years, respectively.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers in each year during the Track Record Period were Independent Third Parties. To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each year as of the Latest Practicable Date.

The following table sets forth the details of our five largest suppliers in each year during the Track Record Period:

Year ended December 31, 2023

Supplier	Type of product/services procured	Payment method	Purchase amount	Percentage of total purchase	Year of commencement of business relationship
			(RMB'000)	*(%)*	
Supplier A[(1)]	International transportation	Wire transfer	761,894	8.5	2020
Supplier B[(2)]	Last-mile delivery	Wire transfer	698,125	7.8	2022
Supplier C[(3)]	Last-mile delivery	Wire transfer	378,217	4.2	2020
PAL E-COMMERCE LOGISTICS LIMITED[(4)]	International transportation; export customs declaration	Wire transfer	366,366	4.0	2020
Winit (HK) Trading Limited[(5)]	Last-mile delivery	Wire transfer	355,371	3.9	2018
Total			**2,559,973**	**28.4**	

Year ended December 31, 2024

Supplier	Type of product/services procured	Payment method	Purchase amount	Percentage of total purchase	Year of commencement of business relationship
			(RMB'000)	*(%)*	
Supplier D[(6)]	Customs clearance	Wire transfer	420,537	7.9	2021
Supplier E[(7)]	Import customs clearance, last-mile delivery	Wire transfer	286,394	5.4	2018
Supplier A[(1)]	International transportation	Wire transfer	256,824	4.8	2020
ACI Logistix, LLC[(8)]	Last-mile delivery	Wire transfer	245,047	4.6	2023
Supplier F[(9)]	Last-mile delivery	Wire transfer	169,270	3.1	2023
Total			**1,378,072**	**25.8**	

Year ended December 31, 2025

Supplier	Type of product/services procured	Payment method	Purchase amount	Percentage of total purchase	Year of commencement of business relationship
			(RMB'000)	*(%)*	
Supplier E[(7)]	Import customs clearance, last-mile delivery	Wire transfer	518,082	8.5	2018
Supplier D[(6)]	Import customs clearance	Wire transfer	445,874	7.3	2021
Supplier F[(9)]	Last-mile delivery	Wire transfer	279,754	4.6	2023
AWESUNG Logistics Group[(10)]	Last-mile delivery	Wire transfer	231,800	3.8	2024
Supplier A[(1)]	International transportation	Wire transfer	230,968	3.8	2020
Total			**1,706,478**	**28.0**	

Notes:

(1) Supplier A is a company incorporated in Hong Kong in 1993, primarily engaged in international freight forwarding, global express logistics, and comprehensive shipping agency services.

(2) Supplier B is a company incorporated in the United States in 1986, primarily engaged in last-mile e-commerce parcel delivery, same-day and next-day shipping services.

(3) Supplier C is a government entity established as an independent establishment of the executive branch of the United States in 1971, primarily engaged in providing universal postal and logistics services, including mail and package delivery across the U.S. and its territories.

(4) PAL E-COMMERCE LOGISTICS LIMITED is a company incorporated in Hong Kong in 2010, primarily engaged in technology-enabled supply chain management, warehousing, distribution, and cross-border e-commerce fulfillment services across Greater China.

(5) Winit (HK) Trading Limited is a company incorporated in Hong Kong in 2013, primarily engaged in cross-border e-commerce supply chain services, international trade, and global warehouse management solutions.

(6) Supplier D is a company incorporated in the United States in 2009, primarily engaged in customs clearance.

(7) Supplier E is a company incorporated in 2016 in Hangzhou, Zhejiang province, primarily engaged in software development, courier services and supply chain management, with a registered capital of RMB50.0 million.

(8) ACI Logistix, LLC is a company incorporated in the United States in 2014, primarily engaged in small parcel distribution, e-commerce logistics, and "last mile" delivery solutions.

(9) Supplier F is a company incorporated in France in 1991, primarily engaged in postal services, parcel logistics, banking, insurance, and mobile telecommunications.

(10) AWESUNG Logistics Group is a company incorporated in the United States in 2008, primarily engaged in global cross-border e-commerce logistics, warehousing, and supply chain technology solutions.

Salient Terms of Agreements with Our Suppliers

We typically enter into service agreements with our suppliers stipulating the service scope, pricing, payment terms, service period, among others. The following table sets forth the key terms of our typical agreements with suppliers.

Scope of Services	The services our suppliers provide us with include, as the case may be, overseas and domestic transportation, customs clearance and cross-border transportation.
Pricing	Service fees are subject to fee quotes otherwise agreed between our suppliers and us, based on various factors including parcel weight, destination countries/regions and parcel volume.
Payment	We are generally required to pay our suppliers within 30 days upon issuance or receipt of relevant bill/invoice. Payments shall be through wire transfer.
Indemnification	Our suppliers are obligated to indemnify us for parcel losses or damages during the parcel transportation undertaken by them. We are obligated to ensure the items are in compliance with relevant requirements of governmental authorities and are not prohibited by governmental authorities to be transported, otherwise we shall assume all legal obligations and indemnify all associated damages to our suppliers.

Duration and Renewal	The agreements typically have a fixed term ranging from one year to three years and can be renewed subject to mutual consent. Both parties are entitled to terminate the agreements upon prior notice issued to the other party.

OVERLAPPING CUSTOMERS AND SUPPLIERS

Due to the nature of the logistics services industry and the functional division along the logistics value chain, certain counterparties may act as both service providers and service recipients in different business scenarios. During the Track Record Period, we provided logistics services to certain customers who also acted as our suppliers. In certain transaction stages, we procured transportation capacity, customs clearance services or other specialized logistics resources from such counterparties based on factors such as route coverage, regional access, capacity availability and service specialization.

According to Frost & Sullivan, such overlap primarily reflects the operational characteristics of the logistics industry, in which market participants may assume dual roles depending on the specific transaction context. By leveraging the unique strengths of different cross-border logistics services providers, collaborative partnerships help utilize logistics resources more efficiently and cost-effectively, thereby enhancing overall service quality. As a result, it is common for logistics enterprises to engage in transactions with each other as both suppliers and customers. These arrangements are conducted on normal commercial terms and are consistent with industry practice, and do not represent any atypical business practice.

The following table sets forth the breakdown of our revenue generated from and purchase amount paid to our overlapping customers and suppliers, which was among either our five largest customers or suppliers during the Track Record Period.

Entity	Transaction nature		Year ended December 31,											
			2023				2024				2025			
	As customer	As supplier	Revenue	% of total revenue	Purchase	% of total purchase	Revenue	% of total revenue	Purchase	% of total purchase	Revenue	% of total revenue	Purchase	% of total purchase
			(RMB'000, except for percentage)											
Customer B/ Supplier E	Cross-border e-commerce express services; other cross-border services	Import customs clearance, last-mile delivery	856,467	9.0	166,303	1.8	242,314	4.1	286,394	5.4	226,046	3.4	518,082	8.5
AWESUNG Logistics Group	Local last-mile delivery services	Last-mile delivery	–	–	23,720	0.3	–	–	6,812	0.1	82	0.0	231,800	3.8
Supplier A	Other cross-border services	International transportation	3,273	0.0	761,894	8.5	1,118	0.0	256,824	4.8	–	–	230,968	3.8
ACI Logistix, LLC	Local last-mile delivery services	Last-mile delivery	–	–	63,068	0.7	–	–	245,047	4.6	28,097	0.4	153,075	2.5
Winit (HK) Trading Limited	Cross-border e-commerce express services; other cross-border services	Last-mile delivery	2,091	0.0	355,371	3.9	–	–	110,639	2.1	4,169	0.1	4,421	0.1
Customer C	Cross-border e-commerce express services; other cross-border services	International transportation	120,829	1.3	–	–	25,541	0.4	–	–	5,076	0.1	136.7	0.0

In 2023, 2024 and 2025, revenue generated from such overlapping customers and suppliers, which was among either our five largest customers or suppliers during each year of the Track Record Period, was RMB982.7 million, RMB269.0 million and RMB263.5 million, respectively, accounting for 10.3%, 4.6% and 4.0% of our total revenue for the same years. Our purchase amount from such overlapping customers and suppliers was RMB1,370.4 million, RMB905.7 million and RMB1,138.5 million, respectively, accounting for 15.4%, 17.0%, and 18.7% of our total purchase amount for the same years.

Negotiations of the terms of our sales to and purchases from these overlapping customers and suppliers were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. Our Directors confirm that all of our sales to and purchases from these overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on arm's length basis.

INTRA-GROUP TRANSACTIONS

Our Company, our controlled affiliated entities and our subsidiaries conduct intra-group provisions of services and other related party transactions following the fundamental principle that intra-group transactions must be conducted at an arm's length basis.

During the Track Record Period and up to the Latest Practicable Date, we had the following major intra-Group transactions:

- ***Freight forwarding services (the "Transaction I")***. Yanwen Hong Kong provides freight forwarding services to our Company and Qianhai Yanwen to coordinate the import and export transportation and related services, charging service fees in return. In 2024 and 2025, Yanwen Hong Kong entered into contracts with third-party customers, subcontracted agency services within China to our Company, and paid service fees to our Company for such arrangements.

- ***Transportation services (the "Transaction II")***. Our Company enters into service contracts with our customers and then subcontracts local last-mile delivery services in the U.S. to Yanwen Express America since its establishment in January 2024. Under this arrangement, Yanwen Express America provides logistics services, such as local transportation and delivery, based on our Company's requirements and charges service fees in return.

- ***Agency services (the "Transaction III")***. Yanwen Logistics America assists our Company in attracting and securing customers for logistics services in the U.S. Additionally, Yanwen Logistics America supports our Company in identifying qualified suppliers in the U.S. market. Yanwen Logistics America facilitates the direct execution of contracts between such customers/suppliers and itself, and in return charges our Company agency commission.

The Organization for Economic Co-operation and Development (the "**OECD**"), an international organization of international cooperation, promulgated the transfer pricing guidelines for multinational enterprises and tax administrations (the "**OECD Transfer Pricing Guidelines**"), which is generally followed by the relevant tax jurisdictions involved in the intra-Group transactions worldwide. According to the OECD Transfer Pricing Guidelines, the intra-Group transactions should be on an arm's length basis to avoid distorted taxable income in different jurisdictions.

We have engaged a professional accounting firm as our independent transfer pricing consultant (the "**Transfer Pricing Advisor**") to conduct benchmarking studies on the intra-Group transactions during the Track Record Period in accordance with the OECD Transfer Pricing Guidelines. Our Transfer Pricing Advisor determined that (i) the transactional net margin method

was the most appropriate transfer pricing method to assess whether the transfer pricing arrangements related to Transaction I and Transaction II were consistent with the arm's length principle; and (ii) comparable uncontrolled price method was the most reliable transfer pricing method to assess whether the transfer pricing arrangements related to Transaction III consistent with the arm's length principle. Transactional net margin method and comparable uncontrolled price method are commonly accepted in the OECD Transfer Pricing Guidelines and are stipulated in relevant transfer pricing regulations. Based on the transfer pricing review, it is indicated that the fee rate and the profit level indicators of the abovementioned transactions are within the profit range that was considered an appropriate range for the arm's length transactions during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any penalty, investigations, inquiries or transfer pricing audits carried out by local tax authorities in relation to these intra-Group transactions.

Based on the above, and after consulting our Transfer Pricing Advisor, our Directors are of the view that the above-mentioned intra-Group transactions were in line with the arm's length principle and we were in compliance with the relevant transfer pricing laws and regulations during the Track Record Period and up to the Latest Practicable Date.

To ensure our ongoing compliance with the applicable transfer pricing laws and regulations, we plan to take the following measures:

- engage professional accounting firms as independent tax consultants to conduct annual transfer pricing review on our cross-border intra-Group transactions;
- provide training to our employees responsible for intra-Group transactions, maintaining their awareness of global transfer pricing regulations; and
- continue to monitor the profitability of our subsidiaries and controlled affiliated entities and adjust pricing arrangements as appropriate.

THIRD-PARTY PAYMENT ARRANGEMENT

Background and Implications Relating to the Third-party Payment Arrangements

During the Track Record Period, certain of our customers (individually or collectively, the "**Relevant Customer(s)**") engaged third-party payors (individually or collectively, the "**Third-party Payor(s)**") to settle their payments with us (the "**Third-party Payment Arrangements**"). In 2023, 2024 and 2025, the number of Relevant Customers with payment recorded during the relevant year amounted to 9,131, 9,666 and 7,993, representing 24.4%, 25.2% and 19.0% of the total number of customers with payment recorded in the same year, respectively. The aggregate amount they settled under the Third-party Payment Arrangements (the "**Relevant Settlement**") was RMB1,227.8 million, RMB1,414.9 million and RMB547.9 million, respectively, which accounted for 14.0%, 22.7% and 7.5% of the total payments we received from all customers during the same years, respectively.

To the best of our knowledge, the Third-party Payors during the Track Record Period primarily consisted of (i) persons or entities affiliated with the Relevant Customers, such as legal representatives, controlling shareholders, actual controllers or entities controlled by them, their family members and employees of the Relevant Customers; and (ii) to a much lesser extent, business partners of the Relevant Customers' actual controllers or legal representatives.

The Relevant Customers settled their payments through bank transfer. Substantially all of the Relevant Settlement took place in China and substantially all of the Relevant Customers and Third-party Payors are located in China.

Reasons for the Third-party Payment Arrangements

According to Frost & Sullivan, it is a common commercial practice for our customers, especially those small- and medium-sized cross-border e-commerce merchants in China, to settle payments with logistics services providers through third-party payors. Based on the representation of Relevant Customers and to the best of our Directors' knowledge, Relevant Customers chose to settle payments through Third-party Payment Arrangements, mainly driven by their considerations including payment convenience, operational flexibility or short-term cashflow utilization demands. Therefore, Relevant Customers chose to request Third-party Payors to settle payments with logistics services providers on their behalf. According to Frost & Sullivan, such reasons for utilizing Third-party Payment Arrangements by Relevant Customers are common in China's B2C cross-border e-commerce logistics services industry.

Based on the representations of Relevant Customers and to the best knowledge of our Directors, Relevant Customers mainly utilized Third-party Payment Arrangements because:

(i) it is commercially convenient for or in line with the internal financial management practice of some Relevant Customers to use the accounts of their affiliated persons, such as their legal representatives or actual controllers (and/or their relatives), to settle payments with suppliers;

(ii) some Relevant Customers utilize the designated entities within the same group to settle payments with suppliers on behalf of such Relevant Customers, thereby allowing for more operational convenience and efficiency within the same group. According to Frost & Sullivan, such practice is in line with industry norms;

(iii) some Relevant Customers in the form of sole proprietorships would like to avoid the complexity of setting up the corporate accounts or the inconvenience of using such corporate accounts to allow for more operational flexibility; and

(iv) it is the established internal financial management or operational practice for some Relevant Customers to settle payments with suppliers through the accounts' of their affiliated persons or entities, such as their legal representatives or actual controllers (and/or their family members), in order to improve transaction efficiency.

During the Track Record Period, we implemented internal control measures to monitor and manage the Third-party Payment Arrangements. We generally required the Relevant Customers to provide written payment authorization, including the identity details of the relevant Third-party Payors, their account information and the corresponding authorization. Under our Sales Management Policy (《銷售管理制度》), we also had know-your-customer procedures in place for onboarding our customers. Furthermore, we also met with our customers when necessary to understand the nature of their businesses, business models and ownerships. In addition, we required major Relevant Customers to issue confirmation letters to us, which specified that: (i) the Third-party Payment Arrangements constitute part of the normal and genuine commercial transactions between the Relevant Customers and us, and are commercially reasonable. Such arrangements were not initiated by us; (ii) the designated Third-party Payor is authorized by the Relevant Customer and thus is allowed to settle payments with us on behalf of the Relevant Customer; (iii) payment from the designated payor shall be deemed as payments from the Relevant Customer under our service agreements with such Relevant Customer; and (iv) the Relevant Customer undertake that Third-party Payor has no right, and has never sought recourse against or asserted any other claims upon our Group or our affiliates. Neither the Relevant Customer nor the Third-party Payor (or its creditors) shall require us to refund any amounts already paid on their behalf, irrespective of any disputes that may exist between the Relevant Customer and the Third-party Payor.

Based on the above, our Directors believe that the Third-party Payment Arrangements during the Track Record Period, to the best of our knowledge, have been recorded completely and accurately in our accounting books and records in all material respects.

During the Track Record Period and up to the Latest Practicable Date, we did not provide any discount, commission, rebate or other benefits to any of the Relevant Customers or the designated Third-party Payor to facilitate or incentivize the Third-party Payment Arrangements. During the Track Record Period, we did not initiate any Third-party Payment Arrangements, and the Third-party Payment Arrangements were arranged based on the Relevant Customers' requests. To the best of our knowledge, during the Track Record Period, all the Third-party Payment Arrangements were based on *bona fide* underlying transactions and valid contractual relationships. The pricing and payment terms we provided to Relevant Customers were in line with our other customers that were not involved in the Third-party Payment Arrangements. To the best of our knowledge, we were not the subject of any investigations, enquiries, penalties, or surcharges as a result of our involvement in the Third-party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not encountered any refund requests, actual or pending disputes or disagreements due to Third-party Payment Arrangements or any material claims against us in relation to the Third-party Payment Arrangements.

As advised by our PRC Legal Advisors, in light of the above, (i) our Third-party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date were not in breach or contravention of mandatory requirements of the applicable PRC laws or regulations; and (ii) as to Relevant Customers and their designated Third-party Payors who issued confirmation letters to us as mentioned above, the risks were remote for our Group to be found obligated to return funds to Relevant Customers or their designated Third-party Payors under the Third-party Payment Arrangements.

Based on the foregoing, our Directors confirm that, to the best of their knowledge and based on the internal control measures implemented, (i) during the Track Record Period, the Third-party Payment Arrangements were based on *bona fide* underlying transactions and valid contractual relationships, and (ii) there were no instances of commercial bribery, money laundering, tax evasion, or existing or potential disputes with our Group related to the Third-party Payment Arrangements.

Analyses of Third-party Payment Arrangements

Pursuant to the PRC laws and regulations, there is no explicit restriction on the adoption of Third-party Payment Arrangements. A Third-party Payment Arrangement is valid so long as it does not fall within those grounds of invalidation specified under the *PRC Civil Code* (《中華人民共和國民法典》), including, among others, where the arrangement is in violation of public order or harms one's legal rights through malicious collusion. During the Track Record Period and up to the Latest Practicable Date, we had not been requested to return any third-party payments received by us. To the best knowledge of our Directors, (i) we are not involved in any actual or threatened disputes or disagreements arising from or as a result of any Third-party Payment Arrangements, (ii) we are not subject to any investigations, enquiries, penalties, or surcharges as a result of our involvement in the Third-party Payment Arrangements.

As advised by our PRC Legal Advisors, according to Article 191 of the *Criminal Law of the PRC* (《中華人民共和國刑法》), the crime of money laundering is committed only if we (i) clearly know that the funds for the third-party payments are proceeds and/or gains derived from drug-related crimes, crimes committed by criminal organizations, crimes of terrorism, smuggling, bribery and corruption, crimes undermining the financial order of society and financial fraud; and (ii) commit certain acts as referred to under Article 191 of the Criminal Law of the PRC for the purpose of covering up or concealing the source and nature of the aforementioned proceeds and/or gains. With our know-your-customer procedures in place and as confirmed by the confirmation letters issued to us, we have no grounds to believe that (i) the Relevant Customers are involved in the aforementioned crimes, or (ii) the third-party payments received by us involve proceeds and/or gains derived from such crimes. Furthermore, we have never committed any acts for the purpose of covering up or concealing any source and nature of any proceeds and/or gains derived from such

crimes. Based on the above, and having considered that (i) our Group had not been subject to any penalties, sanctions, or investigations related to money laundering due to the Third-party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date; and (ii) financial institutions that processed settlements under the Third-party Payment Arrangements are required to conduct anti-money laundering checks on all their customers according to the *Anti-Money Laundering Law of the PRC* (《中華人民共和國反洗錢法》), significantly reducing the associated risks, our PRC Legal Advisors are of the view that the risk of the Third-party Payment Arrangements being deemed as constituting the crime of money laundering under Article 191 of the *Criminal Law of the PRC* (《中華人民共和國刑法》) for the purpose of covering up or concealing the source and nature of proceeds or gains is remote.

During the Track Record Period, to the best knowledge of our Directors and based on publicly available information, all Relevant Customers and the designated Third-party Payors who settled payments under the Third-party Payment Arrangements were Independent Third Parties.

Enhanced Internal Control Measures of Third-party Payment Arrangements

To safeguard our interest against risks associated with Third-party Payment Arrangements, we have significantly enhanced and implemented various internal control measures in order to rectify Third-party Payment Arrangements. Our efforts to rectify the Third-party Payment Arrangements include, among other things:

- in January 2026, we issued a notice through our customer portal management system, through which customers receive announcements and notifications, to inform them that, with effect from February 2026 (the "**Notice**"), we would cease accepting third-party payments. For existing third-party payment arrangements, we either terminated the relevant cooperation arrangements or incorporated the relevant third-party payors into our customer management framework through supplemental agreements;

- we initiated the implementation of Third-party Payment Arrangements rectification measures and informed our employees regarding the enhanced internal control measures. We also provide regular training sessions to relevant personnel on fraud prevention, anti-money laundering regulations and payment compliance practices, and conduct periodic internal reviews of payment records and related risks;

- we have strengthened our customer management and internal control procedures by adopting updated customer management policies and standardized customer agreements. These measures regulate customer onboarding, customer identification and verification, contract execution procedures and internal supervision requirements. Under the revised contractual arrangements, all relevant contracting parties are required to execute the agreements jointly and assume corresponding rights and obligations; and

- to prevent fraud and money laundering while ensuring the accuracy and completeness of our accounting records, we have enhanced our know-your-customer procedures. These measures include obtaining a comprehensive understanding of our customers, verifying payment details against contractual arrangements and promptly investigating and rectifying any identified abnormalities through customer liaison and internal review procedures.

Following the issuance of the Notice and the implementation of our enhanced rectification measures, the amount of Third Party Payment Arrangements decreased significantly. By the end of the first quarter of 2026, the amount of Third Party Payment Arrangements as a percentage of the total payment we received had decreased to below 1.0%. We expect the amount of such third-party payments to continue to decrease.

We require all of our customers to settle payment directly from the accounts of such customers who are parties to the relevant service agreements with us. Our Directors are of the view that the cessation of Third Party Payment Arrangements did not, and will not, have any material adverse effect on our business, liquidity, operations or financial performance, taking into account that: (i) the amount settled through Third Party Payment Arrangements accounted for only a limited portion of our total revenue and receipts during each year of the Track Record Period, and such amounts have decreased significantly since the issuance of the Notice; (ii) since the Notice and up to the Latest Practicable Date, our customer base remained relatively stable and our business operations and financial performance continued to remain stable; (iii) substantially all customers previously involved in Third Party Payment Arrangements had either ceased using Third Party Payment Arrangements or entered into new agreements or supplemental tripartite agreements with their designated payors and us, under which such payors assume the corresponding rights and obligations of customers under our logistics service agreements; (iv) we have implemented enhanced internal control measures in relation to Third Party Payment Arrangements; and (v) the Third Party Payment Arrangements primarily arose from commercial settlement convenience arrangements among customers and their designated payors, and we had not identified any fraudulent transactions or material disputes arising from such arrangements during the Track Record Period and up to the Latest Practicable Date.

We regularly check the effectiveness of our internal control measures in relation to the Third-party Payment Arrangements and promptly address any abnormalities. Based on the review of the implementation of the abovementioned measures, our Directors are of the view that such measures are effective and adequate in identifying the sources of funds from the Relevant Customers, ensuring the accuracy and completeness of our accounting books and records and preventing risks associated with Third-party Payment Arrangements, including money laundering risks, tax evasion risks or other risks relating to violation of applicable laws and regulations. Our Directors will oversee the effectiveness of these measures in the future. The internal control consultant has reviewed the aforementioned enhanced internal control measures in respect of Third-party Payment Arrangements with no material deficiencies identified.

RESEARCH AND DEVELOPMENT

R&D are fundamental to sustaining our market-leading position and driving long-term growth, enabling us to respond swiftly to the evolving requirements of our services. We focus on in-house R&D of core technologies, complemented by the selective introduction of mature licensed software to enhance our technical capabilities.

As of December 31, 2025, we had a robust R&D team of 111 experienced technical professionals, representing 7.1% of our total headcount. Many of our R&D personnel are professional IT engineers with deep expertise in technology innovation. Our sustained investments in research and development have resulted in substantial technological achievements. As of December 31, 2025, we had developed 29 proprietary logistics management systems covering the core operational processes of our business.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had six registered patents, 28 registered copyrights, one registered trademark and four domain names in the PRC, which were material to our business. We also had one trademark in application in Hong Kong and two trademarks in application in the U.S. that were material to our business as of the same date. See "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights of Our Group."

We rely primarily on a combination of patents, trademarks, trade secrets, and unfair competition laws and contractual rights, such as confidentiality agreement, to protect our intellectual properties. We have implemented robust measures to protect our intellectual property. Our legal department diligently oversees our intellectual properties to ensure timely applications, renewals, and filings, as well as to navigate any relevant third-party intellectual properties.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any lawsuits or arbitrations, or received any notifications from third parties alleging infringement of their intellectual property or the sale of counterfeit products that could have a material adverse impact on our business. Furthermore, we had not encountered any adverse findings from government authorities regarding investigations or audits concerning infringement of third-party intellectual property or the sale of counterfeit products that could have a substantial adverse effect on our business.

Even though we have paid attention to protecting our intellectual property, we may still face certain risks relating to our intellectual property. See "Risk Factors — Risks relating to Our Business and Industry — We may not be able to prevent others from unauthorized use of our intellectual properties, which could harm our business and competitive position."

COMPETITION

China's B2C cross-border e-commerce logistics services industry is sizeable highly competitive, with a fragmented industry structure in which no single service provider holds a dominant position. According to Frost & Sullivan, the total revenue of China's top five third-party cross-border export e-commerce logistics services providers amounted to approximately RMB26.5 billion in 2025, representing only a limited share of the overall market. This reflects the presence of numerous market participants with differentiated service offerings, geographic coverage and customer focus. Competition in this industry is primarily driven by network coverage, last-mile capabilities, service stability, cost efficiency, digitalization capabilities and execution reliability.

We ranked second among third-party B2C cross-border e-commerce logistics services providers in China in terms of revenue from cross-border e-commerce express services in 2025, and second in terms of parcel volume shipped to the U.S. in 2025. We compete by leveraging our self-operated cross-border network, extensive service coverage, technology-enabled operating model and expanding overseas local delivery capabilities, which allow us to provide integrated end-to-end logistics solutions with a higher degree of visibility and operational control than service providers that rely primarily on fragmented third-party arrangements. This positioning enables us to serve both large cross-border e-commerce third-party platforms and a diversified base of merchants with varying logistics needs, while supporting scalable and resilient operations in a competitive market environment.

SEASONALITY

Our services and results of operations exhibit certain seasonality, primarily driven by global e-commerce shopping cycles, air freight capacity dynamics and broader macro-environmental factors. Typically, the period from October to January of the following year represents the global peak season for cross-border e-commerce, encompassing major shopping festivals such as "Black Friday" and "Cyber Monday" in the United States, the Christmas shopping season in Europe and pre-Chinese New Year stock replenishment by Chinese merchants. During these peak months, cross-border transaction volume increases substantially, resulting in heightened demand for air freight capacity. The resulting supply-demand imbalance often drives up air freight rates and leads to a temporary rise in our fulfillment costs.

Beyond demand-driven seasonality, extreme weather conditions and geopolitical events may also cause short-term disruptions to cross-border transportation. Severe weather such as snowstorms, heavy rain or dense fog may lead to flight delays or cancellations, resulting in cargo backlogs, capacity tightening and increased freight costs. In parallel, geopolitical developments, including changes in international trade policies, tariff adjustments and regional conflicts, can add further uncertainty to cross-border operations. Measures such as new trade barriers or the suspension of certain flight routes may negatively affect available air freight capacity and increase transportation costs.

We proactively manage these seasonal and external impacts by securing transportation capacity in advance, flexibly reallocating network resources and optimizing operational scheduling to ensure service stability during peak periods and to mitigate potential disruptions.

DATA PRIVACY AND PROTECTION

In the course of our operations, we collect, store and process business and transaction data, as well as certain personal data. The confidentiality, integrity and availability of this data are critical to our business. To mitigate security risks, we adopted a comprehensive protection framework incorporating advanced encryption, secure storage protocols and stringent transmission controls to safeguard sensitive information. Access to confidential data is strictly controlled on a need-to-know basis, with permission granted according to employees' roles and duties. Clear protocols govern the use, storage and sharing of corporate information, ensuring only authorized personnel can handle it for legitimate business purposes.

We also maintain a robust backup and disaster recovery system. Data is stored in multiple secure locations, both locally and remotely, with regular restoration tests to ensure reliability. Our remote disaster recovery protocol ensures that, in the event of technical failures, natural disasters or other emergencies, data can be restored quickly and business continuity maintained.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data breach or loss, nor were we subject to any material fines or administrative penalties imposed by PRC regulatory authorities for violations of data protection laws.

See "Risk Factors — Risks Relating to Our Business and Industry — Complying with evolving laws and regulations regarding cybersecurity, information security, privacy and data protection and other related laws and requirements may be expensive and may force us to make adverse changes to our business."

AWARDS AND RECOGNITION

Our leading market position and brand recognition are reflected in awards we have received. The following table sets forth a selection of the notable awards and recognition we received in recent years:

Year of Award	Awards and Recognition	Issuing Authority/Institution
2025	Top 100 Private Enterprises in Beijing	Beijing Federation of Industry and Commerce
2023	Leading Enterprise for the High-quality Development of Cross-border E-commerce (2022-2023)	Guangdong Cross-border E-commerce Association
2021	National AAAA Logistics Enterprise	China Federation of Logistics & Purchasing
2020	Excellent Logistics Service Provider of 2020	Cross-Border E-commerce Branch of China E-commerce Association Alliance
2018	Outstanding Cross-border E-commerce Logistics Enterprise of the 1st "Golden E-commerce Award" (2014-2017)	Shanghai Cross-border E-commerce Industry Association

EMPLOYEES

As of December 31, 2025, we had a total of 1,565 employees. Among them, 1,500 of our employees were based in the PRC and 65 of them were based in U.S. The following table sets forth a breakdown of our employees by function as of December 31, 2025.

Function	Number of employees	Percentage of Total Number
		(%)
Operation and production	980	62.6
Sales and marketing	297	19.0
General and administrative	177	11.3
R&D	111	7.1
Total	**1,565**	**100.0**

Our subsidiary in Shenzhen has established a labor union to safeguard employees' rights. We believe we have maintained good relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any strikes or labor disputes with our employees which have had or are likely to have a material effect on our business.

Labor Service Arrangement

Apart from hiring employees through entering into employment contracts with them, we also engage third-party human resources companies which provide outsourcing staff to work for us based on our requirements (the "**Labor Service Arrangement**"). We do not enter into any employment contract with the relevant outsourcing staff. As of December 31, 2025, we engaged human resources companies to provide outsourcing staff in our warehousing operations, primarily to support auxiliary and routine operational activities. In particular, outsourced personnel were mainly assigned to basic, labor-intensive and process-driven tasks, such as outbound handling, shipment dispatch, parcel grouping, data entry and sorting within our warehouses. These roles primarily involve standardized physical operations and do not include core management, system control or decision-making functions.

Pursuant to the Labor Service Arrangement, inter alia, we are generally required to (i) pay service fees to the human resources companies, and (ii) where applicable, provide protective equipment to outsourcing staff. Human resources companies are generally required to (i) provide outsourcing staff to work for us based on our requirements, (ii) ensure the outsourcing staff perform their duties properly, and (iii) pay the designated outsourcing staff for the salaries, social insurance and housing provident fund contributions and other welfare benefits based on their labor contracts with the staff in accordance with the relevant PRC laws and regulations. In 2023, 2024 and 2025, the amount of service fees paid by our Group in relation to the Labor Service Arrangement was RMB164.2 million, RMB25.9 million and RMB22.0 million, respectively.

As advised by our PRC Legal Advisors, we did not identify any material non-compliance with applicable laws and regulations in relation to the Labor Service Arrangement during the Track Record Period.

Recruitment, Training and Retention

Our success relies on our ability to attract, retain, and motivate qualified personnel. We utilize online recruitment channels to meet our diverse talent needs. Our employees typically sign standard labor contracts with us. Certain key employees have also signed confidentiality agreements and are bound by non-compete agreements during their employment and for a period of up to one year afterward.

To maintain and enhance the knowledge and skill levels of our workforce, we provide our employees with internal trainings, including orientation programs for new employees and on-the-job training, improvement training and management training for existing employees. We also arrange post-training assessments to ensure the effectiveness of our internal training sessions. Remuneration packages for our employees mainly comprise base salary and performance-based bonus. We conduct periodic performance reviews based on position-specific targets to determine salary, bonuses, and promotions.

Social Insurance and Housing Provident Funds

During the Track Record Period, we failed to make full social insurance and housing provident fund contributions for certain of our employees as required by the applicable PRC laws and regulations. We estimate that the shortfall of our contributions to our employees' social insurance and housing provident fund to be RMB17.7 million, RMB11.8 million and RMB10.1 million in 2023, 2024 and 2025, respectively.

In respect of the legal consequences and the potential penalties for the failure to make full contributions to social insurance and housing provident fund, under PRC laws and regulations, the relevant competent authorities may (i) order us to pay the outstanding social insurance contributions within a certain period of time and impose an overdue fee amounting to 0.05% of the outstanding amount per day, failing to comply with which the relevant competent authorities may further impose a fine amounting to no less than one time but less than three times the outstanding amount; and (ii) order us to pay the outstanding housing provident fund contributions within a certain period of time. Failure to comply with which the relevant competent authorities may apply for people's court for enforcement. In addition, according to the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "New Judicial Interpretation"), which took effect on September 1, 2025, if an employer and an employee agree or the employee undertakes that no social insurance contributions are to be paid, the people's court shall determine that such agreement or undertaking is invalid. If an employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee requests to terminate the labor contract and demands economic compensation from the employer in accordance with the Labor Contract Law of the PRC, the people's court shall support such request.

During the Track Record Period and up to the Latest Practicable Date, we had not been imposed any administrative penalties for non-compliance concerning social insurance and housing provident fund contributions in accordance with the relevant PRC laws and regulations. Based on (i) the applicable PRC laws and regulations as mentioned above; (ii) the New Judicial Interpretation does not expand the scope of penalties, nor does it repeal the relevant provisions of the current laws and regulations; and (iii) as of the Latest Practicable Date, we did not have any relevant undertakings with our employees regarding the non-payment of social insurance contributions, our PRC Legal Advisors are of the view that the likelihood of being subject to centralized collection of historical outstanding contributions or any material administrative penalties by the relevant government authorities for our non-compliance concerning social insurance and housing provident fund contributions is remote. See "Risk Factors — Risks Relating to Our Business and Industry — Failure to comply with relevant regulatory requirements relating to the social insurance and housing provident fund contributions for and on behalf of our employees may subject us to penalties and have an adverse impact on our financial conditions and results of operations."

LICENSES, PERMITS AND APPROVALS

We are required to maintain various licenses, approvals and permits in order to operate our business. We continually monitor our compliance with these requirements in order to ensure that we have all such approvals, licenses and permits as are necessary to operate our business.

As of the Latest Practicable Date, as advised by our PRC Legal Advisor and the legal advisors as to our operations in the relevant overseas jurisdictions, we had obtained all material licenses, approvals and permits necessary for our business operations in the PRC and relevant jurisdictions, and such business licenses had remained in full effect. All of our U.S. subsidiaries are in good standing. We had not experienced any material difficulties in renewing material licenses, permits or approvals during the Track Record Period and do not expect there to be any material difficulties in renewing them upon their expiry. The table below sets forth a summary of the material license, permits and approvals that we have obtained for our business operations as of the Latest Practicable Date:

Licenses/Permits/ Approvals	Holding Entity	Issuing Authority	Issue Date	Expiration Date
Express Delivery Business License (快遞業務經營許可證)	Our Company	State Post Bureau of the People's Republic of China (中華人民共和國國家郵政局)	June 21, 2025	June 20, 2030
Customs Declaration and Qualification of Consignees and Consignors for Import and Export Goods (海關報關及海關進出口貨物收發貨人資質)	Our Company and various Chinese subsidiaries	The local PRC customs	Various dates between January 5, 2015 and March 5, 2024	Various dates between December 31, 2070, and December 31, 2099, with another one effective in long term
International Freight Forwarding Enterprise Filing (國際貨運代理企業備案)	Our Company and various Chinese subsidiaries	Ministry of Commerce International Freight Forwarding Enterprises Registration Authority (商務部國際貨物運輸代理企業備案機關) and the local registration authorities for international freight forwarding enterprises under the Ministry of Commerce	Various dates between May 21, 2021 and April 1, 2024	N/A[(1)]
Road Transport Business License (道路運輸經營許可證)	Our Company	Beijing Municipal Commission of Transport Chaoyang Transport Administration Bureau (北京市交通委員會朝陽運輸管理分局)	September 3, 2024	September 2, 2028

Note:

(1) "N/A" represents licenses that do not have an expiration date and will remain valid unless revoked.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. We maintain various insurance policies to safeguard against risks and unexpected events, such as insurance over the equipment in our sorting centers as well as accident insurance. We have purchased compulsory motor vehicle liability insurance and commercial insurance such as automobile third-party liability insurance, vehicle loss insurance and driver/passenger liability insurance. During the Track Record Period, we did not submit any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies.

Our Directors consider that our existing insurance coverage is in line with industry norm and is sufficient for our present operations. However, the risks related to our business and operations may not be fully covered by insurance. See "Risk Factors — Risks Relating to Our Business and Industry — We have limited insurance coverage, which may expose us to significant losses and operational disruptions."

PROPERTIES

Leased Properties

As of the Latest Practicable Date, we did not own any property. As of the Latest Practicable Date, we had 42 leased properties in China that were material to our business, which have an aggregate GFA of approximately 58,861.39 sq.m. As of the same date, we also leased 21 properties in the U.S. Such leased properties are primarily used as our offices and warehousing facilities, which are non-property activities as defined under Rule 5.01(2) of the Listing Rules.

As of the Latest Practicable Date, for four of our leased properties with an aggregate GFA of approximately 4,525.81 sq.m. (accounting for approximately 7.7% of the aggregate GFA of the abovementioned 42 leased properties in China), we had not been provided by the lessors with the relevant title certificates or relevant authorization documents evidencing the lessors' rights to lease such properties to us, primarily due to (i) certain lessors failed to obtain the relevant title certificates; and (ii) failure of the relevant sub-lessors to obtain consent from the property owners or the holders of the right to use for the certain leased properties, which we subleased from the sub-lessors. As advised by our PRC Legal Advisors, without title certificate or proof of authorization from the property owners, our use of the defective leased properties may be affected by third parties' claims or challenges against the leases. In addition, if the lessors do not have the requisite rights to lease the properties, the relevant lease agreements may be deemed invalid, and as a result we may be required to vacate the defective leased properties and relocate. Our Directors believe that our use of such properties will not have a material adverse impact on our business, financial condition or results of operations. Even if we are required to vacate the properties, we believe we will be able to timely find comparable properties to relocate and the costs and expenses we may incur for relocation will be immaterial to us. In addition, these properties are located in different cities and leased from multiple lessors, with a relatively low likelihood of being simultaneously required to relocate. As of the Latest Practicable Date, we were not aware of any ownership controversy or dispute or third-party claims, nor had we been imposed any penalties by the PRC government authorities.

As of the Latest Practicable Date, for four of our leased properties on collectively-owned land, we had not been provided by the lessors with consent from not less than two-thirds of the members of villager assembly or the representatives of the villagers. Such leased properties have an aggregate GFA of approximately 1,739.7 sq.m., accounting for approximately 3.0% of the aggregate GFA of the abovementioned 42 leased properties in China. Our PRC Legal Advisors are of the view that the relevant PRC government authorities have the rights to order the lessors to make corrections within specified time limit and confiscate the illegal gains of and impose a fine on such lessors. Therefore, we may be required to vacate these defective leased properties and relocate. Even if our use of such

leased properties is challenged and we are required to vacate these properties and identify alternative properties, we believe we will be able to timely find comparable properties to relocate and such relocations will not materially affect our operations.

As of the Latest Practicable Date, we had one leased property used as office premise with a GFA of approximately 143.1 sq.m. (accounting for approximately 0.2% of the aggregate GFA of the abovementioned 42 leased properties in China) constructed on allocated land. As advised by our PRC Legal Advisors, the relevant lessor is legally responsible for obtaining approvals from the relevant local government authorities and paying the outstanding land use right transfer fee or offset it with the rental income generated from the property as prescribed in applicable PRC laws and regulations. If the relevant lessor leases the allocated land use rights and the relevant building without obtaining proper approval, the related lease agreement may be deemed invalid, and as a result we may be required to vacate the defective leased property and relocate. Our Directors believe that our use of such property will not have a material adverse impact on our business, financial condition or results of operations. Even if we are required to vacate the property, we believe we will be able to timely find the comparable property to relocate and the costs and expenses we may incur for relocation will be immaterial to us. As of the Latest Practicable Date, this lease has not been challenged, or caused any dispute or controversy, and we have not been subject to administrative penalties by the competent government authorities due to the lease, nor have we received any notice of penalty or investigation from the relevant government authorities.

As of the Latest Practicable Date, the lease agreements for our lease of 31 properties had not been registered with the relevant PRC government authority, primarily because the relevant lessors failed to cooperate to complete the lease registration or failed to provide the relevant title certificates evidencing their rights to lease the relevant properties. According to Frost & Sullivan, it is not uncommon for PRC logistics service providers in the B2C cross-border e-commerce logistics services industry to have their lease agreements for leased properties unregistered with the relevant authorities. As advised by our PRC Legal Advisors, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each of the unregistered lease agreements if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. The estimated maximum penalty for such unregistered lease agreement will be RMB310,000, which we believe is immaterial. Therefore, we believe that the failure to register such lease agreement will not have any material adverse effect on our financial condition or results of operations. We will actively liaise with the lessor to complete the registration of such lease agreement, if possible. See "Risk Factors — Risks Relating to Our Business and Industry — Failure to comply with property-related laws and regulations in respect of certain of our leased properties may adversely affect our business, financial condition and results of operations."

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material difficulties in renewing lease agreements or locating new premises for our facilities. We do not foresee any major challenges or impediments in renewing the relevant leases upon their expiration.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We systematically integrate the concept of sustainable development into our corporate strategy and the entire daily operational process, continuously creating sustainable outcomes that deliver both economic and social value.

ESG Governance Structure

We are committed to establishing a sound ESG governance system and plan to form a three-tier, top-down management structure comprising the Board of Directors, the strategy committee, and the ESG working group. As the highest decision-making body, the Board of Directors oversees ESG development strategy and resource allocation. The strategy committee is responsible for guiding the research of key issues, formulating action plans, and supervising implementation progress. The ESG working group is tasked with advancing the execution of plans, promoting cross-departmental collaboration, and continuously assessing risks and opportunities to optimize management mechanisms.

Based on our sustainable development strategy, we integrate ESG principles into daily management and operations and plan to establish a comprehensive ESG governance framework that clearly defines the roles and responsibilities of each department in ESG-related work, while fully safeguarding the legitimate rights and interests of shareholders. Looking ahead, we will continue to enhance our ESG governance standards and, through a stable governance structure, ensure the long-term and effective implementation of ESG governance strategies, thereby promoting the sustainable development of the industry.

Environmental Metrics and Management

We place great importance on sustainable development under the guidance of international standards. With a sound management system and rigorous implementation standards, we have successfully obtained ISO 9001 Quality Management System and ISO 14001 Environmental Management System certifications.

Waste Emissions

Our business operations rely on various types of trucks for logistics and transportation; therefore, air emission sources are relatively concentrated and mainly consist of exhaust emissions generated during vehicle operation. In terms of waste management, the waste we generate is primarily domestic waste from employees' daily activities, and we currently do not generate hazardous or harmful waste. Wastewater generation is also highly centralized, mainly arising from warehouse operations and from domestic wastewater produced during employees' daily office and living activities. The following table sets forth details of our air emission for the years indicated:

	Unit	Year ended December 31,		
		2023	2024	2025
Nox	kg	14,220.0	15,361.8	15,512.4
PM	kg	1,024.2	1,115.1	1,115.5

Regarding exhaust gas management, we actively promote the green transition of self-owned vehicles. Through a phased and orderly replacement process, we are gradually substituting traditional fuel-powered vehicles with new energy electric vehicles, continuously increasing the proportion of electric vehicles in our fleet. By reducing exhaust emissions from fuel consumption, we further implement our green operation philosophy and contribute to the development of sustainable logistics in the industry.

Resource Consumption

Our primary resource consumption is concentrated in areas such as warehouse lighting, air conditioning and ventilation systems, as well as daily electricity and water usage by employees. We regard energy and water conservation as our essential environmental responsibility, actively promoting the concept of resource efficiency and raising employees' awareness of environmental

protection. Employees are required to turn off electrical equipment and lights after work to prevent energy waste. Additionally, we advocate for paperless operations to integrate environmental principles into daily work practices. The following table sets forth details of our resource consumption for the years indicated:

	Unit	Year ended December 31,		
		2023	2024	2025
Electricity	MWh	11,283.2	5,047.1	4,172.3
Water Resources	MT	27,050.3	21,480.0	22,617.3

During the Track Record Period, we discontinued our domestic first-mile business as part of a strategic adjustment, using this as an opportunity to optimize and integrate our logistics and warehousing system. Through a comprehensive review and streamlining of the domestic warehousing network, the number and total area of related sorting centers and warehousing facilities were significantly reduced. As a result, our electricity consumption decreased substantially, and energy efficiency in the logistics segment improved effectively, providing strong support for our low-carbon operations and reducing our environmental footprint.

Carbon Emissions

We place great emphasis on carbon emission management and plan to continuously strengthen data governance and information disclosure. Our goal is to establish a comprehensive carbon emission monitoring, collection, and management system covering the entire process, using digital tools to promote data accuracy, real-time tracking, and traceability. The following table sets forth details of our carbon emissions for the years indicated:

	Unit	Year ended December 31,		
		2023	2024	2025
Scope 1	tCO_2e	4,682.4	3,758.5	2,909.6
Scope 2	tCO_2e	6,053.5	2,707.9	2,238.0
Scope 3	tCO_2e	19,366.3	5,041.6	6,227.0

Social and Governance

We actively fulfill our social responsibilities by collaborating with employees, customers, partners, and other shareholders to create shared value. By paying attention to the health and safety of employees, supporting career development and skill-building, promoting sustainable supply chain management, safeguarding consumer rights, and adhering to business ethics, we continuously enhance our social impact, lead the industry's awareness of social responsibility, and empower its sustainable development.

Employee Employment

We strictly comply with applicable laws and regulations and comprehensively safeguard employees' legal rights. We actively advocate for equal employment opportunities and explicitly prohibit any discrimination based on gender, physical abilities, sexual orientation, age, ethnicity, race, religious beliefs, or any other legal or reasonable categories during the recruitment process.

We have formulated internal policies, such as the *Equal Opportunity and Diversity Management Policy* (《平等機會與多元化管理政策》) and the *Work Hours and Rest Leave Management Regulations* (《工作時間與休息休假管理辦法》). For frontline positions in cross-border logistics, we use a comprehensive working hour system. We protect employees' rights to paid-annual leave, statutory holidays, and other rest and leave rights. We actively promote a culture

of diversity and inclusion, encouraging employees from diverse backgrounds. We provide reasonable accommodations for employees with disabilities and effectively protect the specific rights of female employees. At the same time, we have developed a diverse compensation and benefits system, continuously enhancing employees' sense of belonging, cohesion, and well-being.

We uphold the principle of equal pay for equal work, incorporating fairness, motivation, and performance orientation into our compensation management system. We have established an employee performance assessment management system, which implements a full-process management approach of "goal setting — process guidance — periodic evaluation — result application." We regularly distribute holiday benefits to create a warm and caring corporate atmosphere. We pay close attention to employees' physical and mental health, organizing annual health check-ups that cover basic health examinations and occupational health assessments. We have a regular communication mechanism to understand employees' mental health, especially for those in high-pressure positions, implementing job rotation and time-off systems, and introducing benefits such as massage and therapy to effectively relieve work pressure and develop a caring employee support system. We have established a smooth, fair, and diverse communication and feedback mechanism for employees, providing various channels for communication and complaints, including direct supervisors, internal control and inspection departments, internal complaint emails, anonymous reporting platforms, and management reception days. We explicitly prohibit any form of retaliation against employees who submit complaints. Additionally, we conduct periodic internal compliance reviews covering key processes such as recruitment, salary distribution, promotion decisions, and complaint handling to promote fairness and compliance in personnel management. During the Track Record Period, we did not employ any minors who do not meet the statutory minimum employment age requirements, and there have been no instances of forced labor. We strictly adhere to relevant laws and regulations regarding child labor and forced labor, as well as industry standards.

Occupational Safety

We adopted *Operational Safety Norms* (《作業安全規範》) to form a systematic occupational safety management system. At the same time, we have successfully passed the ISO 45001 Occupational Health and Safety Management System, continuously strengthening our alignment with international standards and significantly enhancing safeguards for employee safety and health. We focus on the core business processes of warehousing, transportation, and sorting to establish comprehensive occupational health and safety controls throughout the entire workflow, creating a complete closed-loop management model to comprehensively prevent operational risks.

Risk Prevention

In response to the risk characteristics of core scenarios in cross-border logistics such as warehousing, transportation, and sorting, we implement multi-dimensional prevention measures covering hardware configuration, responsibility control, and daily monitoring to build a safety protection system across all scenarios:

- *Hardware Safety Assurance:* Warehousing areas are fully equipped with ventilation, fire protection, explosion-proof, anti-slip, and other safety facilities, all of which undergo regular maintenance. Frontline employees are supplied with work uniforms, protective gloves, and other personal protective equipment to physically mitigate operational risks.

- *Hierarchical Responsibility Control:* We established a three-tier safety responsibility system, "warehouse manager, warehouse supervisor and employees," clearly defining safety duties at each level and position.

- *Employee Safety Participation Mechanism:* We appoint employee safety representatives in warehouses, enabling employees to actively participate in formulating safety policies, hazard identification, accident investigations, and other critical tasks.

- *Regular Daily Monitoring:* We have established a high-frequency, wide-coverage safety inspection mechanism that conducts comprehensive daily workplace inspections and weekly random verifications, enhancing traceability and controllability of high-risk positions and high-frequency work scenarios.

Considering the characteristics of cross-border logistics, we systematically identify key risks in core operational segments, including sharp object injuries, mechanical injuries, and fire risks in warehousing; traffic accidents and road safety risks during transportation; and repetitive motion injuries in sorting. Meanwhile, we have established a multi-channel hazard reporting mechanism, allowing employees to immediately report hazards through on-site alarms, internal communication groups, or direct supervisors. Upon receipt of a report, the responsible personnel organize evacuees and initiate emergency response immediately, while simultaneously reporting to higher-level departments.

For work-related accidents, including minor injuries, serious injuries, and property damage, we established a standardized investigation and corrective action process. Within 24 hours of an accident, a joint investigation team is formed to clarify the cause of the accident, identify potential hazards, and complete a risk assessment through onsite inspections, interviews with involved parties, and review surveillance footage. The investigation team is required to submit a report within 7 working days, outlining the allocation of responsibilities, corrective measures, and preventive solutions. The HR department will then follow up on the implementation of corrective actions, and the accident case will be incorporated into safety training to achieve the "accident investigation — corrective action closure — experience reuse" full-chain management.

Health and Safety Training

We systematically promote employee safety training and health initiatives. Safety training covers work safety regulations, emergency response processes, fire safety knowledge, proper use of protective gear, among others. Additionally, we organize annual occupational health checkups for employees. During the Track Record Period, there have been no fatalities caused by work-related accidents. The following table sets forth our employee safety training for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
Number of Safety Training Participants . . .	10,152	15,844	15,985

We attach great importance to employees' career development and the continuous enhancement of their professional capabilities. We established a systematic, multi-level training system and career development mechanism. The following table sets forth our career development and vocational skills training for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
Number of Training Participants	9,285	2,194	2,375
Number of Online and Offline Training Sessions	384	139	47

We are committed to providing employees with a clear career development path and a comprehensive support system. We have built a "Management + Professional" dual-track development model, achieving promotion through capability training, performance appraisals, and professional qualifications. We offer an individual development plan for each employee, aligning their career goals with our strategic needs, specifying training directions and promotion paths, and regularly tracking progress. For employees transferred to new positions, we provide targeted

training, covering the required business knowledge, operational processes, and skill requirements for the new role. In addition, we have established a core talent pool. Through performance evaluations, capability assessments, and potential evaluations, we identify and cultivate key employees and high-potential staff, incorporating them into the core talent pool.

To enhance employees' knowledge, skills, and professional qualities in support of our strategic goals, we have developed the *Employee Training Management Policy* (《員工培訓管理制度》) and established a four-tier training system. This includes new employee onboarding training, on-the-job skills enhancement training, management capability development training, and specialized training for core talents. At the same time, we have set up an internal instructor team composed of key business personnel and management. Additionally, for mid-level managers, we actively conduct management capability development training in areas such as leadership, team management, and communication, aiming to enhance their comprehensive management skills. Through these systematic training measures, we have not only improved employees' professional abilities and overall quality but also laid a solid talent foundation for our long-term development.

Sustainable Supply Chain

We consistently integrate the concept of sustainable development into the entire supply chain management process, aiming to build a sustainable supply chain management system that is responsible, green, low-carbon, transparent, and compliant. Through a clear institutional framework, scientific control mechanisms, and dynamic cooperation and supervision, we establish requirements in areas such as environmental protection, labor rights, business ethics, and compliance. We promote suppliers to fulfill their social responsibilities and work hand-in-hand with upstream and downstream partners to create a sustainable and responsible value chain for the future.

Supplier Management

We place great importance on compliance and responsibility fulfillment within our supply chain, incorporating ESG principles throughout the entire supplier lifecycle management. We implement strict service quality monitoring for suppliers related to core business activities, such as last-mile delivery, customs clearance services, etc.. In terms of contract performance management, if a supplier fails to meet the agreed-upon service levels, such as delays in packages, low customs clearance efficiency, or non-compliant operations, we seek compensation as agreed. This encourages suppliers to continuously improve and helps build an efficient, reliable, and responsible supply chain ecosystem together.

Anti-Corruption

We strictly comply with national anti-corruption laws and regulations, uphold business ethics and principles of integrity in operations, and continuously improve our internal compliance governance system. We have established systems such as the *Internal Control and Supervision Management Policy* (《內控監察管理制度》), *Anti-Commercial Bribery Agreement* (《反商業賄賂協議書》), and *Code of Conduct Prohibiting Conflicts of Interest* (《禁止利益衝突關系行為準則》), which explicitly prohibit violations including commercial bribery and misappropriation of financial assets.

We have set up a dedicated anti-corruption reporting mechanism. Employees may report concerns via telephone, email, or directly to our Internal Control and Supervision Department (內控監察部). All reports and whistleblower information are kept strictly confidential. In addition, integrity requirements are incorporated into the Employee Handbook, labor contracts, and confidentiality agreements, and all employees are required to sign the *Employee Integrity and Self-Discipline Commitment Letter* (《員工廉潔自律承諾書》). Through policy communication, targeted training programs, and internal control briefings, we continuously strengthen employees' understanding of and commitment to anti-corruption policies and enhance awareness of ethical

conducts. Looking ahead, we will continue to improve our anti-corruption management framework by implementing normalized oversight, refined controls, and organization-wide education, thereby strengthening the safeguards for ethical operations and pursue healthy and sustainable development.

LEGAL PROCEEDINGS AND COMPLIANCE

Compliance

During the Track Record Period and up to the Latest Practicable Date, we were not imposed any material administrative penalties by PRC government authorities, nor were we involved in any non-compliance incidents that are systemic or have a material adverse effect on our business, financial condition or results of operations.

Legal Proceedings

We may, from time to time, be subject to legal proceedings, disputes and claims that arise in the ordinary course of business. As of the Latest Practicable Date, we were not a defendant to any ongoing material litigation, arbitration or administrative proceedings, and we were not aware of any claims or proceedings contemplated by government authorities or third parties which would materially and adversely affect our business. As of the same date, our Directors were not involved in any actual or threatened material claims or litigation.

INTERNAL CONTROL AND RISK MANAGEMENT

Overview

We are exposed to various risks in our operations, including those related to our business, industry, and market. For detailed information, see "Risk Factors." We have implemented internal guidelines, policies, and procedures to monitor and mitigate the impact of risks that are relevant to our business.

Our Board and senior management are responsible for identifying and analyzing risks associated with our operations. To assist the Board in providing an independent assessment of our financial reporting process, internal control, and risk management system, we have established an audit committee. For the professional qualifications and experiences of the members of our audit committee, see "Directors and Senior Management — Board Committees — Audit Committee."

During the Track Record Period and up to the Latest Practicable Date, we did not engage in any significant hedging activity.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial reporting management policies, budget management policies, treasury management policies, and financial statements preparation policies. We have various procedures and IT systems in place to implement our accounting policies, and our finance department reviews our management accounts based on such procedures. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Information System Risk Management

The maintenance, storage, and protection of our data and related information are crucial to our success. To ensure the security and integrity of our data, we have implemented internal procedures designed to prevent any unauthorized access, leakage, or loss. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of our data. See "— Data Privacy and Protection" in this section for more information about our information security procedures and policies.

Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. Our legal, finance and other departments work closely together to: (i) perform risk assessments and give advice on risk management strategies, (ii) improve business process efficiency and monitor internal control effectiveness; and (iii) promote risk awareness throughout our Group.

Corporate Governance Measures

Our Board [has established] our internal control and risk management department to from time to time review the implementation of our internal control and risk management measures. We have established an Audit Committee with written terms of reference in compliance with the requirements under the Listing Rules. The Audit Committee consists of three members, being Mr. Gu Quan, Mr. Wang Dong and Mr. Xue Long, and is chaired by Mr. Gu Quan, who is our independent non-executive Director with the appropriate accounting and related financial management expertise. The Audit Committee has also adopted its terms of reference to set forth its duties. See "Directors and Senior Management — Board Committees — Audit Committee."

Ongoing Measures to Monitor the Implementation of Risk Management Policies

Our audit committee, internal control and risk management department and senior management together monitor the implementation of our risk management policies on an ongoing basis to ensure our policies and implementation are effective and sufficient.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was directly held as to approximately 35.26%, 28.69% and 7.84% by Mr. Zhou, Ms. Zeng and Hengqin Biaosheng, respectively. Ms. Zeng is the spouse of Mr. Zhou and Hengqin Biaosheng is controlled by Mr. Zhou as its general partner. Therefore, Mr. Zhou, Ms. Zeng and Hengqin Biaosheng, directly or indirectly, are collectively entitled to exercise the voting rights attaching to approximately 71.79% of our total issued share capital as of the Latest Practicable Date. Immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Mr. Zhou, Ms. Zeng and Hengqin Biaosheng, directly or indirectly, will be collectively entitled to exercise the voting rights attaching to approximately [**REDACTED**]% of the enlarged total issued share capital of our Company. Therefore, Mr. Zhou, Ms. Zeng and Hengqin Biaosheng will be a group of Controlling Shareholders after the [**REDACTED**] for the purpose of the Listing Rules.

DELINEATION OF BUSINESS

Our Controlling Shareholders have confirmed that, as of the Latest Practicable Date, neither of them nor their respective close associates was interested in any business, other than our Group, which competes or is likely to compete, either directly or indirectly, with our Group's business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, we believe that we are capable of carrying out our business independently of our Controlling Shareholders and their respective close associates after the [**REDACTED**].

Operational Independence

We engage in our operations and make and implement our operational decisions independently. We do not share operation team, facilities and equipment with our Controlling Shareholders or their respective close associates. We possess all relevant licenses, approvals and permits from the relevant regulatory authorities that are necessary to carry out and operate our business. We have our own organizational structure with independent departments, and each department is assigned to specific areas of responsibilities. Our daily operating functions run independently from our Controlling Shareholders and their respective close associates, and we maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business. We have independent access to a large and diversified base of suppliers and customers and have not relied on our Controlling Shareholders or their respective close associates in this regard. During the Track Record Period, we entered into transactions with certain related parties, among which Yoowe (Hong Kong) Limited, a close associate of our Controlling Shareholders, is a connected person of our Company. See Note 30 to the Accountants' Report in Appendix I to this document for details. Such transactions with Yoowe (Hong Kong) Limited had been terminated as of the Latest Practicable Date and none of the historical transactions with connected persons of our Company are expected to continue immediately after the [**REDACTED**]. Based on the above, we are of the view that we are able to operate independently from our Controlling Shareholders and their respective close associates.

Management Independence

Our business is managed and conducted by our Board and senior management. Our Board comprises four executive Directors, three non-executive Directors and four independent non-executive Directors, among whom Mr. Zhou, the chairman of our Board and an executive Director, and Ms. Zeng, the vice chairwoman of our Board and the general manager of our Company, are our Controlling Shareholders. For further details, see "Directors and Senior Management." As of the Latest Practicable Date, Mr. Zhou was the general partner and a director of two entities that are his

close associates and had no actual business operation or commercial activities, which therefore did not affect his discharge of duties and responsibilities to our Company. All the other Directors and other members of our senior management are independent from our Controlling Shareholders. The daily operation of our Group is carried out by our experienced management team, and we have the capabilities and personnel to perform all essential administrative functions, including operation, research and development, procurement, accounting, human resources and business management, on a standalone basis. Each Director is aware of his or her fiduciary duties as a Director, which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests. Further, we believe our independent non-executive Directors have the depth and breadth of experience which will enable them to bring independent judgment to the decision-making process of our Board. Our independent non-executive Directors have been appointed in accordance with the requirements of the Listing Rules to ensure that the decisions of the Board are made after due consideration of independent and impartial opinions. If there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings in respect of such transactions and shall not be counted in the quorum. Based on the above, we consider that the Board as a whole, together with our senior management team, is able to perform the managerial role in our Group independently from our Controlling Shareholders and their respective close associates.

Financial Independence

We have established a finance department with a team of independent financial staff, which operates entirely independently of our Controlling Shareholders. In addition, our Company has established a sound and independent financial system and makes financial decisions according to our Company's business needs, which are independent of our Controlling Shareholders and their close associates. During the Track Record Period, our credit facilities were guaranteed by our Controlling Shareholders. As of the Latest Practicable Date, all such guarantees provided by our Controlling Shareholders were released. Save as disclosed herein, as of the Latest Practicable Date, there were no outstanding loans, advances or non-trade balances due to or from our Controlling Shareholders or their close associates, nor were there any outstanding pledges or guarantees provided for our benefit by our Controlling Shareholders or their close associates and vice versa. Based on the above, we consider that we are able to maintain financial independence from our Controlling Shareholders and their close associates.

CORPORATE GOVERNANCE MEASURES

We recognize the importance of good corporate governance to protect the interest of our Shareholders. We will adopt the following corporate governance measures to manage potential conflict of interests between our Group and the Controlling Shareholders: (i) where a Shareholders' meeting is held for considering proposed transaction in which any of the Controlling Shareholder has a material interest, the Controlling Shareholder(s) shall abstain from voting on the resolutions and shall not be counted in the quorum for the voting; (ii) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the resolutions and shall not be counted in the quorum for the voting; (iii) any transaction between (or proposed to be made between) our Group and the connected persons will be subject to the requirements under Chapter 14A of the Listing Rules, including, where applicable, the announcement, reporting, annual review, circular (including independent financial advice) and independent Shareholders' approval requirements and with those conditions imposed by the Stock Exchange for the granting of waiver from strict compliance with relevant requirements under the Listing Rules; (iv) in the event that our independent non-executive Directors are requested to review any conflict of interests between our Group and the Controlling Shareholders, the Controlling Shareholders shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either in its annual report or by way of announcements to the public; (v) our Company has appointed

Somerley Capital Limited as our compliance advisor, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and Listing Rules including various requirements relating to Directors' duties and corporate governance; and (vi) we have established the Audit Committee, the Remuneration Committee and the Nomination Committee with written terms of reference in compliance with the Listing Rules and the Code of Corporate Governance and Corporate Governance Report in Appendix C1 to the Listing Rules. The majority of the members of the aforementioned committees are independent non-executive Directors.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Our Board is responsible for, and has general powers over, the management and operation of our business. Our Board consists of 11 Directors, comprising four executive Directors, three non-executive Directors and four independent non-executive Directors. All Directors are elected for a term of three years which is renewable upon re-election and re-appointment. Our senior management is responsible for the day-to-day management and operation of our business. The following table sets forth certain information regarding our Directors and senior management:

Name	Age	Position(s)	Time of joining our Group	Date of appointment as a Director/ senior management member	Roles and responsibilities
Mr. Zhou Wenxing (周文興)	52	Chairman of the Board and executive Director	April 1998	April 1998	Overall strategy planning and making significant operational decisions
Ms. Zeng Yan (曾燕)	52	Vice chairwoman of the Board, executive Director and general manager	July 2000	July 2016	Overall strategy planning, management and daily operation
Mr. Xie Zhiwei (謝志偉)	48	Executive Director, vice general manager and senior director of information technology center	April 2017	December 2017	Overall management of design, R&D, operation and maintenance of information technology products
Mr. Lyu Lei (呂磊)	44	Executive Director and director of information technology center	September 2011	December 2017	Formulating and implementing technical objectives and R&D plans for information technology products
Mr. Xue Long (薛龍)	49	Non-executive Director	July 2019	July 2019	Providing strategic advice and making recommendations on business development and management
Mr. Zhu Cheng (朱成)	40	Non-executive Director	July 2016	July 2016	Providing strategic advice and making recommendations on business development and management
Mr. Zhu Aimin (朱愛民)	50	Non-executive Director	December 2017	December 2017	Providing strategic advice and making recommendations on business development and management
Mr. Zhao Zhenzhi (趙振志)	55	Independent non-executive Director	August 2020	August 2020	Providing independent opinion to our Board

Name	Age	Position(s)	Time of joining our Group	Date of appointment as a Director/ senior management member	Roles and responsibilities
Mr. Gu Quan (顧全)	48	Independent non-executive Director	August 2020	August 2020	Providing independent opinion to our Board
Mr. Wang Dong (王棟)	47	Independent non-executive Director	December 2025	December 2025	Providing independent opinion to our Board
Mr. Ni Wei (倪瑋)	67	Independent non-executive Director	August 2020	August 2020	Providing independent opinion to our Board
Ms. Wei Yajun (魏亞軍) . . .	49	Vice general manager and financial director	March 2020	August 2020	Financial and risk management and execution of financial strategies
Mr. Qin Pinqiang (秦品強) . . .	39	Vice general manager, secretary of the Board and joint company secretary	January 2020	August 2020	Corporate governance, financing, investment, investor relations and sales management
Mr. Wang Hua (王驊)	47	Vice general manager and senior director of operation center	August 2016	August 2020	Express delivery pickup, sorting management and procurement of delivery capacity

Executive Directors

Mr. Zhou Wenxing (周文興), aged 52 and the spouse of Ms. Zeng, is the founder of our Group and has over 25 years of industry experience. He founded our Group in the early stages of his career, and has gained in-depth understanding and profound expertise in the logistics industry and acquired rich corporate management experience by leading and managing our Group's operations over the past decades. Mr. Zhou has been our Director since our inception in April 1998, and has also been the chairman of the Board since May 2006, responsible for overall strategy planning and making significant operational decisions of our Group. He served as the general manger of our Company from April 1998 to July 2000 and our co-general manager from July 2000 to August 2018, respectively. He was re-designated as our executive Director in January 2026.

Mr. Zhou obtained his bachelor's degree in economics from Capital University of Economics and Business (首都經濟貿易大學) in July 1996.

Ms. Zeng Yan (曾燕), aged 52 and the spouse of Mr. Zhou, is the co-founder of our Group. Ms. Zeng has deep industry knowledge and insights into China's cross-border e-commerce logistics sector, which are rooted in her over 25 years of logistics experience principally gained through her leadership and management of our Group. Ms. Zeng joined our Group in July 2000 as the co-general manager of our Company and has since led our development, responsible for overall strategy planning, management and daily operation of our Group. Ms. Zeng has been the general manager of our Company since August 2018. Ms. Zeng has been our Director since July 2016 and the vice chairwoman of the Board since August 2020. She was re-designated as our executive Director in January 2026.

Ms. Zeng obtained her bachelor's degree in economics from Capital University of Economics and Business (首都經濟貿易大學) in July 1996.

Mr. Xie Zhiwei (謝志偉), aged 48, joined our Group in April 2017 and has been the senior director of information technology center of our Company since then. He also has been a Director and a vice general manager of our Company since December 2017 and August 2020, respectively. He was re-designated as our executive Director in January 2026. Mr. Xie has accumulated extensive experience in the information technology industry for more than 20 years. He worked as a manager of information technology department at Beijing Shenbo Information Technology Co., Ltd. (北京申博信息科技有限公司) and Beijing Taxue Weiye Fine Chemical Co., Ltd. (北京踏雪偉業精細化工有限公司) from December 2016 to March 2017 and from January 2015 to November 2016, respectively. Prior to that, he served as an account manager of Qzing Technology (Beijing) Co., Ltd. (奇秦科技(北京)股份有限公司) (formerly known as Beijing Neusoft Huiju Information Technology Co., Ltd. (北京東軟慧聚信息技術股份有限公司)) and a senior consultant of Neusoft Corporation (東軟集團股份有限公司) (stock code: 600718.SH) from February 2013 to December 2014 and from August 2009 to January 2013, respectively. Before that, Mr. Xie worked at Beijing Xinyili Network Technology Co., Ltd. (北京鑫毅力世紀科技有限公司) from September 2006 to June 2009 and at Beijing Eastnet Wang Jing Information Technology Co., Ltd. (北京東方網景信息科技有限公司) from June 2003 to February 2006, respectively.

Mr. Xie obtained his bachelor's degree in business administration from Zhengzhou University (鄭州大學) in July 2000.

Mr. Lyu Lei (呂磊), aged 44, joined our Group in September 2011 and has successively served as a software development engineer, a software R&D manager and the director of information technology center since then. Mr. Lyu has been a Director since December 2017 and served as our employee representative Director since January 2026. He was re-designated as our executive Director in January 2026. During his tenure with our Group, Mr. Lyu has accumulated extensive experience of technology R&D, team management and business operations in the logistics technology field, and has possessed in-depth understanding of and insight into the industry.

Mr. Lyu obtained his bachelor's degree in electronic information engineering from Hebei University of Science and Technology (河北科技大學) in June 2004.

Non-executive Directors

Mr. Xue Long (薛龍), aged 49, has been a Director since July 2019. He was re-designated as our non-executive Director in January 2026. Mr. Xue has around 15 years of experience in investment management. He joined Legend Capital Co., Ltd. (君聯資本管理股份有限公司) in January 2010 and is currently serving as a managing director. He has served as a non-executive director of Shanghai Shengsheng Pharmaceutical Cold Chain Technology Co., Ltd. (上海生生醫藥冷鏈科技股份有限公司), a company which is seeking listing on the Stock Exchange, since November 2020. Mr. Xue was also a director of Qingdao Huicheng Environmental Technology Group Co., Ltd. (青島惠城環保科技集團股份有限公司) (stock code: 300779.SZ) from September 2021 to June 2023. Prior to that, he worked at Bank of China Limited (中國銀行股份有限公司) (stock code: 3988.HK and 601988.SH) as a senior manager.

Mr. Xue obtained his bachelor's and master's degree in international trade from Nankai University (南開大學) and from University of International Business and Economics (對外經濟貿易大學) in June 1997 and in June 2000, respectively. He further obtained his master of business administration degree from the Wharton School of the University of Pennsylvania (賓夕法尼亞大學沃頓商學院) in the U.S. in May 2009.

Mr. Zhu Cheng (朱成), aged 40, has been a Director since July 2016. He was re-designated as our non-executive Director in January 2026. Mr. Zhu has nearly 15 years of experience in equity investment industry. He has worked at Guangfa Xinde Investment Management Co., Ltd. (廣發信德投資管理有限公司) since March 2013, acting as the general manager of the consumer and modern service industries investment department from March 2018 to March 2024 and as the general manager of the emerging industries investment department since March 2024. Previously, he also successively served as a marketing manager of BesTV Network Television Technology Development Co., Ltd. (百視通網絡電視技術發展有限責任公司) and a senior investment manager of Top Capital (China) Limited (優勢資本(中國)有限公司).

Mr. Zhu obtained his bachelor's degree in information management and information systems from Nanjing University of Posts and Telecommunications (南京郵電大學) and obtained his master's degree in management science and engineering from Shanghai Jiao Tong University (上海交通大學) in July 2006 and in March 2009, respectively.

Mr. Zhu Aimin (朱愛民), aged 50, has been a Director since December 2017. He was re-designated as our non-executive Director in January 2026. Mr. Zhu has nearly 15 years of experience in equity investment industry. He has served as an investment director and a partner of Jiangsu Addor Equity Investment Fund Management Co., Ltd. (江蘇毅達股權投資基金管理有限公司) since February 2014. Prior to that, he was an investment manager of Jiangsu Govtor Venture Capital Management Co., Ltd. (江蘇高投創業投資管理有限公司), a subsidiary of Jiangsu Govtor Capital Group Co., Ltd. (江蘇高科技投資集團有限公司), from September 2011 to January 2014.

Mr. Zhu obtained his bachelor's degree in fine chemical engineering from Nanjing University of Science and Technology (南京理工大學) and his master's degree in business administration (MBA) from Nanjing University (南京大學) in June 1997 and in March 2012, respectively.

Independent Non-executive Directors

Mr. Zhao Zhenzhi (趙振志), aged 55, has been an independent Director since August 2020. He was re-designated as our independent non-executive Director in January 2026. Mr. Zhao has over 30 years of experience in the information technology and consulting industry. He has been a partner of Yuanteng Intelligent Technology (Shanghai) Co., Ltd. (原騰智能科技(上海)有限公司) since June 2016. Prior to that, he served as a consulting director of International Business Machines (China) Company Limited (國際商業機器(中國)有限公司) from October 2011 to June 2016. From November 2002 to September 2011, he successively worked at Oval Technologies, Inc. (上海寰通商務科技有限公司) and Shanghai Foreign Service Co., Ltd. (上海市對外服務有限公司). Previously, he also successively worked as a technical consultant at SYMIX (China) Co., Ltd. (美國SYMIX(中國)公司) and a general manager at Yitong Jingwei Technology Development Co., Ltd. (易通經緯科技發展有限公司).

Mr. Zhao obtained his bachelor's degree in computer science from Fudan University (復旦大學) and his master's degree in business administration from Shanghai Jiao Tong University (上海交通大學) in July 1993 and in July 2005, respectively.

Mr. Gu Quan (顧全), aged 48, has been an independent Director since August 2020. He was re-designated as our independent non-executive Director in January 2026. Mr. Gu has 25 years of experience in auditing, financial management and consulting. He has been the chief financial officer and a partner of Yuanteng Intelligent Technology (Shanghai) Co., Ltd. and its subsidiary since September 2017, responsible for its overall financial management. Prior to that, he worked at International Business Machines (China) Company Limited from November 2007 to June 2017, with the last position there being an associate partner, responsible for the overall management of its financial advisory business in China. From March 2004 to October 2007, he worked at Accenture (China) Co., Ltd. (埃森哲(中國)有限公司). Before that, he worked at Ernst & Young Hua Ming LLP Shanghai Branch (安永華明會計師事務所上海分所) from October 2000 to March 2004.

Mr. Gu obtained his bachelor's degree in business administration from Fudan University in July 2000. He was admitted as a non-practicing member of Shanghai Institute of Certified Public Accountants in December 2009.

Mr. Wang Dong (王棟), aged 47, has been an independent Director since December 2025. He was re-designated as our independent non-executive Director in January 2026. Mr. Wang has over 20 years of experience in financial industry. He has been a member of executive committee of Soochow Securities (Hong Kong) Financial Holdings Limited (東吳證券(香港)金融控股有限公司) and the general manager of Soochow Securities International Brokerage Limited (東吳證券國際經紀有限公司) and Soochow Securities International Futures Limited (東吳證券國際期貨有限公司) since June 2019. Prior to that, he worked at BOCOM International Holdings Company Limited (交銀國際控股有限公司) (stock code: 3329.HK) from May 2011 to May 2019. Before that, Mr. Wang successively worked at Shenzhen branch of China Zheshang Bank Co., Ltd. (浙商銀行股份有限公司) (stock code: 2016.HK and 601916.SH) and Shenzhen central sub-branch of The People's Bank of China (中國人民銀行). Mr. Wang also currently holds or previously held directorships in certain listed companies, including an independent non-executive director of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (深圳市沃爾核材股份有限公司) (stock code: 002130.SZ and 9981.HK) since November 2025, an independent non-executive director of Forgame Holdings Limited (雲遊控股有限公司) (stock code: 484.HK) from April 2020 to May 2022, and a non-executive director of China Kingstone Mining Holdings Limited (中國金石礦業控股有限公司) (stock code: 1380.HK) from February 2013 to April 2013.

Mr. Wang obtained his bachelor's degree and master's degree in international finance and finance from Zhongnan University of Economics and Law (中南財經政法大學) in June 2000 and June 2003, respectively. He further obtained an executive master of business administration degree from China Europe International Business School (中歐國際工商學院) in November 2018.

Mr. Ni Wei (倪瑋), aged 67, has been an independent Director since August 2020. He was re-designated as our independent non-executive Director in January 2026. Mr. Ni has extensive experience in the media and logistics industries. He has worked at China Shipping Gazette (中國航務週刊雜誌社) from 1993 to April 2026, successively serving as the managing editor and president. Prior to that, he worked at China Transportation News Co., Ltd. (中國交通報社有限公司) (formerly known as China Transportation News (中國交通報社)).

Mr. Ni obtained his bachelor's degree in Chinese language and literature from Xiamen University (廈門大學) in July 1982.

Senior Management

For biographical details of **Ms. Zeng Yan (曾燕) and Mr. Xie Zhiwei (謝志偉)**, see "— Executive Directors."

Ms. Wei Yajun (魏亞軍), aged 49, joined our Group in March 2020 as a senior director of the finance department and was further promoted as a vice general manager and the financial director of our Company in August 2020. Ms. Wei has approximately 25 years of experience in financial management. Prior to joining our Group, she has been a deputy director of the budget control and financial analysis department of Baidu Online Network Technology (Beijing) Co., Ltd. (百度在線網絡技術(北京)有限公司), a subsidiary of Baidu, Inc. (百度集團股份有限公司) (stock code: 9888.HK and BIDU.NASDAQ), from February 2018 to January 2020. Before that, she worked at subsidiaries of Lenovo Group Limited (聯想集團有限公司) (stock code: 0992.HK) from September 2000 to July 2016 with the last position there being a finance director of mobile business group.

Ms. Wei obtained her bachelor's degree in accounting from Jilin University (吉林大學) and her executive master of business administration degree from Peking University (北京大學) in July 1999 and June 2022, respectively.

Mr. Qin Pinqiang (秦品強), aged 39, joined our Group in January 2020 as the director of the capital operation department of our Company and was further promoted as a vice general manager of our Company and the secretary of the Board in August 2020. Mr. Qin was also appointed as a joint company secretary of our Company in January 2026. Mr. Qin has approximately 15 years of experience in corporate governance, capital operation, investment and financing and human resources. Prior to joining our Group, he successively served as the director of human resource department, the senior director of the capital operation department, the senior director of the board office and president of the financial affairs department of Deppon Logistics Co., Ltd. (德邦物流股份有限公司) from April 2014 to December 2019. Before that, he served as a manager and senior manager of human resource department of Shenzhen Deppon Logistics Co., Ltd. (深圳德邦物流股份有限公司) from July 2012 to April 2014.

Mr. Qin obtained his bachelor's degree in human resource management from Anhui University of Science and Technology (安徽理工大學) in June 2010. He also obtained the qualification certificates of secretary of the board issued by Shanghai Stock Exchange and Shenzhen Stock Exchange in July 2015 and March 2021, respectively.

Mr. Wang Hua (王驊), aged 47, joined our Group in August 2016 and has been the senior director of the operation center of our Company since September 2016. He served as a vice general manager of our Company from August 2020 to January 2025 and was reappointed to the same position in January 2026. Mr. Wang has over 20 years of experience in the logistics and supply chain industry. Prior to joining our Group, he served as a vice general manager of Yiwu Cross-border E-commerce Supply Chain Management Co., Ltd. (義烏市跨境電商供應鏈管理有限公司) from April 2015 to April 2016. Before that, he was a staff and the marketing director of Zhejiang branch of Sinotrans Air Transportation Development Co., Ltd. (中外運空運發展股份有限公司) from July 2001 to April 2015 successively.

Mr. Wang obtained his bachelor's degree in marketing from Zhejiang University of Technology (浙江工業大學) in June 2001.

GENERAL INFORMATION

Except as disclosed in this section, each of our Directors and members of the senior management of our Company (i) had no other relationship with any of the other Directors, and members of our senior management as of the Latest Practicable Date; and (ii) did not hold any other directorship in listed companies in the three years prior to the Latest Practicable Date. For the Directors' interests in the Shares within the meaning of Part XV of the SFO, see "Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders." Except as disclosed in this section, as of the Latest Practicable Date, there were no other matters in respect of our Directors and the members of our senior management that are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other material matters relating to our Directors and the members of our senior management that need to be brought to the attention of our Shareholders.

Each of our Directors has confirmed that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules. Each of our Directors has confirmed that he or she (i) obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 7, 2026; and (ii) understands his obligations as a director of a [**REDACTED**] issuer under the Listing Rules. Each of our independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there are no other factors that may affect his or her independence at the time of his appointments.

JOINT COMPANY SECRETARIES

Mr. Qin Pinqiang (秦品強), see "— Board of Directors and Senior Management — Senior Management" for his detailed background.

Mr. Chow Tsz Ho (周梓浩), was appointed as a joint company secretary of our Company in January 2026. He has around seven years of experience in company secretarial profession. Mr. Chow currently serves as an assistant manager of the listing services department at TMF Hong Kong Limited, a company providing corporate accounting and corporate secretarial services in Hong Kong.

Mr. Chow is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Mr. Chow received a bachelor's degree in business administration from Hong Kong Shue Yan University in July 2018.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, our Company has established four Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy Committee.

Audit Committee

Pursuant to the PRC Company Law which came into force on July 1, 2024, a joint stock limited company may, in accordance with its articles of association, instead of setting up a board of supervisors, establish an audit committee which comprises directors of the board of directors and exercises the functions of the board of supervisors. In accordance with the PRC Company Law and our Articles of Association, we passed a resolution at our general meeting on January 12, 2026 to dissolve the board of supervisors and the relevant principal functions of the board of supervisors were replaced by the Audit Committee of the Board.

Our Audit Committee has formulated written terms of reference in compliance with the requirements under the Listing Rules. The Audit Committee consists of three Directors, namely Mr. Gu Quan, Mr. Wang Dong and Mr. Xue Long. The chairman of the Audit Committee is Mr. Gu Quan, who is the independent non-executive Director with the appropriate accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, among others: (i) making recommendations to our Board on the appointment, reappointment and removal of external auditor, and monitoring the external auditor's independence and evaluating the effectiveness of the audit process and their performance; (ii) monitoring integrity of our financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgements contained therein; (iii) assessing the effectiveness of internal control and supervising our risk management and ESG related matters; (iv) guiding internal audit work; (v) coordinating the communication among management, internal audit department, related departments and external audit agency; and (vi) other responsibilities as authorized by our Board or required by the relevant laws and regulations.

Remuneration Committee

Our Company has established a Remuneration Committee with written terms of reference in compliance with the requirements under the Listing Rules. The Remuneration Committee consists of three Directors, namely Mr. Zhao Zhenzhi, Mr. Zhou and Mr. Gu Quan. The chairman of the Remuneration Committee is Mr. Zhao Zhenzhi. The primary duties of the Remuneration Committee include, among others: (i) making recommendations to our Board on the policy and structure for the remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) making recommendations to our

Board on the remuneration packages of individual executive Directors and senior management and the remuneration of non-executive Directors; (iii) reviewing and approving compensation payable to executive Directors and senior management of our Company for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; (iv) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and (v) other responsibilities as authorized by our Board or required by the relevant laws and regulations.

Nomination Committee

Our Company has established a Nomination Committee with written terms of reference in compliance with the requirements under the Listing Rules. The Nomination Committee consists of three members, namely Mr. Wang Dong, Ms. Zeng and Mr. Ni Wei. The chairman of the Nomination Committee is Mr. Wang Dong. The primary duties of the Nomination Committee include, among others: (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually, and making recommendations on any proposed changes to our Board to complement our Company's corporate strategy; (ii) identifying individuals who are suitably qualified to become Board members and selecting or making recommendations to our Board on the selection of individuals nominated for directorships; (iii) assessing the independence of independent non-executive Directors; (iv) researching and developing standards and procedures for the election of our Board members and members of the senior management, and making recommendations to our Board; and (v) other responsibilities as authorized by our Board or required by the relevant laws and regulations.

Strategy Committee

Our Company has established a Strategy Committee with written terms of reference. The Strategy Committee consists of three members, namely Mr. Zhou, Ms. Zeng and Mr. Zhao Zhenzhi. The chairman of the Strategy Committee is Mr. Zhou. The primary duties of the Strategy Committee include, among others: (i) making recommendations to our Board on the medium- and long-term development strategy; (ii) making recommendations to our Board on major investment and financing proposals, and significant capital operations; and (iii) conducting research on other significant matters affecting our development.

OTHER DISCLOSURE UNDER RULE 13.51(2) OF THE LISTING RULES

Certain of our Directors and senior management, including Mr. Zhou, Ms. Zeng, Mr. Xie Zhiwei, Mr. Zhu Cheng, Mr. Zhao Zhenzhi, Mr. Ni Wei, Mr. Wang Dong, Mr. Qin Pinqiang and Mr. Wang Hua, previously served at companies which were deregistered, revoked or struck off during their tenure or within 12 months after their tenure.

Each of the aforesaid Directors and senior management members has confirmed that, (i) each of these companies was inactive at the time of its deregistration, revocation or strike-off; (ii) there was no wrongful act, misconduct or misfeasance on his/her own part in respect of such deregistration, revocation or strike-off; (iii) he/she was not aware of any actual or potential claim that had been or would be made against himself/herself as a result of such deregistration, revocation or strike-off, and (iv) such deregistration, revocation or strike-off had not resulted in any penalty, liability or obligation being imposed on him/her. For details, see "Appendix IV — Statutory and General Information — E. Further Information about Our Directors and Senior Management."

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the corporate governance requirements under the Corporate Governance

Code set out in Appendix C1 to the Listing Rules after the [**REDACTED**]. Our Board is responsible for formation of governance policies and measures to ensure a compliance culture in our Company's business operation. As of the Latest Practicable Date, our Directors are not aware of any deviation from the provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. Our Board will also regularly review the contribution required from a Director to perform his/her responsibilities to our Company and ensure each Director can devote sufficient time and attention to our Company's affairs.

BOARD DIVERSITY

We are committed to promoting the culture of diversity in our Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure. We [have adopted] a board diversity policy which sets out the approach to achieve and maintain an appropriate balance of diversity on our Board that would be conducive to our business growth. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate appointment decisions will be based on merits and contribution that the selected candidates will bring to our Board. Our Directors have a balanced mix of knowledge and skills, including logistics, information technology, equity investment, consulting, financial management and corporate governance. They obtained degrees in various majors, including business administration, electronic information engineering, economics, computer science, marketing, accounting and human resource management. Our four independent non-executive Directors with different industry backgrounds, representing more than one-third of the Board. Furthermore, our Board has a diverse age and gender representation, ranging from 40 years old to 67 years old and comprising ten male and one female Directors. Taking into account our existing business mode and specific needs as well as the different background of our Directors, we are of the view that the composition of our Board satisfies our board diversity policy. We will continue to apply the principles of appointments based on merits with reference to our board diversity policy as a whole. Our Nomination Committee is responsible for reviewing the structure and ensuring the diversity of our Board. After the [**REDACTED**], our Nomination Committee will monitor and evaluate the implementation of the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy on annual basis.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management members receive compensation from our Company in the form of salaries and other benefits in kind, performance related bonuses, retirement benefit scheme contributions and share-based compensation. The aggregate amount of remuneration (including salaries and other benefits in kind, performance related bonuses, retirement benefit scheme contributions and share-based compensation) paid to our Directors in 2023, 2024 and 2025 were approximately RMB4.83 million, RMB4.70 million and RMB5.61 million, respectively. The five highest paid individuals in 2023, 2024 and 2025 included two, two and two Directors, respectively, whose remunerations are included in the aggregate amount of remuneration set out above. In 2023, 2024 and 2025, the aggregate amount of remuneration (including salaries and other benefits in kind, performance related bonuses, retirement benefit scheme contributions and share-based compensation) for the remaining three, three and three highest paid individuals who are not our Directors were approximately RMB3.99 million, RMB4.41 million and RMB11.06 million, respectively. We estimate that remuneration equivalent to approximately RMB4.92 million in aggregate will be paid to our Directors (inclusive of benefits in kind but exclusive of any discretionary bonuses) by our Company for the year ending December 31, 2026 based on the arrangements currently in force. No remuneration was paid by our Company to our Directors or the five highest paid individuals as inducement to join or upon joining our Company or as compensation for loss of office during the Track Record Period. Furthermore, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

[**REDACTED**] ESOP

We adopted the [**REDACTED**] ESOP on December 30, 2025, which amended, restated and superseded all historical scheme rules and was applicable to all share awards previously granted by our Company. The [**REDACTED**] ESOP is not subject to Chapter 17 of the Listing Rules as it does not involve the grant of new share awards by our Company after the [**REDACTED**]. For further details, see "Appendix IV — Statutory and General Information — D. [**REDACTED**] ESOP."

COMPLIANCE ADVISOR

We have appointed Somerley Capital Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise our Company in the following circumstances: (i) before the publication of any regulatory announcement, circular or financial report; (ii) where a transaction, which might be a notifiable or connected transaction under the Listing Rules, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases; (iii) where our Company proposes to use the [**REDACTED**] of the [**REDACTED**] in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and (iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the Shares, the possible development of a false market in the Shares or any other matters under Rule 13.10 of the Listing Rules. The term of the appointment of the compliance advisor will commence on the [**REDACTED**] and is expected to end on the date when our Company distributes the annual report of its financial results for the first full financial year commencing after the [**REDACTED**].

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] (assuming no exercise of the [**REDACTED**]), the following persons will have or be deemed or taken to have an interest and/or short positions in the Shares or the underlying Shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings our Company:

		Shares held as of the Latest Practicable Date		Shares held immediately following the completion of the [REDACTED] (assuming no exercise of the [REDACTED])[(1)]			
Name of Shareholder	Nature of interest	Number	Approximate percentage of shareholding in our total issued share capital	Number	Description of Shares	Approximate percentage of shareholding in our Unlisted Shares/H Shares (as appropriate)	Approximate percentage of shareholding in our total issued share capital
Mr. Zhou[(2)(3)]	Beneficial interest	17,949,600	35.26%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest of spouse	14,601,600	28.69%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest in controlled corporation	3,991,800	7.84%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Ms. Zeng[(2)(3)]	Beneficial interest	14,601,600	28.69%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest of spouse	17,949,600	35.26%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest in controlled corporation	3,991,800	7.84%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Hengqin Biaosheng[(3)]	Beneficial interest	3,991,800	7.84%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
				[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Guangfa Qianhe[(4)]	Beneficial interest	2,832,000	5.56%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Guangfa Xinde Jinyuan[(4)]	Beneficial interest	860,400	1.69%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Zhuhai Kangyuan[(4)]	Beneficial interest	118,200	0.23%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Jiangsu Modern Service Fund[(5)]	Beneficial interest	3,018,000	5.93%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

(1) The calculation is based on the total number of [**REDACTED**] Unlisted Shares in issue and [**REDACTED**] H Shares in issue immediately after completion of the [**REDACTED**] (assuming no exercise of the [**REDACTED**]) and the Conversion of Unlisted Shares into H Shares. Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company and are considered as one class of Shares.

(2) Mr. Zhou and Ms. Zeng are spouses. Therefore, Mr. Zhou and Ms. Zeng are deemed to be interested in the Shares interested by each other by virtue of the SFO.

(3) Hengqin Biaosheng is owned as to (i) 1.00% by Mr. Zhou as its general partner, and (ii) approximately 44.00% by Ms. Zeng as its limited partner. Therefore, each of Mr. Zhou and Ms. Zeng is deemed to be interested in the Shares directly held by Hengqin Biaosheng by virtue of the SFO.

(4) Guangfa Qianhe is wholly owned by GF Securities Co., Ltd. ("**GF Securities**"). Guangfa Xinde Jinyuan is owned (i) as to 20.00% by Guangfa Xinde as its general partner, which is in turn wholly owned by GF Securities, and (ii) as to 30.00% by Guangfa Qianhe as its limited partner. Zhuhai Kangyuan is a co-investment platform of Guangfa Xinde

and a party acting in concert with Guangfa Xinde Jinyuan, the general partner of which is Guangfa Xinde, and is owned as to approximately 18.24% by Xu Yiyu as the general partner. Therefore, GF Securities is deemed to be interested in the Shares directly held by Guangfa Qianhe, Guangfa Xinde Jinyuan and Zhuhai Kangyuan by virtue of the SFO.

(5) Jiangsu Modern Service Fund is owned as to approximately 0.95% by Nanjing Addor Equity Investment Management Enterprises (Limited partnership) (南京毅達股權投資管理企業(有限合夥)) ("**Nanjing Addor**") as its general partner. Nanjing Addor is owned as to 99.00% by Xizang Aida Huicheng Private Fund Management Co., Ltd. (西藏愛達匯承私募基金管理有限公司) ("**Xizang Aida**") as its general partner, which is in turn wholly owned by Jiangsu Addor Equity Investment Fund Management Co., Ltd. (江蘇毅達股權投資基金管理有限公司) ("**Jiangsu Addor**"). Jiangsu Addor is owned as to (i) 40.00% by Nanjing Addor Capital Management Enterprise (Limited Partnership) (南京毅達資本管理企業(有限合夥)), which is in turn owned as to approximately 7.58% by Nanjing Addor Investment Management Co., Ltd. (南京毅達投資管理有限公司) as its general partner, and (ii) 35.00% by Jiangsu Govtor Capital Group Co., Ltd. (江蘇高科技投資集團有限公司), which is held as to approximately 73.06% by Jiangsu Provincial People's Government (江蘇省人民政府). Therefore, each of Nanjing Addor, Xizang Aida, Jiangsu Addor, Nanjing Addor Capital Management Enterprise (Limited Partnership), Nanjing Addor Investment Management Co., Ltd. and Jiangsu Govtor Capital Group Co., Ltd. is deemed to be interested in the Shares directly held by Jiangsu Modern Service Fund by virtue of the SFO.

Save as disclosed above and in "Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders," our Directors are not aware of any person who will, immediately following the completion of the [**REDACTED**] (assuming no exercise of the [**REDACTED**]), have an interest or short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of our Company.

OUR SHARE CAPITAL

Immediately before the [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB50,901,934, comprising 50,901,934 Unlisted Shares with a nominal value of RMB1.00 each.

Upon the Completion of the [REDACTED]

Immediately following completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares, the issued share capital of our Company will be as follows. See "History, Development and Corporate Structure — Capitalization" for details of the identities of the Shareholders whose Shares will be converted into H Shares upon [**REDACTED**].

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the [REDACTED]
Assuming the [**REDACTED**] *is not exercised*		
Unlisted Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be issued pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100%**
Assuming the [**REDACTED**] *is fully exercised*		
Unlisted Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be issued pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100%**

RANKING

Upon completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares, the Shares will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are all ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional [**REDACTED**] in the PRC, qualified PRC [**REDACTED**] under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons entitled to hold our H Shares pursuant to the relevant PRC laws and regulations or upon approval by competent authorities, H Shares generally may not be subscribed for by, or [**REDACTED**] between, legal or natural persons of the PRC. Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi. In addition to cash, dividends may be distributed in the form of Shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Our Company will have only one class of Shares upon completion of the [**REDACTED**], namely ordinary Shares, and each carry the same rights in all respects with the other Shares. For details of circumstances under which our Shareholders' general meetings are required, see "Appendix III — Summary of the Articles of Association."

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Upon completion of the [**REDACTED**], all our Unlisted Shares (other than those converted to H Shares) are not [**REDACTED**] or [**REDACTED**] on any stock exchange. The holders of our Unlisted Shares may convert their Shares into H Shares provided that such conversion shall have gone through the requisite internal approval process, complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and completed the filing process procedure with the CSRC. The [**REDACTED**] of such converted Shares on the Stock Exchange will also require the approval of the Stock Exchange. In accordance with the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) (the "**Full Circulation Guidelines**") published and implemented by the CSRC on November 14, 2019 and amended on August 10, 2023 and the Overseas Listing Trial Measures, domestic unlisted shares of H-share companies (including domestic unlisted shares held by domestic shareholders prior to the overseas listing, domestic unlisted shares further issued in the PRC after the overseas listing and unlisted shares held by foreign shareholders) could be listed and traded on the Stock Exchange after application to file with the CSRC. The Full Circulation Guidelines are applicable to domestic companies listed on the Stock Exchange only and not applicable to companies dual listed in the PRC and on the Stock Exchange.Upon completion of the [**REDACTED**], [**REDACTED**] Unlisted Shares held by certain Shareholders will be converted into H Shares on a one-for-one basis. The conversion of these Unlisted Shares into H Shares was filed with the CSRC and the CSRC issued notice of filing on [●], 2026 and an application has been made to the [**REDACTED**] for such H Shares to be [**REDACTED**] on the Stock Exchange. Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed herein, we can apply for the [**REDACTED**] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the [**REDACTED**]. As any [**REDACTED**] of additional Shares after our initial [**REDACTED**] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for [**REDACTED**] at the time of our initial [**REDACTED**] in Hong Kong. No class Shareholder voting is required for the [**REDACTED**] and [**REDACTED**] of the converted Shares on the Stock Exchange. Any application for [**REDACTED**] of the converted Shares on the Stock Exchange after our initial [**REDACTED**] is subject to prior notification by way of announcement to inform the Shareholders and the public of such proposed conversion. After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Unlisted Shares will be withdrawn from the [**REDACTED**] and we will re-register such Shares on our [**REDACTED**] maintained in Hong Kong and instruct the [**REDACTED**] to issue H Share certificates. Registration on our [**REDACTED**] will be on the condition that (a) our [**REDACTED**] lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [**REDACTED**] and the due dispatch of H Share certificates and (b) the admission of the H Shares to [**REDACTED**] on the Stock Exchange will comply with the Listing Rules and the [**REDACTED**] and the [**REDACTED**] in force from time to time. Until the converted Shares are re-registered on our [**REDACTED**], such Shares would not be [**REDACTED**] as H Shares.

For further details, see "Risk Factors — Risks Relating to the [**REDACTED**] — Future sales or perceived sales of substantial amounts of our securities in the public market, including any future [**REDACTED**] in the PRC, could have a material adverse effect on the prevailing [**REDACTED**] of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholdings."

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [**REDACTED**] shall not be transferred within 12 months from the [**REDACTED**]. Shares transferred by our Directors and senior management members each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares held by the aforementioned persons

cannot be transferred within half a year after they leave their positions as Directors and senior management members in our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors and senior management members of our Company.

GENERAL MANDATE TO ISSUE SHARES AND REPURCHASE MANDATE

Subject to the [**REDACTED**] becoming unconditional, our Directors have been granted general mandates to issue and repurchase our Shares. For further details, see "Appendix IV — Statutory and General Information — A. Further Information about Our Group — 4. Resolutions Passed by Our Shareholders' Meeting in Relation to the [**REDACTED**]."

[**REDACTED**] ESOP

We adopted the [**REDACTED**] ESOP on December 30, 2025, which amended, restated and superseded all historical scheme rules and was applicable to all share awards previously granted by our Company. The [**REDACTED**] ESOP is not subject to Chapter 17 of the Listing Rules as it does not involve the grant of new awards by our Company after the [**REDACTED**]. For further details, see "Appendix IV — Statutory and General Information — D. [**REDACTED**] ESOP."

RESTRICTIONS ON SHARES NOT [**REDACTED**] ON THE OVERSEAS STOCK EXCHANGE

According to the Notice on Adjustment of Business Acceptance of Registration and Depository of Non-Overseas Listed Shares of Overseas Listed Companies (《關於境外上市公司非境外上市股份登記存管業務受理調整的通知》) and Business Guidelines for the Registration and Depository of Non-Overseas Listed Shares of Overseas Listed Companies (《境外上市公司非境外上市股份登記存管業務指南》), our Company is required to register and deposit our Shares that are not [**REDACTED**] on the overseas stock exchange with the CSDCC after the [**REDACTED**].

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

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

OVERVIEW

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

BASIS OF PRESENTATION

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

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

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

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

Our Ability to Enrich Our Service Offerings and Coverage

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

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

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

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

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

Our Ability to Retain and Expand Our Customer Base

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

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

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

Our Ability to Manage Costs

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

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

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

Ability to Maintain and Improve Operational Efficiency

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

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

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

Foreign Exchange Rate Fluctuations

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

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

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

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

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

Non-IFRS Measure

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

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

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

Revenue

Revenue Breakdown by Business Line

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

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

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

Note:

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

Revenue from Cross-border E-commerce Express Services

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

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

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

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

Revenue from Local Last-mile Delivery Services

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

Revenue from Other Cross-border Services

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

Revenue Breakdown by Customer Type

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

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

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

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

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

Cost of Sales

Cost of Sales by Nature

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

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

Note:

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

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

Cost of Sales by Business Line

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

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

Note:

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

Gross Profit and Gross Profit Margin

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

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

Note:

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

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

Other Income

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

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

Note:

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

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

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

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

Other Gains and Losses

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

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

Note:

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

Distribution and Selling Expenses

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

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

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

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

Notes:

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

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

Administrative Expenses

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

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

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

Notes:

(1) Mainly representing travel expenses.

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

Research and Development Expenses

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

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

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

Note:

(1) Mainly representing travel expenses.

Share of Results of Associates

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

Finance Costs

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

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

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

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

Income Tax Credit/(Expense)

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

The PRC

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

Outside the PRC

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

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

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

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

Cross-border E-commerce Express Services

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

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

Local Last-mile Delivery Services

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

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

Other Cross-border Services

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

Cost of Sales

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

Gross Profit and Gross Profit Margin

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

Other Income

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

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

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

Other Gains and Losses

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

Distribution and Selling Expenses

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

Administrative Expenses

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

Research and Development Expenses

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

Share of Results of Associates

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

Finance Costs

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

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

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

Income Tax Expense

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

Profit for the Year

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

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

Revenue

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

Cross-border E-commerce Express Services

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

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

Local Last-mile Delivery Services

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

Other Cross-border Services

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

Cost of Sales

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

Gross Profit and Gross Profit Margin

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

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

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

Other Income

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

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

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

Other Gains and Losses

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

Distribution and Selling Expenses

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

Administrative Expenses

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

Research and Development Expenses

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

Share of Results of Associates

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

Finance Costs

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

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

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

Income Tax Credit or Expense

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

Profit for the Year

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

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

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

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

Property, Plant and Equipment

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

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

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

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

Right-of-use Assets

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

Intangible Assets

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

Investments in Associates

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

Equity Instruments at Fair Value through Other Comprehensive Income

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

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

Prepayment for Acquisition of Plant and Equipment

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

Prepayment for Acquisition of Investment

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

Rental Deposit

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

Deferred Tax Assets

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

Inventories

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

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

Contract Assets

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

Trade and Other Receivables and Prepayments

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

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

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

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

Trade Receivables

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

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

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

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

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

Note:

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

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

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

Tax Recoverable

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

Restricted Bank Deposits

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

Cash and Cash Equivalents

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

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

Trade and Other Payables

Our trade and other payables consist of (i) trade payables, primarily representing outstanding amounts due to our suppliers of transportation services; (ii) accrued staff costs and retirement benefit scheme contributions, mainly representing the salaries, bonuses, social insurance premiums and housing provident fund contributions and other welfare payable to our employees; (iii) payable for the purchase of property, plant and equipment; (iv) other payables, mainly representing one-off deposits received from the customers of our international air freight forwarding services; (v)

accrued [**REDACTED**] costs; and (vi) other tax liabilities, representing taxes payable by us, such as individual income tax, value-added tax and additional tax. The following table sets forth a breakdown of trade and other payables as of the dates indicated:

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

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

Trade Payables

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

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

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

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

Note:

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

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

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

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

Tax Liabilities

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

Contract Liabilities

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

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

Deferred Income

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

Deferred Tax Liabilities

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

NET CURRENT ASSETS

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

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

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

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

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

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

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

LIQUIDITY AND CAPITAL RESOURCES

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

Cash Flows

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

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

Net Cash (Used in)/from Operating Activities

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

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

Our net cash generated from operating activities in 2024 was RMB397.8 million, primarily due to our profit before tax of RMB57.3 million, as adjusted by (i) non-cash or non-operating activities related items which mainly included (a) net impairment loss of property, plant and equipment of RMB42.1 million, (b) depreciation of right-of-use assets of RMB39.2 million, and (c)

depreciation of property, plant and equipment of RMB21.7 million; and (ii) changes in working capital, which primarily consisted of (a) a decrease in trade and other receivables and prepayments of RMB466.1 million and (b) a decrease in trade and other payables of RMB254.2 million.

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

Net Cash from/(Used in) Investing Activities

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

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

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

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

Net Cash Used in Financing Activities

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

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

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

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

WORKING CAPITAL SUFFICIENCY

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

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

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

Lease liabilities

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

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

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

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

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

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

Contingent Liabilities

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

OFF-BALANCE SHEET ARRANGEMENTS

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

CAPITAL EXPENDITURES

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

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

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

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

MATERIAL RELATED PARTY TRANSACTIONS

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

Transactions with Related Parties

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

Provision of Services to Related Parties

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

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

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

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

Purchase of Services and Products from Related Parties

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

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

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

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

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

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

Balances with Related Parties

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

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

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

KEY FINANCIAL RATIOS

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

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

Notes:

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

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

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

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

FINANCIAL RISKS

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

DIVIDENDS AND DIVIDEND POLICY

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

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

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

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

DISTRIBUTABLE RESERVE

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

[REDACTED] EXPENSES

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

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

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

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

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

NO MATERIAL ADVERSE CHANGE

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

DISCLOSURE REQUIRED UNDER THE LISTING RULES

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

FUTURE PLANS

See "Business — Our Business Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate the [**REDACTED**] of the [**REDACTED**] which we will receive, assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-end of the [**REDACTED**] range stated in this document), will be approximately HK$[**REDACTED**], after deduction of [**REDACTED**] and [**REDACTED**] and estimated expenses payable by us in connection with the [**REDACTED**] and assuming the [**REDACTED**] is not exercised.

In line with our business strategies, we intend to use the [**REDACTED**] of the [**REDACTED**] for the following purposes:

- approximately [**REDACTED**]% (or HK$[**REDACTED**]) will be used to advance our global expansion strategy and broaden our overseas network coverage, with a focus on strengthening our presence in high-potential destination markets, enhancing our global supplier service network and building regionalized operational capabilities to support the strategic expansion of our cross-border logistics network. In particular:

  (i) approximately [**REDACTED**]% (or HK$[**REDACTED**]) will be used to expand and optimize our overseas sorting and delivery network. We plan to strengthen our operational presence in key destination markets, particularly in Europe and selected Asia-Pacific regions, through the establishment and upgrading of sorting centers, delivery depots and related operational facilities. We expect to enhance our localized operational capabilities in major logistics hubs and high-density consumption regions in Europe and the Asia-Pacific regions. We also plan to optimize our sorting center and delivery depot layouts to improve route coordination, delivery efficiency and terminal fulfillment capabilities. In parallel, we intend to further strengthen cooperation with local delivery service providers, warehousing partners and other logistics service providers to enhance regional fulfillment capabilities and operational flexibility. These initiatives are expected to improve parcel processing capacity, network coverage and service responsiveness, while strengthening the scalability and resilience of our global logistics network; and

  (ii) approximately [**REDACTED**]% (or HK$[**REDACTED**]) will be used for investments in automation equipment and intelligent sorting analysis and decision-making software. We plan to procure and upgrade automated sorting, loading and warehousing equipment, including automated sorters, conveyor systems, intelligent scanning devices and related operational technologies, at our overseas sorting and processing facilities. We also intend to deploy intelligent sorting analysis and operational coordination software primarily for on-site operational applications, including parcel flow analysis, sorting path allocation, equipment scheduling and processing capacity coordination, to improve the operational efficiency and stability of our overseas facilities. In addition, we plan to gradually strengthen the automation level of our overseas operational facilities to support increasing parcel volumes and improve operational consistency across different regions. These investments are expected to improve processing efficiency, reduce manual reliance, strengthen operational stability and enhance the digitalization, scalability and cost efficiency of our operations;

- approximately [**REDACTED**]% (or HK$[**REDACTED**]) will be used to strengthen our core technology research and development capabilities and upgrade our operational risk control and digitalized systems, with a focus on enhancing our technological competitiveness and supporting the continued expansion of our global operations. We plan to further develop and upgrade our intelligent logistics management systems, operational risk control systems and digitalized infrastructure to improve operational coordination, route optimization, order management, risk monitoring and overall operational efficiency across our global network. In particular, we intend to enhance key operational modules relating to intelligent dispatching, parcel tracking, route planning, data analytics and operational decision-making capabilities to support increasing parcel volumes and more complex cross-border logistics scenarios.

  We also plan to enhance our multilingual communication capabilities and multi-currency settlement infrastructure to better support customers, suppliers and operational teams across different regions and markets, particularly in Europe and the Asia-Pacific regions. These upgrades are expected to improve localization capabilities, cross-border operational efficiency and customer experience in overseas markets.

  In addition, we plan to continue enhancing our self-developed mobile applications and related digital tools for customers, drivers and operational personnel, including functions relating to order management, real-time tracking, intelligent dispatching, operational monitoring and data interaction capabilities. We expect these investments to further improve operational responsiveness, service quality, digitalized management capabilities and overall operational scalability.

- approximately [**REDACTED**]% (or HK$[**REDACTED**]) will be used to enhance and strengthen our global talent pipeline and organizational capabilities, with a focus on supporting our international expansion strategy and improving our cross-border operational management capabilities. We plan to further strengthen the development of our professional talent team across key functions including international logistics operations, technology development, operational management, overseas network operations and risk control. In particular, we intend to recruit and cultivate professionals with international operational experience and cross-border logistics expertise in key overseas markets, including Europe and the Asia-Pacific regions, while continuing to enhance our localized management and operational capabilities.

  We also plan to improve our talent training and organizational development systems through the establishment and enhancement of internal training programs, professional capability development mechanisms and management talent pipelines. In addition, we intend to strengthen our organizational collaboration and global operational coordination capabilities to support the continued expansion of our overseas business and increasingly complex cross-border logistics operations.

- approximately [**REDACTED**]% (or HK$[**REDACTED**]) will be used for working capital and general corporate purposes.

If the [**REDACTED**] is fixed at HK$[**REDACTED**] per [**REDACTED**] (being the high-end of the [**REDACTED**] range stated in this document) and assuming the [**REDACTED**] is not exercised, we will receive additional [**REDACTED**] of approximately HK$[**REDACTED**]. If the [**REDACTED**] is fixed at HK$[**REDACTED**] per [**REDACTED**] (being the low-end of the [**REDACTED**] range stated in this document) and assuming the [**REDACTED**] is not exercised, the [**REDACTED**] will be reduced by approximately HK$[**REDACTED**]. To the extent our [**REDACTED**] are either more or less than expected, we will adjust our allocation of the [**REDACTED**] for the above purposes on a pro-rata basis.

The additional [**REDACTED**] that we would receive if the [**REDACTED**] were exercised in full would be (i) HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the high-end of the [**REDACTED**] range stated in this document), (ii) HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-end of the [**REDACTED**] range stated in this document), and (iii) HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the low-end of the [**REDACTED**] range stated in this document). Additional [**REDACTED**] received due to the exercise of any [**REDACTED**] will be used for the above purpose accordingly on a pro-rata basis in the event that the [**REDACTED**] is exercised.

To the extent that the [**REDACTED**] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will only place the [**REDACTED**] from the [**REDACTED**] which are not immediately required for the disclosed purpose in short-term interest-bearing accounts at licensed commercial banks and/or authorized financial institutions (as defined under the Securities and Future Ordinance or applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the proposed use of [**REDACTED**] above or if any amount of the [**REDACTED**] will be used for general corporate purposes.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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

	NOTES	Year ended 31 December		
		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

	NOTE	Year ended 31 December		
		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

	NOTES	At 31 December		
		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

	NOTES	At 31 December		
		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

	NOTES	At 31 December		
		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

	NOTES	At 31 December		
		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		–	–	–	–	–	–

		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*
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

		Year ended 31 December 2024					
	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	–	1,009	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:

Name of related parties	Nature of transactions	Year ended 31 December		
		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			Principal activities
				2023	2024	2025	
			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	Fair value as at 31 December 2024	Fair value as at 31 December 2025	Fair value hierarchy 31 December 2023	Fair value hierarchy 31 December 2024	Fair value hierarchy 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	Fair value as at 31 December 2024	Fair value as at 31 December 2025	Fair value hierarchy 31 December 2023	Fair value hierarchy 31 December 2024	Fair value hierarchy 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.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

This Appendix is designed primarily to provide investors with a summary of the Articles of Association. The information below is a summary only and does not purport to contain all information that may be material to potential investors.

SHARES AND REGISTERED CAPITAL

1 Issuance of Shares

The shares of the Company shall take the form of stocks.

The issuance of the company's shares shall be conducted in accordance with the principles of openness, fairness and impartiality. Shares of the same class issued at the same time shall have the same issuance conditions and price per share; all subscribers shall pay the same price per share for shares they subscribed for.

The shares issued by the Company are all stocks with par value, and the par value of each share is RMB1.

The shares issued by the Company and [**REDACTED**] on the Hong Kong Stock Exchange be referred to as "H shares", the par value of which are denominated in Renminbi, and which are subscribed for and [**REDACTED**] in Renminbi and Hong Kong dollars. H shares issued by the Company are mainly deposited with the custodian company under the [**REDACTED**].

The shares issued by the Company but not [**REDACTED**] or [**REDACTED**] in any overseas stock exchange shall be referred to as "unlisted domestic shares" (including unlisted shares held by shareholders of the Company prior to overseas [**REDACTED**] and unlisted shares issued in the PRC after overseas [**REDACTED**]). Unlisted domestic shares issued by the Company shall be collectively deposited with China Securities Depository and Clearing Co., Ltd.

With the approval from the Hong Kong Stock Exchange and filing with the China Securities Regulatory Commission, the shareholders of unlisted domestic shares of the Company may apply to convert the unlisted domestic shares into H shares and have such shares [**REDACTED**] on the Hong Kong Stock Exchange.

2 Increase, Decrease and Repurchase of Shares

The Company, based on its operational and development needs, may adopt the following methods to increase registered capital upon the resolution of the general meeting of shareholders in accordance with laws, regulations, and the securities regulatory rules of the place where the company's shares are [**REDACTED**]:

(I) offering of shares to unspecified investors;

(II) placement of shares to specific investors;

(III) distributing bonus shares to its existing shareholders;

(IV) convert capital reserves into share capital; and

(V) other methods as stipulated by the laws, administrative regulations, and the securities regulatory rules of the place where the company's shares are [**REDACTED**], as well as approved by the China Securities Regulatory Commission, the competent regulatory authorities of the place where the company's shares are [**REDACTED**] and other relevant regulatory authorities.

The Company may reduce its registered capital. The reduction in registered capital shall be made in accordance with the procedures set out in the Company Law, the Listing Rules, the Articles of Association of the Company and other relevant regulations.

The Company shall not repurchase its shares, except under any of the following circumstances:

(I) Reducing the Company's registered capital;

(II) Merge with another company which holds the shares of the Company;

(III) For the purpose of setting up Employee Stock Ownership Plan or equity incentive scheme;

(IV) Acquiring shares held by Shareholders, who vote against any resolution proposed in any general meeting on the merger or division of the Company, upon their request;

(V) Conversion of shares into the convertible bonds to be issued by the Company;

(VI) Being necessary for the Company to maintain its corporate value and the equity of shareholders;

(VII) Other circumstance permitted by laws, administrative regulations and the listing rules of the stock exchange of the place where the Company's shares are [**REDACTED**].

If the relevant laws, administrative regulations, departmental rules, other regulatory documents and the relevant requirements of the securities regulatory authority of the place where the Company's shares are [**REDACTED**] otherwise have provisions in respect of matters related to the aforesaid share repurchase, such provisions shall prevail.

3 Transfer of Shares

The shares of the Company shall be transferred in accordance with the law.

Shares issued by the Company prior to its [**REDACTED**] shall not be transferred within 1 year as of the date on which the shares are [**REDACTED**] and [**REDACTED**] in the stock exchange.

The directors and senior management of the Company shall declare, to the Company, the information on their holdings of the shares of the Company and the changes thereto. During the term of office determined upon taking office, the shares of the same class they transfer each year shall not exceed 25% of the total number of shares of the company they hold. The shares that they hold in the Company shall not be transferred within 1 year of the date on which the shares of the Company are [**REDACTED**] and [**REDACTED**]. The aforesaid persons shall not transfer their shares of the Company within half a year from the date of their resignation.

SHAREHOLDERS AND GENERAL MEETINGS

4 Shares Certificate and Register of Shareholders

The Company shall maintain a register of shareholders based on the vouchers provided by securities depository and clearing institutions. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of the Company's shares.

Register of members for shareholders of unlisted domestic shares are subject to the records under the security record system of China Securities Depository and Clearing Corporation Limited. Register of members for shareholders of H shares are subject to the information provided by the custodian company under [**REDACTED**].

5 Shareholders

The shareholders of the Company shall have the following rights:

(I) to request the convening, convene, preside over, participate in, or appoint a shareholder's proxy to participate in the shareholders' meeting, and exercise the corresponding voting rights pursuant to the provisions of the Company Law and the stipulations of the Company's Articles of Association;

(II) to propose, convene, preside over, attend in person or appoint a proxy to attend and vote on his/her behalf at shareholders' general meeting in accordance with laws, except where a shareholder is required by the securities regulatory rules of the place where the Company's shares are [**REDACTED**] to abstain from voting on specific matters;

(III) to supervise and to put forward proposals and make enquiries relating to the operation of the Company;

(IV) to transfer, donate or pledge their shares in accordance with relevant laws, administrative regulations and the Articles of Association;

(V) to inspect and to copy the Articles of Association, register of shareholders, minutes of the shareholders' general meeting, resolutions of Board meetings and financial reports, to inspect the Company's accounting books and vouchers for shareholders meeting statutory requirements;

(VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company according to the number of shares held by them;

(VII) for shareholders who dissent to a resolution for the merger or demerger of the Company, to demand the Company to acquire their shares;

(VIII) other rights conferred by laws, administrative regulations, departmental rules and the Articles of Association.

The shareholders of ordinary shares of the Company shall have the following obligations:

(I) to abide by laws, administrative regulations and the Articles of Association;

(II) to pay subscription monies according to the number of shares subscribed and the method of subscription;

(III) not to make divestment unless in the circumstances stipulated by laws and regulations;

(IV) not to abuse the rights of shareholders to prejudice the interests of the Company or other shareholders; not to abuse the Company's independent status as legal person and the limited liability of shareholders to prejudice the interests of the Company's creditors;

(V) to support the company's management and put forward rationalization proposals;

(VI) other obligations that shall be borne pursuant to the provisions of laws, administrative regulations, the regulatory rules of the place where the company's shares are [**REDACTED**], and these Articles of Association.

Shareholders shall be liable for compensation pursuant to applicable laws for losses caused to the Company or other shareholders due to their abuse of shareholder's rights. Shareholders shall be jointly accountable for the Company's liabilities where they abuse the Company's independent status as legal person and limited liability as a shareholder to evade debts, or seriously prejudice the interests of the Company's creditors.

Neither the controlling shareholder, nor the controller of the Company may injure the interests of the Company by taking advantage of its connected relationship. Anyone who causes any loss to the Company due to violating this paragraph shall be liable for the compensation.

6 General Provisions of Shareholder's General Meetings

The shareholders' general meeting is the governing authority of the Company, and shall exercise the following functions and powers in accordance with the law:

(I) to elect and replace the directors who are not represented by the employees, and to decide on matters relating to the remuneration of such directors;

(II) to examine and approve report submitted by the Board;

(III) to examine and approve the profit distribution plan and the plan for making up accrued losses of the Company;

(IV) to resolve on the increase or reduction in the registered capital of the Company;

(V) to resolve on the issue of bonds by the Company;

(VI) to resolve on such matters as the merger, division, dissolution, liquidation and change of company form;

(VII) to amend the Articles of Association;

(VIII) to resolve on the Company's appointment, dismissals of accounting firms engaged for the company's audit services;

(IX) to examine and approve guarantees under Article 49 of Articles of Association;

(X) to examine any acquisition or disposal of any material asset whose asset value exceeds 30% of the latest audited total assets of the Company for one year;

(XI) to examine and approve any change in the use of proceeds from funds raised;

(XII) to examine share incentive schemes and employee stock ownership plan;

(XIII) any other matters required by laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are [**REDACTED**] or the Articles of Association to be resolved at the shareholders' general meeting.

The shareholders' meeting can authorize the Board to resolve on issuance of corporate bonds.

Shareholders' general meetings include annual general meetings and extraordinary general meetings. Annual general meetings shall be held once every year within six months after the end of each financial year.

The Company shall hold an extraordinary general meeting within two months upon the occurrence of any of the following events:

(I) when the number of directors is less than the number prescribed by the Company Law or less than two thirds of the number prescribed by the Articles of Association;

(II) when the accumulated losses of the Company amount to one third of the total amount of its share capital;

(III) upon the requisition in writing of shareholders individually or collectively holding 10% or more of shares of the Company (the number of shares held shall be calculated as of the date on which the shareholder submits a written request, excluding treasury shares (if any));

(IV) whenever the Board deems necessary;

(V) when the audit committee proposes to convene the meeting;

(VI) other circumstances stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are [**REDACTED**] or the Articles of Association.

7 Convening of General Meetings

The shareholders' general meeting shall be convened by the Board.

Upon the approval of a majority of all the independent non-executive directors, the independent non-executive directors shall be entitled to propose to the board of directors the convening of an extraordinary general meeting. In relation to such proposal, the board of directors shall, pursuant to the requirements of the applicable PRC laws, administrative regulations and these Articles of Association, furnish a written response indicating its approval or rejection within 10 business days of receipt of the proposal. If the board approves the convening of the extraordinary general meeting, it shall dispatch the notice of the meeting within 5 business days of passing the board resolution; if the board rejects the proposal, it shall provide detailed reasons for such rejection.

The audit committee has the right to propose the Board to convene extraordinary general meetings and such proposal shall be made by way of written request(s). The Board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the written proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

Shareholders separately or aggregately holding 10% or more of the Company's voting shares have the right to propose the Board to convene an extraordinary general meeting by way of written request(s). The Board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the Board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five days after the Board resolved to do so. If the Board makes alterations to the original proposal in the notice, consent has to be obtained from the related shareholders.

If the Board does not agree to convene the extraordinary general meeting or does not reply within ten days upon receiving the request, shareholders separately or aggregately holding 10% or more of the Company's issued shares have the right to propose the audit committee to convene an extraordinary general meeting by way of written request(s).

If the audit committee agrees to convene the extraordinary general meeting, notice convening the extraordinary general meeting shall be issued within five days upon receiving the request. Should there be alterations to the original requests in the notice, consent has to be obtained from the related shareholders.

If the audit committee does not issue notice of the shareholders' general meeting within the required period, it will be considered as not going to convene and preside over the meeting, and shareholders separately or aggregately holding 10% or more of the shares of the Company for ninety or more consecutive days have the right to convene and preside over the meeting on their own.

8 Proposals and Notices of Shareholder's General Meetings

When the Company convenes the shareholders' general meeting, the Board, the audit committee or shareholders individually or aggregately holding 1% or more of the total shares of the Company shall have the right to propose motions.

Shareholders separately or aggregately holding 1% or more of the shares of the Company may propose extraordinary motions to the convener in writing ten days before the convening of such shareholders' general meeting.

The convener shall issue supplementary notice of the shareholders' general meeting to announce the content of the extraordinary motions within two days after receiving the proposed motions and submit such motions for deliberation at the shareholders' meeting, unless the extraordinary motions violate laws, administrative regulations or the Articles of Association, or fall outside the scope of authority of the shareholders' meeting.

Unless otherwise required by the preceding paragraph, the convener shall not amend the proposals listed in the aforesaid notice or add any new proposals subsequent to the dispatch of a notice of the shareholders' general meeting.

The convener shall notify all shareholders by way of announcement 21 days prior to the convening of the annual shareholders' meeting and 15 days prior to the convening of an extraordinary shareholders' meeting. All notices and supplementary notices of the shareholders' meeting shall fully and completely specify the entire details of all the proposals.

9 Holding of Shareholder's General Meetings

All the shareholders or their proxies recorded in the register of shareholders on the record date are entitled to attend the shareholders' general meeting, and shall exercise their voting rights pursuant to the laws, regulations and the Articles of Association.

An individual shareholder who attends the shareholders' general meeting in person shall present his/her identification card or other valid identification documents or certificates that can verify his/her identity. Where a proxy is appointed to attend the meeting, the proxy shall produce his/her own valid identification documents and the power of attorney.

A corporate shareholder shall attend the meeting by its legal representative or a proxy appointed by the legal representative. The legal representative who attends the shareholders' general meeting shall present his/her identification card and valid certification documents which can prove his/her authority to act as the legal representative. Where a proxy is appointed to attend the meeting, the proxy shall present his/her own identity card and the written power of attorney issued in accordance with the law by the legal representative of the corporate shareholder.

The power of attorney issued by shareholders to authorize other persons to attend the shareholders' general meeting on their behalf shall clearly state the following:

(I) The name or designation of the principal, class and quantity of the Company shares held;

(II) The name or designation of the proxy;

(III) The specific instructions of the shareholder, including directions to vote for, against or abstain from voting respectively on each proposal of consideration listed on the agenda of the shareholders' general meeting;

(IV) The signing date and the period of validity of the proxy form;

(V) Signature (or seal) of the appointing shareholder; if the appointing shareholder is a body corporate, the document shall be affixed with the legal person's seal or be signed by its director or an attorney duly authorised.

The shareholders' general meeting shall be chaired by the chairman of the board. If the chairman is unable or fails to act, the meeting shall be chaired by a director jointly appointed by a majority of the directors.

A shareholders' general meeting convened by the audit committee shall be chaired by the chairperson of the audit committee. In the event the chairperson of the audit committee is unable to perform his/her duties or he/she fails to perform his/her duties, a member of audit committee jointly designated by more than half of the members of audit committee shall preside over the meeting.

A shareholders' general meeting convened by shareholders shall be chaired by the representative nominated by the convener of such meeting.

In convening any shareholders' general meeting, if the chairperson of the meeting has violated any rules of meeting such that the meeting may not proceed further, with the consent of shareholders representing more than half of the voting rights present at such meeting, the meeting may designate a person to chair the meeting so that the meeting may proceed further.

10 Voting and Resolutions at the General Meetings

Resolutions of shareholders' general meetings include ordinary resolutions and special resolutions. An ordinary resolution shall be passed by shareholder in attendance holding half or more of the voting rights. A special resolution shall be passed by shareholders in attendance holding two-thirds or more of the voting rights.

The following matters shall be approved by an ordinary resolution of a shareholders' general meeting:

(I) work reports of the Board;

(II) proposals formulated by the Board for distribution of profits and for making up accrued losses;

(III) the appointment, dismissal, remuneration and payment terms of the directors of the board;

(IV) such matters other than those required to be passed by special resolutions under the laws and administrative regulations and the listing rules of the stock exchange on which the Company's shares are [**REDACTED**] or the Articles of Association.

The following matters shall be approved by special resolution of a shareholders' general meeting:

(I) the increase or reduction of the registered capital;

(II) the separation, division, merger, dissolution and liquidation or change in the corporate form of the Company;

(III) any amendment of this Articles of Association;

(IV) purchase or disposal of material assets or the provision of guarantee to third parties within one year with the amount exceeding 30% of the total assets of the Company;

(V) share incentive scheme;

(VI) other matters which are stipulated by the laws, administrative regulations, the listing rules of the stock exchange on which the Company's shares are [**REDACTED**] or the Articles of Association, and which are resolved by way of an ordinary resolution to have a material impact on the Company and therefore shall be adopted by special resolutions.

THE BOARD OF DIRECTORS

11 Directors

Directors shall be elected or replaced by the general meeting, and may be removed from office by the general meeting before the expiry of their term of office. Such removal shall take effect on the date of adoption of the resolution of the general meeting. Each director shall hold office for a term of three years and shall be eligible for re-election upon expiry of his term.

The Board of directors shall include one employee representative. Such representative shall be democratically elected by the company's employees through the employees' congress, general staff meeting, or other forms of democratic election, which shall not require approval by the shareholders' meeting.

Directors shall comply with the requirements of applicable laws, administrative regulations, the securities regulatory rules of the company's [**REDACTED**] venue and these Articles of Association. They shall owe a fiduciary duty of loyalty to the company, take all reasonable steps to avoid conflicts of interest between themselves and the company, and must not abuse their authority to procure improper advantages.

Directors shall undertake the following fiduciary duties to the Company that they should:

(I) not to expropriate the assets of the Company, and not to misappropriate the funds of the Company;

(II) not to open any account in their own names or in others' names for the purpose of depositing any of the Company's funds;

(III) not to solicit or accept bribes or other illegal gains through abuse of official powers;

(IV) not to conclude any contract or conduct transactions with the Company directly or indirectly without reporting to the Board or shareholders' meeting and obtaining approval of the board of directors or the general meeting in accordance with the Articles of Association;

(V) a director shall not, by virtue of his office, exploit any business opportunity that belongs to the company for his own benefit or the benefit of any other person, except where the director has made full disclosure of the matter to the board of directors or the shareholders' meeting and the shareholders' meeting has approved such conduct by resolution, or the company is precluded from pursuing such business opportunity under the applicable laws, administrative regulations, the Hong Kong Listing Rules or these Articles of Association;

(VI) a director shall not carry on, either on his own behalf or for any other person, any business of the same category as that of the company, unless full disclosure has been made to the board of directors or the shareholders' general meeting and the shareholders' general meeting has given its approval by resolution;

(VII) not to keep as their own, the commission for transaction with the Company;

(VIII) not to disclose secret of the Company without authorization;

(IX) not to use their related-party relationships to damage the interests of the Company;

(X) to fulfill other fiduciary duties stipulated by the laws, administrative regulations, departmental rules, the Articles of Association and the listing rules of the stock exchange where the Company's shares are [**REDACTED**].

Any income obtained by directors in violation of any of the provisions of this Article shall belong to the Company. The director shall be accountable to compensate the Company against any loss incurred.

Directors shall comply with the requirements of applicable laws, administrative regulations and these Articles of Association, and shall owe a duty of care to the company. In discharging their duties, directors shall act with the degree of care, skill and diligence that would be exercised by a reasonably prudent director in comparable circumstances, in the best interests of the company.

Every director must, in the performance of his/her duties as a director:

(I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure that the business operations of the Company comply with PRC laws, administrative regulations and all the PRC economic policies and are not beyond the business scope specified in the business license of the Company;

(II) to treat all shareholders fairly;

(III) to acquire the knowledge of the business operation and management of the Company on a timely basis;

(IV) to honestly inform the audit committee with the relevant circumstances and information, not to prevent the audit committee from exercising their functions and powers;

(V) to fulfill other obligations of diligence stipulated by the laws, administrative regulations, departmental rules, the Articles of Association and the listing rules of the stock exchange where the Company's shares are [**REDACTED**].

12 Board of Directors

The company has a board of directors.

The board of directors shall comprise eleven (11) directors, consisting of executive directors, non-executive directors and independent non-executive directors (hereinafter called "independent directors"), of whom four (4) shall be independent directors. The company shall have one chairman of the board, who shall be elected by a majority of all the directors of the board.

The Board shall exercise the following duties and powers:

(I) to convene shareholders' general meetings and report its work to the shareholders' general meeting;

(II) to implement the resolutions of shareholders' general meetings;

(III) to decide on the Company's business plans and investment plans;

(IV) to formulate the Company's profit distribution plans and plans on making up of losses;

(V) to formulate plans for increase or reduction of the registered capital of the Company and issue of bonds or other securities of the Company and listing plans;

(VI) to formulate plans for significant asset acquisition and selling and repurchase of shares of the Company or to formulate plans for merger, division, dissolution and alteration of corporate form;

(VII) to decide on, among others, external investments, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions and external donations of the Company within the authorization of the shareholders' general meeting;

(VIII) to determine the establishment of the Company's internal management structure;

(IX) to approve the appointment or removal of the company's general manager, company secretary and other senior executives, and determine their remuneration, rewards and disciplinary matters; on the recommendation of the general manager, to approve the appointment or removal of the company's deputy general managers, chief financial officer and other senior executives, and determine their remuneration, rewards and disciplinary matters;

(X) to formulate basic management policies of the Company;

(XI) to formulate proposals for amendment to the Articles of Association;

(XII) to manage information disclosure of the Company;

(XIII) to submit proposals to the shareholders' general meeting on the engagement or replacement of the accounting firm providing audit services to the Company;

(XIV) to receive reports from and inspect the work of the general manager;

(XV) other functions and powers provided for in laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are [**REDACTED**] and the Article of Association, and conferred at shareholders' general meetings.

The Board meetings include regular meetings and extraordinary meetings.

The Board shall hold at least four meetings per annum, which shall be convened by the chairman, and all the directors shall be notified in writing at least 14 days before the regular meeting and 3 days before the extraordinary meeting.

Unless or otherwise provided in other articles herein, a Board meeting can be held only if more than half of the directors are present. Resolutions of the Board must be passed by more than half of all directors. In respect of resolutions of the Board, each director shall have one vote.

13 Special Committees of the Board of Directors

The Board of the Company shall establish the audit committee, the nomination committee and the remuneration and appraisal committee and shall, as needed, establish relevant special committees. Each special committee shall be accountable to the Board and perform the duties prescribed by the Articles of Association and the Board. Any proposals of the special committee shall be submitted to the Board for consideration and approval. All member of the special committees shall be directors, among which, the majority of themembers of the audit committee, the nomination committee and the remuneration and appraisal committee shall be independent directors who also convene the meeting of such committees. The convener of the audit committee shall be an accounting professional. The Board is responsible for formulating working rules, to standardize the operation of the special committees.

The audit committee shall exercise the powers and functions of the board of supervisors provided in the PRC Company Law. The audit committee shall be responsible for reviewing the Company's financial information and disclosures, overseeing and evaluating internal and external audits, and monitoring internal controls. The following matters shall be submitted to the Board of Directors for deliberation only after obtaining approval by more than half of the audit committee members:

(I) to disclose financial accounting reports, financial information in periodic reports and internal control evaluation reports;

(II) to appoint or dismiss an accounting firm that undertakes the audit business of the Company;

(III) to appoint or dismiss the Company's chief financial officer;

(IV) to change accounting policies or estimates, or to correct material accounting errors, except when resulting from changes in accounting standards;

(V) other matters stipulated by laws, administrative regulations, provisions of the CSRC, and the Company's Articles of Association.

The nomination committee shall be responsible for formulating selection criteria and procedures for Directors and senior management, conducting reviews and assessments of candidates for Director and senior management positions, and submitting the following matters to the Board of Directors for deliberation:

(I) to nominate or dismiss Directors;

(II) to appoint or dismiss the senior management personnel;

(III) other matters stipulated by laws, administrative regulations, provisions of the CSRC, and the Company's Articles of Association.

The remuneration and appraisal committee shall be responsible for formulating appraisal standards and conducting appraisals for Directors and senior management, developing and reviewing remuneration policies and schemes for Directors and senior management, including remuneration determination mechanisms, decision-making processes, payment, withholding, and clawback arrangements, and submitting the following matters to the Board of Directors for deliberation:

(I) remuneration of Directors and senior management;

(II) to formulate or to modify equity incentive plans or employee stock ownership plans, including the granting of entitlements to incentive recipients and the fulfillment of conditions for exercising entitlements;

(III) to arrange shareholding plans for Directors and senior management in proposed spin-off subsidiaries;

(IV) other matters stipulated by laws, administrative regulations, provisions of the CSRC, and the Company's Articles of Association.

SENIOR MANAGEMENT

14 General Manager and Other Senior Management Officers

The company shall appoint one (1) general manager, whose appointment and removal shall be determined by the board of directors. The company shall appoint deputy general managers, whose appointment and removal shall be determined by the board of directors. The company's general manager, deputy general managers, chief financial officer and company secretary shall be the senior management of the company.

The term of office of the general manager shall be three years, renewable upon reappointment. The general manager may resign before his or her term of office expires. The procedure and rules for such resignation shall be specified in the labor contract between the general manager and the Company.

The general manager shall be responsible for the Board and exercise the following functions and powers:

(I) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board, and to report his or her works to the Board;

(II) to organize the implementation of the Company's annual business plans and investment plans;

(III) to draft plans for the establishment of the Company's internal management organization;

(IV) to draft the Company's basic management system;

(V) to formulate the Company's specific regulations;

(VI) to propose the appointment or dismissal of the Company's deputy general managers, chief financial officer or other senior management officers;

(VII) to decide the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board;

(VIII) such other functions and powers conferred by the Articles of Association and the Board.

FINANCIAL ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION AND AUDITING

15 Financial Accounting System

The company shall establish its financial and accounting systems in accordance with laws, administrative regulations and PRC accounting standards formulated by the financial regulatory department of the State Council.

16 Profit Distribution

Where the Company distributes its after-tax profits of the current year, it shall allocate 10% of the profits after tax as the Company's statutory common reserve, provided that no allocation is required if the accumulated statutory common reserve represents no less than 50% of the registered capital of the Company. Where the statutory common reserve fund of the Company is not sufficient to cover the Company's loss from the previous year, the current year profits shall be used to cover such loss before allocation is made to the statutory common reserve fund pursuant to the previous paragraph. After allocation to the statutory common reserve fund has been made from the after-tax profits of the Company, the discretionary surplus reserve of any amount fund may be allocated from the after-tax profits upon approval by shareholders' general meeting. Any profit after taxation and after making up losses and making appropriation to the statutory surplus reserve shall be distributed by the Company to shareholders in proportion to their shareholdings, unless these Articles of Association provide that distributions are to be made otherwise than proportionally. Where the shareholders' general meeting distributes profits to shareholders in violation of the Company law, the shareholders shall return to the Company the profit distributed. Where such distribution causes losses to the Company, the shareholders, the responsible directors and senior management shall be liable for compensation. The Company shall not participate in profit distribution in respect of shares held under its name.

The Company's common reserves shall be used for making up accrued losses, expanding the business operations or increasing the registered capital of the Company. When covering the Company's losses with the Company's common reserves, the discretionary surplus reserve and statutory common reserve shall be used first. If the losses still cannot be fully covered, the capital reserve may be utilized in accordance with applicable regulations. When the statutory common reserve is converted into capital, the balance of such reserve shall not be less than 25% of the registered capital prior to the conversion.

APPOINTMENT OF AN ACCOUNTING FIRM

17 Appointment of Accounting Firm

The company shall appoint an accounting firm which satisfies the requirements of the Securities Law of the People's Republic of China, the Hong Kong Listing Rules and other relevant securities regulatory requirements of the company's [**REDACTED**] venue, to conduct the audit of the financial statements, verification of net assets and other related advisory services. The term of appointment shall be one (1) year, with the option of reappointment.

The appointment and dismissal of an accounting firm shall be made only by a shareholders' general meeting, and no accounting firm should be appointed by the Board prior to the decision of shareholders' general meeting.

MERGER, SPLIT-UP, INCREASE OF REGISTERED CAPITAL, REDUCTION OF REGISTERED CAPITAL, DISSOLUTION AND LIQUIDATION

18 Merger, Division, Capital Increase and Capital Reduction

In the case of merger, the Company may take the form of merger by absorption or merger by new establishment. In the case of mergers by absorption, a company absorbs other companies and the absorbed company is dissolved. In the case of mergers by new establishment, two or more companies combine together for the establishment of a new one, and the pre-merger companies are dissolved.

To split the Company, the properties thereof shall be divided accordingly. To split the Company, each party to the split-up shall conclude an agreement with each other and balance sheets and checklists of properties shall be worked out. The Company shall, within 10 days after the decision of split-up is made, inform the creditors and make a public announcement on newspapers recognized by the stock exchange where the Company's shares are [**REDACTED**] or the state enterprise credit information publicity system within 30 days, in accordance with the Company Law.

Where the Company reduce its registered capital, it shall work out balance sheets and checklists of properties. The Company shall, within ten days after the resolution of the shareholders' meeting to reduce the registered capital, notify the creditors and make a public announcement on newspapers recognized by the stock exchange where the Company's shares are listed or the state enterprise credit information publicity system within 30 days. The

creditors shall, within 30 days after receiving the notice or within 45 days after the issuance of the public announcement if it fails to receive the notice, be entitled to demand the Company to pay off the debts or to provide respective guaranties. When reducing registered capital, the Company shall proportionally reduce shareholders' capital contributions or shares according to their respective shareholding percentages, unless otherwise provided by law or these Articles of Association.

Where, in the process of merger or split-up of the Company, any of the registered items is changed, the Company shall go through the registration for change with the company registration authority. Where the Company is dissolved, it shall be deregistered according to law. If a new company is established, it shall go through the procedures for company establishment abiding by law. In the case of increasing or reducing its registered capital, the Company shall go through registration of change with the company registration authority abiding by law.

19 Dissolution and Liquidation

The Company may be dissolved under one of the following circumstances:

(I) the term of business operation as prescribed by the Articles expires or any of the situations for dissolution prescribed in the Articles occurs;

(II) the shareholders' general meeting has adopted a special resolution for dissolution;

(III) it is necessary to be dissolved due to merger or split-up of the Company;

(IV) the business license of the Company is revoked, or the Company is ordered to close down or is closed down in accordance with laws; or

(V) the Company meets any serious difficulty in its operations or management so that the interests of the shareholders will face material loss if the Company continues to exist and the difficulty cannot be solved by any other means, the shareholders who hold ten percent or more of the voting rights may plead the people's court to dissolve the Company.

The liquidation committee shall notify the creditors within ten days of and make announcements on newspapers recognized by the stock exchange where the Company's shares are [**REDACTED**] or the state enterprise credit information publicity system within 60 days of the date of its establishment. A creditor shall, within 30 days of receipt of the notice, or in the case of failure to receive the notice, within 45 days of the date of the announcement, claim its rights to the liquidation committee. In claiming its rights, the creditor shall explain the relevant issues on the creditor's rights and provide evidential materials in respect thereof. The liquidation committee shall register the creditors' rights. While claiming of creditors' rights, the liquidation committee shall not make any repayment to creditors.

After paying off the liquidation expenses, wages of employees, social insurance premiums and legal indemnities, the outstanding taxes and the debts of the Company, the remaining assets may be distributed according to the proportion of shares held by the shareholders.

AMENDMENTS TO ARTICLES

20 Amendments to the Articles of Association

The Company may amend the Articles in accordance with the requirements of law, administrative regulations, the Articles of Association and listing rules of the stock exchange where the Company's shares are [**REDACTED**]. Amendments to the matters of the Articles of Association adopted by a resolution of the shareholders' general meeting which are subject to approval from relevant competent authority shall be submitted to the competent approval authority for approval; if there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with the law. The Board shall amend the Articles of Association in accordance with the resolution of the shareholders' general meeting and the comments of the relevant competent authority.

NOTICE AND ANNOUNCEMENT

21 Notice

The notice of the Company shall be issued in the following form:

(I) Personal delivery;

(II) Transmission by telephone or other electronic communication platforms;

(III) Transmission by express courier;

(IV) Transmission by post, facsimile, email or similar methods;

(V) Other manners as authorised by the relevant regulatory authorities of the company's listing venue or as provided for in these Articles of Association.

In relation to the delivery of corporate communications to shareholders by the company pursuant to the Hong Kong Listing Rules, such communications may be sent to shareholders via the company's designated website and/or the HKEX website or electronically, subject to compliance with the laws, regulations, listing rules of the company's [**REDACTED**] venue and these Articles of Association. The aforesaid corporate communications mean any documents issued or to be issued by the company for the reference or action of shareholders or other persons required under the Hong Kong Listing Rules, including but not limited to annual reports (including annual financial statements), interim reports (including interim financial statements and notices of interim reports), directors' reports (together with balance sheets and income statements), meeting notices, listing documents, circulars, proxy forms and other

communications. Where a notice is given by announcement in pursuance of the powers set out in these Articles of Association, such announcement shall be published in accordance with the methods prescribed under the Hong Kong Listing Rules.

22 Announcement

The company's announcements shall be posted on the HKEX website and/or the company's website pursuant to the relevant requirements of the Hong Kong Listing Rules. The board of directors is authorised to determine and revise the designated information disclosure media, on the condition that such media meet the requirements of applicable laws, regulations and the listing rules of the company's [**REDACTED**] venue.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on April 16, 1998 and was converted into a joint stock company with limited liability under the laws of the PRC on September 21, 2020. Our registered office is situated at Room 301, Building 2, No. 10, Jiuxianqiao Road, Chaoyang District, Beijing, the PRC. As of the Latest Practicable Date, the registered capital of our Company was RMB50,901,934.

Our Company has established a principal place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on December 31, 2025. Mr. Chow Tsz Ho has been appointed as the authorized representative of our Company for acceptance of service of process and notices required to be served on our Company in Hong Kong. The address for acceptance of service of process and notices is the same as our principal place of business in Hong Kong.

As our Company was established in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of PRC laws and principal regulatory provisions is set out in "Regulatory Overview." A summary of the Articles of Association is set out in Appendix III to this document.

2. Changes in the Share Capital of Our Company

On April 16, 1998, our Company was established with a registered capital of RMB100,000. On September 21, 2020, our Company was converted into a joint stock company with limited liability under the laws of the PRC with a registered share capital of RMB10,000,000 divided into 10,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then existing Shareholders.

Save as disclosed in "History, Development and Corporate Structure" of this document, there has been no alteration in the registered capital of our Company within the two years immediately preceding the date of this document.

Immediately after the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares (assuming no exercise of the [**REDACTED**]), our registered share capital will be RMB[**REDACTED**], consisting of [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares, which represent approximately [**REDACTED**]% and [**REDACTED**]% of our total issued share capital, respectively.

3. Changes in the Share Capital of Our Subsidiaries

Particulars of our subsidiaries are included in the Accountants' Report in Appendix I to this document.

Save as disclosed below, there has been no alteration in the registered capital or share capital of any of our subsidiaries within the two years immediately preceding the date of this document:

(1) Yanwen Belgium: on July 4, 2024, Yanwen Belgium was incorporated in Belgium with an issued share capital of EUR10,000. On January 9, 2026, the issued share capital of Yanwen Belgium was increased to EUR10,010,000.

(2) Yanwen Puerto Rico: on July 19, 2024, Yanwen Puerto Rico was incorporated in the Commonwealth of Puerto Rico with 100% of its membership interest owned by Yanwen Belgium.

(3) Yanwen Holding America: on August 19, 2024, Yanwen Holding America was incorporated in Delaware, the United States with an issued share capital of USD1,000.

(4) Shanghai Mindatong: on November 12, 2025, Shanghai Mindatong was established in the PRC with a registered capital of RMB1,000,000.

4. Resolutions Passed by Our Shareholders' Meeting in Relation to the [REDACTED]

At the general meeting of our Company held on January 12, 2026, the following resolutions, among others, were passed by our Shareholders:

(1) the [**REDACTED**] be approved and the Board and its authorized representatives be authorized to handle all matters relating to, among others, the [**REDACTED**] and the [**REDACTED**] of our H Shares on the Stock Exchange;

(2) the issuance by our Company of the H Shares with a nominal value of RMB1.00 each and such H Shares be [**REDACTED**] on the Stock Exchange. The number of H Shares to be issued shall not be more than 25% of our enlarged total issued share capital immediately following the [**REDACTED**] (assuming no exercise of the [**REDACTED**]) and the number of H Shares to be issued under the [**REDACTED**] shall not be more than 15% of the number of H Shares issued pursuant to the [**REDACTED**];

(3) our Company be authorized to apply to the CSRC for the Conversion of Unlisted Shares into H Shares;

(4) subject to the completion of the [**REDACTED**], the granting of a general mandate to our Board to allot and issue Shares at any time within a period up to the date of the conclusion of the first annual general meeting of our Shareholders after the [**REDACTED**] or the date on which our Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as our Board in its absolute discretion deems fit, and to complete all necessary procedures, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue as of the [**REDACTED**];

(5) subject to the completion of the [**REDACTED**], the granting of a general mandate to our Board to exercise all the powers of our Company to repurchase H Shares [**REDACTED**] on the Stock Exchange at any time within a period up to the date of the conclusion of the first annual general meeting of our Shareholders after the [**REDACTED**] or the date on which our Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, and to complete all necessary procedures, provided that, the number of H Shares to be repurchased shall not exceed 10% of the number of H Shares in issue as of the [**REDACTED**]; and

(6) subject to the completion of the [**REDACTED**], the conditional adoption of the Articles of Association, which shall become effective on the [**REDACTED**], and the Board be authorized to revise and amend the Articles of Association, in accordance with the requirements of the applicable laws, regulations and Listing Rules.

5. Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

(1) Reasons for Repurchase

Our Directors believe that the repurchase of H Shares would be beneficial to and in the best interests of our Company and Shareholders as a whole. It can strengthen the investors' confidence in our Company and promote a positive effect on maintaining our Company's reputation in the capital market. Such repurchases will only be made when our Board believes that such repurchases will benefit our Company and Shareholders as a whole.

(2) Exercise of the General Mandate to Repurchase H Shares

Pursuant to the resolutions passed by the general meeting of our Shareholders held on January 12, 2026, our Board was granted general mandate to repurchase H Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the date of the conclusion of the next annual general meeting of our Shareholders or the date on which our Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier.

Furthermore, we need to complete necessary procedures with relevant government authorities for the actual grant of the general mandate to repurchase H Shares to our Board, as applicable. The exercise in full of the general mandate to repurchase H Shares (on the basis of [**REDACTED**] H Shares in issue as of the [**REDACTED**]) would result in a maximum of [**REDACTED**] H Shares being repurchased by our Company during the relevant period, being the maximum of 10% of the H Shares in issue as of the [**REDACTED**].

(3) Source of Funds

In repurchasing H Shares, our Company intends to apply funds from our Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

Our Company is entitled under the Articles of Association to repurchase our Shares. Any repurchases by our Company may only be made out of either the funds of our Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose. Our Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(4) Suspension of Repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(5) Trading Restrictions

A listed company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than (i) a new issue of shares, or a sale or transfer of treasury shares under a capitalisation issue, (ii) a grant of share awards or options under a share scheme that complies with Chapter 17 of the Listing Rules or a new issue of shares or a transfer of treasury shares upon vesting or exercise of share awards or options under the share scheme that complies with Chapter 17 of the Listing Rules, and (iii) a new issue of shares or a transfer of treasury shares pursuant to an exercise of warrants, share options or similar instruments requiring the Company to issue shares or transfer treasury shares, which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange.

In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

A listed company may not repurchase its shares if that repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

A listed company is required to procure that the broker appointed by it to affect a repurchase of securities disclose to the Stock Exchange such information with respect to the repurchase made on behalf of the listed company as the Stock Exchange may require.

(6) Close Associates and Core Connected Persons

None of our Directors or any of their close associates have a present intention, in the event the general mandate to repurchase H Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase H Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, supervisor, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

(7) Status of Repurchased Shares

Subject to the Articles of Association, the Listing Rules and any other applicable laws and regulations, the H Shares repurchased by our Company will be cancelled or transferred within certain period and our Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares if such H Shares were cancelled.

(8) Takeover Implications

If, as a result of any repurchase of H Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as disclosed above, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase H Shares.

(9) General

If the general mandate to repurchase H Shares was to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase H Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

Our Directors will exercise the general mandate to repurchase H Shares in accordance with the Listing Rules and the applicable laws in the PRC.

6. Restriction on Share Repurchase

For details of the restrictions on the share repurchase by our Company, see "Appendix III — Summary of the Articles of Association."

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

(1) the [**REDACTED**].

2. Intellectual Property Rights of Our Group

(1) Trademarks

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following trademark which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Registration number	Registered owner	Class	Expiry date
1. . .		PRC	7205127	Our Company	39	March 20, 2031

As of the Latest Practicable Date, we have applied for the registration of the follow trademark which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Applicant	Class	Application number	Application date
1. . .	A	Hong Kong	Our Company	39	307175377	January 29, 2026
	B					
	C					
2. . .		Hong Kong	Our Company	39	307072678	October 28, 2025
3. . .	YANWEN EXPRESS	U.S.	Yanwen Express America	39	99543303	December 11, 2025

(2) Patents

As of the Latest Practicable Date, we have registered the following patents which we consider to be or may be material to our business:

No.	Title of patent	Place of registration	Registration number	Registered owner	Patent type	Filing date	Expiry date
1. . .	A multilayer reverse sorting apparatus (一種多層翻盤分揀裝置)	PRC	202421527391.8	Our Company	Utility model	July 1, 2024	June 30, 2034
2. . .	A component supply station equipped with a conveyor belt featuring a baffle (一種帶擋板皮帶的供件台)	PRC	202420512297.9	Our Company	Utility model	March 15, 2024	March 14, 2034
3. . .	A ratchet unloading cart (一種棘輪卸載小車)	PRC	202321837247.X	Our Company	Utility model	July 13, 2023	July 12, 2033
4. . .	A parcel sorting device for package relabeling and re-routing (一種包裹換簽分揀裝置)	PRC	202221574709.9	Our Company	Utility model	June 22, 2022	June 21, 2032

No.	Title of patent	Place of registration	Registration number	Registered owner	Patent type	Filing date	Expiry date
5. . .	A comeback-style parcel sorting machine (一種翻盤式包裹分揀機)	PRC	202111549488.X	Yanwen Information	Invention	December 17, 2021	December 16, 2041
6. . .	A comeback-style parcel sorting machine (一種翻盤式包裹分揀機)	PRC	202123194662.1	Yanwen Information	Utility model	December 17, 2021	December 16, 2031

(3) Copyrights

As of the Latest Practicable Date, we have registered the following copyrights which we consider to be or may be material to our business:

No.	Title of copyright	Place of registration	Registered owner	Registered number	Registration date
1. . .	Yanwen Logistics Dedicated Line Platform V1.0 (燕文物流專線平臺V1.0)	PRC	Our Company	2015SR100442	June 6, 2015
2. . .	Yanwen Logistics Mail Handling Platform V1.0 (燕文物流郵件操作平臺V1.0)	PRC	Our Company	2015SR097035	June 3, 2015
3. . .	Yanwen Logistics Customer Management System V1.0 (燕文物流客戶管理系統V1.0)	PRC	Our Company	2015SR098622	June 4, 2015
4. . .	Yanwen Logistics Receiving System V1.0 (燕文物流收件系統V1.0)	PRC	Our Company	2015SR100332	June 6, 2015
5. . .	Yanwen Logistics Alert System V1.0 (燕文物流警報系統V1.0)	PRC	Our Company	2015SR098284	June 4, 2015
6. . .	Yanwen Logistics Customs Clearance Management System V1.0 (燕文物流報關管理系統V1.0)	PRC	Our Company	2015SR098282	June 4, 2015

No.	Title of copyright	Place of registration	Registered owner	Registered number	Registration date
7. . .	Yanwen Logistics Financial Management System V1.0 (燕文物流財務管理系統V1.0)	PRC	Our Company	2015SR098904	June 4, 2015
8. . .	Yanwen Logistics Work Order Management System V1.0 (燕文物流工單管理系統V1.0)	PRC	Our Company	2015SR098869	June 4, 2015
9. . .	Yanwen Logistics Online Shipping Platform V1.0 (燕文物流線上發貨平臺V1.0)	PRC	Our Company	2015SR100592	June 6, 2015
10. .	Yanwen Logistics Returns Management System V1.0 (燕文物流退件管理系統V1.0)	PRC	Our Company	2015SR100339	June 6, 2015
11. .	Yanwen Logistics Small and Medium E-commerce Data Platform V1.0 (燕文物流中小電商數據平臺V1.0)	PRC	Our Company	2015SR100721	June 8, 2015
12. .	Yanwen Logistics Report Analysis System V1.0 (燕文物流報表分析系統V1.0)	PRC	Our Company	2015SR097033	June 3, 2015
13. .	Overseas Delivery System V1.0 (海外派系統V1.0)	PRC	Yanwen Information	2025SR1813181	September 18, 2025
14. .	Supply Chain Collaboration Platform V1.0 (供應鏈協作平台[簡稱: SCP]V1.0)	PRC	Yanwen Information	2025SR1803387	September 17, 2025

No.	Title of copyright	Place of registration	Registered owner	Registered number	Registration date
15. .	Yanwen Last-mile Delivery Business Management System V1.0.0 (燕文尾程派送業務管理系統 V1.0.0)	PRC	Our Company	2024SR1295213	September 3, 2024
16. .	Yanwen Logistics Supplier Automatic Forecasting System V1.0 (燕文物流供應商自動預報系統 [簡稱: YCS]V1.0)	PRC	Yanwen Information	2024SR1415145	September 24, 2024
17. .	Yanwen Express Management System V3.0 (燕文快件管理系統[簡稱: MES] V3.0)	PRC	Yanwen Information	2024SR1250893	August 27, 2024
18. .	Yanwen International Trunk Line System V1.0 (燕文境外幹線系統[簡稱: OTS] V1.0)	PRC	Yanwen Information	2024SR1250552	August 27, 2024
19. .	Supplier Portal System V1.0 (供應商門戶系統[簡稱: SYS]V1.0)	PRC	Yanwen Information	2024SR1250853	August 27, 2024
20. .	Consolidated Freight Management System V1.0 (集運管理系統 [簡稱: EPC]V1.0)	PRC	Yanwen Information	2023SR0496192	April 24, 2023
21. .	Service Lifecycle Management System V2.0.0 (服務生命周期管理系統[簡稱: SLM]V2.0.0)	PRC	Yanwen Information	2023SR0488112	April 20, 2023
22. .	Freight Forwarding System Version 1.0 (貨代系統[簡稱: FFS] V1.0)	PRC	Yanwen Information	2023SR0482010	April 19, 2023

No.	Title of copyright	Place of registration	Registered owner	Registered number	Registration date
23. .	Product Lifecycle Management System V2.1 (產品生命周期管理系統[簡稱: PLM系統]V2.1)	PRC	Yanwen Information	2022SR1560919	November 23, 2022
24. .	Delivery Management System V2.7 (末端配送管理系統[簡稱: DMS系統]V2.7)	PRC	Yanwen Information	2022SR1556151	November 22, 2022
25. .	Customer Service Center System V1.20.2 (客戶服務中心系統[簡稱: PortaL系統]V1.20.2)	PRC	Yanwen Information	2022SR1556150	November 22, 2022
26. .	Fixed Asset Management System V1.0 (固定資產管理系統[簡稱: 固資系統]V1.0)	PRC	Yanwen Information	2021SR1565538	October 26, 2021
27. .	File Management System V1.0 (文件管理系統[簡稱: 文件系統]V1.0)	PRC	Yanwen Information	2021SR1565531	October 26, 2021
28. .	Labor Management System V1.0 (勞務管理系統 [簡稱: 勞務系統]V1.0)	PRC	Yanwen Information	2021SR1565524	October 26, 2021

(4) Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be or may be material to our business:

No.	Domain name	Registered owner	Registration date	Expiry date
1. . .	www.yw56.com.cn	Our Company	August 12, 2004	August 12, 2028
2. . .	www.yanwentech.com	Our Company	August 6, 2016	August 6, 2027
3. . .	www.yanwenexpress.com	Our Company	November 14, 2020	November 14, 2027

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(1) Interests and Short Positions of the Directors and Chief Executive of Our Company in the Shares, Underlying Shares or Debentures of Our Company and Our Associated Corporation

Immediately following the completion of the [**REDACTED**] and assuming no exercise of the [**REDACTED**], the interests or short positions of our Directors and the chief executive in any Shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which, once the H Shares are [**REDACTED**], will be required (a) to be notified to our Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, are as follows:

Interests in the Shares of Our Company

Name of Director/ chief executive	Nature of interest	Number of Shares	Description of Shares	Approximate percentage of shareholding in our total issued share capital[(1)]
Mr. Zhou[(2)(3)]	Beneficial interest	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
	Interest of spouse	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%

Name of Director/ chief executive	Nature of interest	Number of Shares	Description of Shares	Approximate percentage of shareholding in our total issued share capital[1]
	Interest in controlled corporation	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Ms. Zeng[2][3]	Beneficial interest	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
	Interest of spouse	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
	Interest in controlled corporation	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Mr. Xie Zhiwei[4] .	Beneficial interest	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Mr. Lyu Lei[5]. . . .	Beneficial interest	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]%

Notes:

(1) The calculation is based on the total number of [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares in issue immediately after completion of the [**REDACTED**] (assuming no exercise of the [**REDACTED**]) and the Conversion of Unlisted Shares into H Shares. Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company and are considered as one class of Shares.

(2) Mr. Zhou and Ms. Zeng are spouses. Therefore, Mr. Zhou and Ms. Zeng are deemed to be interested in the Shares interested by each other by virtue of the SFO.

(3) Our Company is owned as to approximately 7.84% by Hengqin Biaosheng, which is in turn owned as to (i) 1.00% by Mr. Zhou as its general partner, and (ii) approximately 44.00% by Ms. Zeng as its limited partner. Therefore, each of Mr. Zhou and Ms. Zeng is deemed to be interested in the Shares directly held by Hengqin Biaosheng by virtue of the SFO.

(4) Mr. Xie Zhiwei is interested in a total of 141,585 underlying Shares through Hengqin Biaosheng under the [**REDACTED**] ESOP.

(5) Mr. Lyu Lei is interested in a total of 182,693 underlying Shares through Hengqin Biaosheng under the [**REDACTED**] ESOP.

(2) Interests and Short Positions of Substantial Shareholders in the Shares and Underlying Shares

Save as disclosed in "Substantial Shareholders" of this document, our Directors are not aware of any other person who will, immediately following the [**REDACTED**], have an interest or short position in the Shares or underlying shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company.

As of the Latest Practicable Date, our Directors are not aware of any person who will, immediately following the [**REDACTED**], be interested in 10% or more of the nominal value of the share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group (other than our Company).

2. Particulars of Service Contracts and Letters of Appointment

Each of our Directors [has entered] into a service contract or letter of appointment with our Company. The service contracts and letters of appointment (a) are for a term of three years commencing from the date on which the relevant Shareholders' approvals for the appointment were obtained and (b) are subject to termination in accordance with their respective terms. The service contracts and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

3. Compensation of Directors

Save as disclosed in "Directors and Senior Management", none of our Directors received other remuneration or benefits in kind from our Company in respect of each of the financial years ended December 31, 2023, 2024 and 2025.

4. Agency Fees or Commissions Received

Save as disclosed in "[**REDACTED**]" and this Appendix IV, none of the Directors or any of the persons whose names are listed under "— F. Other Information — 9. Consent of Experts" had received any commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this document.

5. Disclaimers

(1) Save as disclosed in "Substantial Shareholders" and "— C. Further Information about Our Directors and Substantial Shareholders — 1. Disclosure of Interests," none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies once the H Shares are [**REDACTED**] on the Stock Exchange.

(2) Except for our executive Directors, none of our Directors or experts referred to under "— F. Other Information — 8. Qualification of Experts" has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

(3) None of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group.

(4) Save as disclosed in "Substantial Shareholders" and "— C. Further Information about Our Directors and Substantial Shareholders — 1. Disclosure of Interests," taking no account of Shares which may be taken up under the [**REDACTED**], none of our Directors or chief executive is aware of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [**REDACTED**], have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

(5) So far as is known to our Directors, none of our Directors, their respective associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

D. [REDACTED] ESOP

We granted share awards from 2016 to 2025 pursuant to the then effective scheme rules of employee stock ownership plans or grant agreements. We further adopted the [**REDACTED**] ESOP on December 30, 2025, which amended, restated and superseded all historical scheme rules and was applicable to all share awarded previously granted by our Company. The [**REDACTED**] ESOP is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of new awards by our Company after the [**REDACTED**].

The following is a summary of the principal terms of the [**REDACTED**] ESOP.

1. Purposes

The purpose of the [**REDACTED**] ESOP is to promote the long-term development of our Group and to motivate talents to work with an entrepreneurial spirit and grow together with our Group.

2. Eligible Participants

Participants eligible to receive the awards under the [**REDACTED**] ESOP shall be the management team members holding the positions of vice director or above and other core personnel of our Group, as determined in compliance with applicable laws and regulations, articles of associations and this [**REDACTED**] ESOP.

3. Granting

The Shares underlying the awards granted to the eligible participants pursuant to the [**REDACTED**] ESOP are directly held by Hengqin Biaosheng, our employee stock ownership platform. Awards are granted to the eligible participants under the [**REDACTED**] ESOP in the form of partnership interests in Hengqin Biaosheng.

4. Lock-up, Transferability and Repurchase

The awards granted to the eligible participants shall not be disposed during the period commencing from the date of grant or the date on which such participants receive the awards as specified in the respective grant agreements, until the expiry of sixty (60) months therefrom (the "**Lock-up Period**"). In the special circumstances during the Lock-up Period such as (i) termination of employment with our Group by the grantees including dismissal or voluntary resignation, (ii) exiting the partnership in accordance with applicable laws, (iii) disability or death of the grantees, or (iv) other special circumstances as determined by the Company, the general partner of Hengqin Biaosheng or other third parties designated by it may acquire the awards granted to such grantee pursuant the [**REDACTED**] ESOP.

Upon expiry of the Lock-up Period, the grantees may dispose of the awards in accordance with applicable laws and regulations, provided that no more than 50% of the underlying Shares held by the grantees shall be disposed of per annum.

5. Details of the Share Awards Granted

As of the Latest Practicable Date, an aggregate of 2,195,614 Shares, representing approximately 4.31% and [**REDACTED**]% of the total issued share capital of our Company immediately before and after the completion of the [**REDACTED**] (assuming no exercise of [**REDACTED**]), underlying the share awards granted by our Company to a total of 23 eligible participants under the [**REDACTED**] ESOP, were held by Hengqin Biaosheng, our employee stock ownership platform.

Details of the abovementioned share awards under the [**REDACTED**] ESOP as of the Latest Practicable Date are set out below:

Name of participants	Position	Number of underlying Shares of the share awards	Approximate percentage of total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of enlarged total issued share capital of our Company immediately after completion of the [REDACTED][(1)]
Directors				
Mr. Lyu Lei	Executive Director and director of information technology center	182,693	0.36%	[**REDACTED**]%
Mr. Xie Zhiwei	Executive Director, vice general manager and senior director of information technology center	141,585	0.28%	[**REDACTED**]%
Senior management members (excluding those who are also Directors)				
Ms. Wei Yajun	Vice general manager and financial director	182,928	0.36%	[**REDACTED**]%
Mr. Qin Pinqiang . . .	Vice general manager, secretary of the Board and joint company secretary	98,781	0.19%	[**REDACTED**]%
Mr. Wang Hua	Vice general manager and senior director of operation center	114,181	0.22%	[**REDACTED**]%

Name of participants	Position	Number of underlying Shares of the share awards	Approximate percentage of total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of enlarged total issued share capital of our Company immediately after completion of the [REDACTED][(1)]
Connected persons (excluding those who are also Directors or senior management members)				
Mr. Gao Shuli (高樹立)	Supervisor of Yanwen Information	137,019	0.27%	[**REDACTED**]%
Mr. Wang Dalin (王大林)	Senior director of customer service department of our Company and supervisor of Qianhai Yanwen	113,295	0.22%	[**REDACTED**]%
Mr. Liao Wenfeng (廖文鋒)	Senior director of U.S. operation center of our Company and supervisor of Hangzhou Anzhi	114,181	0.22%	[**REDACTED**]%
Mr. Li Minglong (李明龍)	Senior U.S. regional director of our Company and executive director of Qianhai Yanwen	146,998	0.29%	[**REDACTED**]%
Mr. Dai Jiadi (戴嘉迪)	Regional director of emerging markets of our Company and director of Shanghai Mindatong	32,924	0.06%	[**REDACTED**]%
Mr. Zeng Wei (曾維)[(2)]	Senior director of general business department of our Company and associate of Ms. Zeng	98,781	0.19%	[**REDACTED**]%

Name of participants	Position	Number of underlying Shares of the share awards	Approximate percentage of total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of enlarged total issued share capital of our Company immediately after completion of the [REDACTED][(1)]
Other grantees				
Mr. Jia Shanming (賈山明)	Senior director of strategic account sales department	137,019	0.27%	[**REDACTED**]%
Mr. Zhu Haibin (朱海斌)	Senior director of key account sales department	114,181	0.22%	[**REDACTED**]%
Mr. Luo Qiang (羅強)	Sales of strategic account	91,344	0.18%	[**REDACTED**]%
Mr. Cong Zheming (叢哲明)	Senior director of platform account department	137,019	0.27%	[**REDACTED**]%
Mr. Chen Lequn (陳樂群)	Senior system architect	21,951	0.04%	[**REDACTED**]%
Ms. Liu Chen (劉晨)	Regional director of emerging market one	76,830	0.15%	[**REDACTED**]%
Ms. Kang Jingjing (康京晶)	Vice financial director	16,462	0.03%	[**REDACTED**]%
Ms. Chen Yi (陳宜)	Europe regional director	49,391	0.10%	[**REDACTED**]%
Mr. Wang Hongsheng (汪紅升)	Director of south China international capacity department	32,928	0.06%	[**REDACTED**]%
Mr. Zhang Jun (張軍)	Director of customs affairs department	32,928	0.06%	[**REDACTED**]%
Ms. Zhang Liang (張靚)	Director of human resources department	13,612	0.03%	[**REDACTED**]%
Mr. Dong Yuliang (董玉良)[(3)]	Former employee	108,581	0.21%	[**REDACTED**]%

Notes:

(1) The calculation is based on the number of Shares in issue immediately following the completion of the [**REDACTED**] (assuming no exercise of the [**REDACTED**]).

(2) Mr. Zeng Wei (曾維) is the brother of Ms. Zeng, who is the vice chairwoman of the Board, executive Director, general manager and one of our Controlling Shareholders. Therefore, Mr. Zeng Wei is an associate of Ms. Zeng and a connected person of our Company under the Listing Rules.

(3) Mr. Dong Yuliang (董玉良) is a former employee of our Group, an Independent Third Party, who previously served as a supervisor and the senior director of our U.S. operation center.

As all the underlying Shares subject to the [**REDACTED**] ESOP had already been issued to the employee stock ownership platform, the [**REDACTED**] ESOP will not have (i) any further dilution effect on the shareholding of our Shareholders after the [**REDACTED**] or (ii) any further dilution effect or impact on the earnings per share of our Company.

E. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SENIOR MANAGEMENT

Certain of our Directors and senior management previously served at companies which were deregistered, revoked or struck off during their tenure or within 12 months after their tenure, details of which are set out below.

Name of Director/Senior management	Name of company	Position previously held	Place of incorporation	Nature of business	Status of company	Reason for deregistration/revocation/ strike-off
Mr. Zhou . . .	Hefei Yanwen Logistics Co., Ltd. (合肥燕文物流有限公司) ("**Hefei Yanwen**")	Legal representative and manager	PRC	Logistics services	Deregistered on June 2, 2020	Operations ceased due to our business development and strategic optimization
	Shenzhen Qianhai Yanwen International Supply Chain Management Co., Ltd. (深圳前海燕文國際供應鏈管理有限公司)	Legal representative and general manager	PRC	Logistics services	Deregistered on January 2, 2024	
	Beijing Jintai Yonghui E-commerce Co., Ltd. (北京金泰永輝電子商務有限公司) ("**Jintai Yonghui**")	Legal representative, executive director, manager and shareholder	PRC	Sales of general merchandise	Deregistered on December 18, 2020	Operations not in line with our overall business strategies
	Beijing Shuangqi Smart Technology Co., Ltd. (北京雙旗智慧科技有限公司) ("**Beijing Shuangqi**")	Chairman of the board, legal representative and shareholder	PRC	Technology development and consulting	Deregistered on August 26, 2021	
	Shanghai Yanhai Ecommerce Co., Ltd. (上海燕海電子商務有限公司) and its branches	General manager and shareholder (principal of branches)	PRC	Sales of general merchandise	Deregistered on December 7, 2020 (branches deregistered from October 2017 to June 2019)	

Name of Director/Senior management	Name of company	Position previously held	Place of incorporation	Nature of business	Status of company	Reason for deregistration/revocation/ strike-off
	Nanjing Yan'an Import and Export Trading Co., Ltd. (南京燕安進出口貿易有限公司) ("**Nanjing Yan'an**")	Legal representative, executive director and shareholder	PRC	Sales of general merchandise	Deregistered on May 9, 2017	Operations not developing as anticipated
	Chongqing Xingrentong Import and Export Trading Co., Ltd. (重慶興任通進出口貿易有限公司) ("**Chongqing Xingrentong**")	Legal representative, executive director, manager and shareholder	PRC	Logistics services and sales of general merchandise	Deregistered on September 29, 2017	
	Guangzhou Anping Trading Co., Ltd. (廣州安平貿易有限公司) ("**Guangzhou Anping**")	Legal representative, executive director, general manager and shareholder	PRC	International freight forwarding	Deregistered on March 9, 2019	
	Shenzhen Shuangqi E-commerce Co., Ltd. (深圳市雙旗電子商務有限公司) ("**Shenzhen Shuangqi**")	Legal representative, executive director and shareholder	PRC	Online sales of general merchandise	Deregistered on April 2, 2019	
	Shanghai Wenyan Freight Forwarding Co., Ltd. (上海文燕貨運代理有限公司)	Shareholder	PRC	Logistics services	Deregistered on February 24, 2017	
	Beijing Yanwen Logistics Co., Ltd. Consulting Services Branch (北京燕文物流有限公司諮詢服務分公司)	Principal	PRC	Consulting services	Deregistered on July 24, 2007	
	Shanghai Yanwen Express Co., Ltd. (上海燕文速遞有限公司)	Supervisor and shareholder	PRC	Express services	Revoked on December 28, 2001	Operations ceased as a business decision, resulting in the non-submission of regulatory filings
	Yan Wen International Limited (燕文國際有限公司)	Director and shareholder	Hong Kong	International freight forwarding	Dissolved by deregistration on April 1, 2021	Dissolved to avoid potential competition
	Yanwen Logistics America, Inc.	Shareholder	United States	Logistics services	Dissolved on November 5, 2019	

Name of Director/Senior management	Name of company	Position previously held	Place of incorporation	Nature of business	Status of company	Reason for deregistration/revocation/ strike-off
	Yan Wen International Limited (燕文國際有限公司) ("**Yan Wen International**")	Director	Hong Kong	N/A	Dissolved by striking off on January 25, 2008	No business operation for an extended period
	Variety Will International Limited	Shareholder	British Virgin Islands	N/A	Dissolved on May 3, 2021	
	Aiming Champion International Limited (標勝國際有限公司)	Director	Hong Kong	N/A	Dissolved by deregistration on December 13, 2019	
Ms. Zeng . . .	Hefei Yanwen	Executive director	PRC	Logistics services	Deregistered on June 2, 2020	Operations ceased due to our business development and strategic optimization
	Beijing Shuangqi	Director	PRC	Sales of general merchandise	Deregistered on August 26, 2021	Operations not in line with our overall business strategies
	Smart Partner (Shanghai) Supply Chain Management Co., Ltd. (聰明夥伴(上海)供應鏈管理有限公司)	Supervisor	PRC	Supply chain management and technology development	Deregistered on January 2, 2020	
	Jintai Yonghui	Supervisor	PRC	Sales of general merchandise	Deregistered on December 18, 2020	
	Shanghai Yan'an Ecommerce Co., Ltd. (上海燕安電子商務有限公司)	Supervisor	PRC	Sales of general merchandise	Deregistered on December 30, 2019	
	Shenzhen Shuangqi	General manager and shareholder	PRC	Online sales of general merchandise	Deregistered on April 2, 2019	Operations not developing as anticipated
	Nanjing Yan'an	Supervisor and shareholder	PRC	Sales of general merchandise	Deregistered on May 9, 2017	
	Chongqing Xingrentong	Supervisor and shareholder	PRC	Logistics services and sales of general merchandise	Deregistered on September 29, 2017	
	Guangzhou Anping	Director and shareholder	PRC	International freight forwarding	Deregistered on March 9, 2017	
	Yan Wen International	Director	Hong Kong	N/A	Dissolved by striking off on January 25, 2008	No business operation for an extended period

Name of Director/Senior management	Name of company	Position previously held	Place of incorporation	Nature of business	Status of company	Reason for deregistration/revocation/ strike-off
	Variety Will International Limited	Shareholder	British Virgin Islands	N/A	Deregistered on May 3, 2021	
Mr. Xie Zhiwei (謝志偉) . .	Beijing Shuangqi and its branch	Legal representative, director and manager (principal of branch)	PRC	Technology development and consulting	Deregistered on August 26, 2021 (branch deregistered on December 17, 2018)	Operations not in line with our overall business strategies
Mr. Zhu Cheng (朱成) . . .	Shanghai Xinjia Trading Co., Ltd. (上海新佳商貿有限公司)	Supervisor and shareholder	PRC	Sales of general merchandise	Deregistered on November 12, 2024	Operations not developing as anticipated
Mr. Zhao Zhenzhi (趙振志) . .	Zhuhai Xinhongyuan Investment Partnership (Limited Partnership) (珠海市鑫鴻遠投資合夥企業(有限合夥))	Shareholder	PRC	Investment holding	Deregistered on February 14, 2019	Deregistered following disposal of its invested company
	Zhuhai Hongyijia Investment Partnership (Limited Partnership) (珠海市鴻益佳投資合夥企業(有限合夥))	Shareholder	PRC	Investment holding	Deregistered on July 10, 2019	
	Shanghai Kequan Information Technology Co., Ltd. (上海科詮信息技術有限公司)	Legal representative, executive director and shareholder	PRC	Technology development and consulting	Revoked on June 18, 2013	Operations ceased as a business decision, resulting in the non-submission of regulatory filings, and deregistered in December 2025
Mr. Ni Wei (倪瑋) . . .	Beijing Jieshang Media Co., Ltd. (北京界上傳媒有限公司)	Legal representative and executive director	PRC	Retail distribution of publications	Deregistered by dissolution on January 4, 2021	Operations not developing as anticipated
	Beijing Lida Yangguang Rights and Trust Research Institute (北京立達陽光權益與信用研究所)	Legal representative, president and shareholder	PRC	Social science research	Revoked on January 10, 2007	Operations ceased as a business decision, resulting in the non-submission of regulatory filings
Mr. Wang Dong (王棟) . . .	ZUEL Alumni Association (HK) Limited (中南財經政法大學香港校友會有限公司)	Director	Hong Kong	N/A	Dissolved on December 10, 2021	No business operation for an extended period
Mr. Qin Pinqiang (秦品強) . .	Shenzhen Gengze Technology Co., Ltd. (深圳市庚澤科技有限公司)	Director	PRC	Express services	Deregistered on June 12, 2025	Operations not developing as anticipated

Name of Director/Senior management	Name of company	Position previously held	Place of incorporation	Nature of business	Status of company	Reason for deregistration/revocation/ strike-off
	Deyi Commercial Factoring (Shenzhen) Co., Ltd (德易商業保理(深圳)有限公司)	Legal representative and general manager	PRC	Financial services	Deregistered on March 15, 2021	
Mr. Wang Hua (王驊) . . .	Beijing Yanwen Logistics Co., Ltd. Changchun Branch (北京燕文物流有限公司長春分公司)	Principal	PRC	Logistics services	Deregistered by dissolution on July 11, 2019	Operations ceased due to our business development and strategic optimization
	Fuyang Waiyun Express Agency Co., Ltd. (富陽外運速遞代理有限公司)	Supervisor and shareholder	PRC	Express services	Deregistered by dissolution on March 21, 2016	Operations ceased as a business decision

F. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

During the Track Record Period and up to the Latest Practicable Date, so far as our Directors are aware, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial conditions, taken as a whole.

3. Sole Sponsor

The Sole Sponsor has declared its independence pursuant to Rule 3A.07 of the Listing Rules. Our Company has entered into engagement agreements with the Sole Sponsor, pursuant to which our Company agreed to pay US$600,000 to the Sole Sponsor to act as the sponsor to our Company in connection with the [**REDACTED**].

The Sole Sponsor has made an application on our behalf to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**] in, our H Shares. All necessary arrangements have been made to enable the H Shares to be admitted into [**REDACTED**].

4. Compliance Advisor

We appointed Somerley Capital Limited as our compliance advisor effective upon the [**REDACTED**] in compliance with Rules 3A.19 of the Listing Rules.

5. Preliminary Expenses

We have not incurred any material preliminary expenses.

6. Promoter

The promoters of our Company are all of the 14 Shareholders as of September 21, 2020 immediately before our conversion into a joint stock company with limited liability. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoter in connection with the [**REDACTED**] and the related transactions described in this document.

7. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer is effected on the [**REDACTED**] of members of our Company, including in circumstances where such transaction is affected on the Stock Exchange. The rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

8. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this document:

Name	Qualifications
Shenwan Hongyuan Capital (H.K.) Limited	Licensed corporation under the SFO for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Tian Yuan Law Firm	PRC legal advisors to our Company

Name	Qualifications
Tian Yuan Law Firm	PRC legal advisors to our Company in respect of data compliance
Deloitte Touche Tohmatsu	Certified Public Accountants Registered Public Interest Entity Auditor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

9. Consent of Experts

Each of the experts named above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or certificates and/or legal opinion (as the case may be), which is made as of the date of this document, and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

10. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided under Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

11. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Miscellaneous

(1) Within the two years immediately preceding the date of this document:

(i) save as disclosed in "Share Capital — Our Share Capital," "Structure of the [**REDACTED**] — the [**REDACTED**]" and "— A. Further Information about Our Group — 2. Changes in the Share Capital of Our Company" and "— A. Further Information about Our Group — 3. Changes in the Share Capital of Our Subsidiaries," no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) save for matters in connection with the [**REDACTED**] as disclosed in "[**REDACTED**] — [**REDACTED**] Arrangements and Expenses," no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

(iii) save for matters in connection with the [**REDACTED**] as disclosed in "[**REDACTED**] — [**REDACTED**] Arrangements and Expenses," no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries.

(2) No share or loan capital of our Company or any of our subsidiaries had been under option or agreed conditionally or unconditionally to be put under option.

(3) Our Company has no outstanding convertible debt securities or debentures.

(4) Save as disclosed in "Regulatory Overview — Laws and Regulations on Foreign Exchange," there is no restriction affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.

(5) There are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries.

(6) Our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since December 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were made up).

(7) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

(8) All necessary arrangements have been made to enable the H Shares to be admitted to [**REDACTED**].

(9) No company within our Group is [**REDACTED**] on any stock exchange or [**REDACTED**] on any trading system and at present, and our Group is not seeking or proposing to seek any [**REDACTED**] of, or permission to [**REDACTED**] in, the share or loan capital of our Company on any other stock exchange.

(10) Our Company is a joint stock company with limited liability and is subject to the PRC Company Law.

(11) There is no arrangement under which future dividends are waived or agreed to be waived.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) the written consents referred to in "Appendix IV — Statutory and General Information — F. Other Information — 9. Consent of Experts" in this document; and

(b) a copy of each of the material contracts referred to in "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.yw56.com.cn** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document;

(c) the report on unaudited [**REDACTED**] financial information of our Group from Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this document;

(d) the audited consolidated financial statements of our Group for the financial years ended December 31, 2023, 2024 and 2025;

(e) the legal opinion issued by Tian Yuan Law Firm, our PRC Legal Advisors, in respect of general corporate matters of our Group in the PRC;

(f) the legal opinion issued by Tian Yuan Law Firm, our PRC legal advisors as to data compliance laws, in respect of data compliance matters of our Group;

(g) the industry report issued by Frost & Sullivan, from which information in "Industry Overview" of this document is extracted;

(h) the material contracts referred to in "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in this document;

(i) the service contracts and letters of appointment referred to in "Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 2. Particulars of Service Contracts and Letters of Appointment" in this document;

(j) the written consents referred to "Appendix IV — Statutory and General Information — F. Other Information — 9. Consent of Experts" in this document;

(k) the terms of the [**REDACTED**] ESOP; and

(l) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures together with their unofficial English translation.