

FINANCIAL INFORMATION

You should read the following discussion and analysis with our audited consolidated financial information, including the notes thereto, included in the Accountants’ Report in Appendix I to this document. Our consolidated financial information has been prepared in accordance with the IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed “Risk Factors” and “Business.”

For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a recognized integrated supply chain logistics solutions provider in China. According to CIC, we ranked first in revenue from production logistics solutions in 2025 among comprehensive integrated supply chain logistics solutions providers in China; and we are the largest integrated supply chain logistics solutions provider for China’s home appliance industry by revenue in 2025, according to CIC.

We have achieved significant growth and demonstrated robust profitability during the Track Record Period. In 2023, 2024 and 2025, we recorded revenue of RMB16.2 billion, RMB18.7 billion and RMB21.5 billion, respectively, representing a CAGR of 15.0%. Our net profit was RMB288.0 million, RMB380.3 million and RMB449.4 million in 2023, 2024 and 2025, respectively, with a CAGR of 24.9%, primarily driven by the continued expansion of our integrated supply chain logistics solutions. Our adjusted EBITDA (non-IFRS measure) for 2023, 2024 and 2025 was RMB1,113.8 million, RMB1,266.6 million and RMB1,519.4 million, respectively, with a CAGR of 16.8%.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, including but not limited to the following:

Macroeconomic conditions and demand for integrated supply chain logistics solutions

Our results of operations are significantly influenced by macroeconomic conditions, including government policies relating to the logistics industry, and the overall demand for integrated supply chain logistics solutions in China. In particular, demand for our solutions is affected by consumer demand for products manufactured, distributed or sold by our enterprise customers, which is, in turn, affected by a range of macroeconomic and industry-specific factors, including levels of per capita disposable income, consumer spending trends and overall business activity in China.

FINANCIAL INFORMATION

Among end markets, the FMCG sector is projected to be one of the fastest-growing market segment for integrated supply chain logistics solutions. Meanwhile, the automotive and auto parts sector, the FMCG sector, as well as the home appliances and home furnishings sectors are currently some of the largest market segments for integrated supply chain logistics solutions.

In addition, amid the growing trend of Chinese enterprises expanding overseas, a large number of manufacturing companies are exploring opportunities to export both products and production capacity. The overseas supply chain logistics market for Chinese enterprises is positioned to become a new growth area.

As supply chain operations become increasingly complex, and as enterprise customers continue to seek solutions to improve operational efficiency, end-to-end visibility, agility and responsiveness across their supply chains, we expect a continued shift toward outsourcing logistics functions to third-party providers capable of delivering integrated supply chain logistics solutions.

The rate of demand growth across key industry verticals, as well as the pace at which enterprises adopt integrated supply chain logistics solutions, will be important factors influencing our performance and results of operations.

Our ability to continually build and advance our integrated solutions

Our digitalized, integrated supply chain logistics solutions enable customers to focus on their core business activities while leveraging our solutions to manage complex supply chain operations, from inbound logistics and finished goods storage in regional hubs CDCs, finished goods distribution, to integrated last-mile delivery & installation. Through our solutions, our customers are able to integrate resources, enhance supply chain efficiency, accelerate production and distribution cycles, better align supply with production and production with customer demand, and optimize both operational and logistics costs.

We have consistently invested in infrastructure, technology, and service capabilities to enhance our offerings and expand our solutions across additional industry verticals and to overseas markets. Domestically, we have established an extensive infrastructure network in China, comprising warehouses, service centers and a flexible transportation capacity. We have also developed a suite of proprietary technologies that power our operations, including algorithm-powered intelligent supply chain platform and automation. Our infrastructure and technologies enable coordinated operations of warehousing, distribution, transportation, and integrated last-mile delivery & installation. For example, in our engagements with Midea Group, we designed warehouse network layouts for the washing machines division and the residential air conditioning division based on the locations of their respective plants and the distribution patterns of their respective orders to manage pooled inventory. We optimized the respective networks for delivery speed and cost efficiency, enabling each business unit to unify its online and offline fulfillment processes.

Our solutions have been successfully applied across multiple verticals, including home appliances and home furnishings, FMCG, such as personal care, beverages and alcohol, and new energy. Building on this foundation, we are actively replicating our service model to address the needs of additional sectors, such as automotive and auto parts and new energy (photovoltaic products) sectors. We are also preparing to extend our advanced domestic supply chain technologies and operational capabilities to overseas markets, with the goal of delivering high-quality, tailored supply chain logistics solutions to Chinese enterprises operating overseas.

FINANCIAL INFORMATION

Our ability to continuously innovate and expand our integrated solutions to meet evolving customer needs across different industries and geographies will affect our future growth and results of operations.

Our ability to attract new customers and deepen relationships with existing customers

During the Track Record Period, our business experienced significant growth. Our total revenue increased by 15.0% from RMB16.2 billion in 2023 to RMB18.7 billion in 2024 and increased by 14.9% to RMB21.5 billion in 2025. Such growth was in part driven by our success in both acquiring new customers and deepening relationships with existing customers through the expansion of our service offerings. The number of customers who have engaged with us for over three years has increased from 1,677 in 2023 to 2,388 in 2024, and further to 3,271 in 2025.

Through our integrated supply chain logistics solutions, we seek and deepen strategic partnerships with industry leaders, especially in the home appliances, home furnishings and FMCG sectors. By addressing key challenges across the supply chain, from production and distribution to last-mile delivery, we have positioned ourselves as a long-term strategic partner, enabling our customers’ sustainable growth and continue to expand our service scope with our existing customers. This close collaboration has empowered us to scale alongside industry leaders, while building a distinct competitive edge by identifying and fulfilling supply chain needs of businesses across their value chains. As a result, our customer base for integrated supply chain logistics solutions increased from 3,961 in 2023 to 5,399 in 2024, and further to 13,815 in 2025. In addition, the number of key customers, those who used our integrated supply chain logistics solutions and contributed more than RMB30.0 million in annual revenue, amounted to 64 customers, 80 customers and 71 customers in 2023, 2024 and 2025, respectively.

Our continued growth will depend, in part, on our ability to attract new customers across industries and to broaden the scope of services provided to existing customers, reinforcing long-term partnerships.

Our ability to manage costs and optimize operating leverage and efficiency to stay competitive

Our results of operations are significantly influenced by our ability to effectively manage costs and optimize operating leverage and efficiency, which are important to maintaining the competitiveness of our solutions. Our cost of services, including direct labor expenses and outsourced service costs, is affected by various market factors, such as fluctuations in wage/salary levels, and competition for logistics resources, such as warehousing facilities and transportation capacity.

We compete on the overall value of our solutions. We price our services with consideration of key resource costs, including labor, vehicles and warehouses. Our ability to manage these costs directly impacts the competitiveness of our pricing and, in turn, our market position. As our business continues to grow, we expect to benefit from economies of scale, which could enhance our bargaining power with suppliers and improve cost efficiency.

FINANCIAL INFORMATION

In addition, we anticipate more operational synergies as we expand the scale and scope of our network and infrastructure, including broader utilization of warehousing facilities and transportation routes. For example, increased scale enables us to systematically integrate and optimize operations across different customers and service solutions, shifting from fragmented, project-based management to industry- and scenario-oriented standardized operations. This allows us to enhance the resource utilization of key logistics elements such as workforce, vehicles, goods, and warehouses, thereby improving labor productivity and warehouse throughput. Our integrated supply chain logistics solutions, spanning multiple stages of the supply chain, provide us with stronger resource integration capabilities, reduce logistics handover points, strengthen service coordination and enable us to deliver higher-value, end-to-end solutions to our customers. These synergies enhance the overall value proposition of our service offerings and support our ability to price solutions competitively.

Our results of operations are also influenced by our ability to improve operating leverage, such as through higher utilization of our existing infrastructure and workforce, and by increasing the level of automation and data-driven decision-making across our operations. These efforts are intended to drive greater efficiency and support scalable, sustainable growth.

BASIS OF PRESENTATION

Our financial information during the Track Record Period has been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board. Our financial information during the Track Record Period has been prepared on the historical cost basis at the end of each reporting period. See note 3 to Appendix I — Accountants’ Report.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Note 3 to Appendix I — Accountants’ Report to this document sets forth certain material accounting policies, which are important for understanding our financial condition and results of operations.

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on past experiences and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. During the Track Record Period, there was no material deviation between our management’s estimates or assumptions and actual results, and we did not make any material changes to these estimates or assumptions. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

FINANCIAL INFORMATION

RESULTS OF OPERATIONS

	For the Year Ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>					
Revenue	16,224,032	100.0	18,663,340	100.0	21,451,904	100.0
Cost of services	(15,038,846)	(92.7)	(17,307,880)	(92.7)	(19,930,783)	(92.9)
Gross profit	1,185,186	7.3	1,355,460	7.3	1,521,121	7.1
Other income	80,086	0.5	120,902	0.5	131,422	0.5
Other gains and losses, net	(50,483)	(0.3)	703	—	(11,709)	(0.1)
Net (impairment losses) reversal of						
impairment losses on financial assets	(10,813)	(0.1)	(27,773)	(0.1)	1,432	—
Distribution and selling expenses	(160,702)	(1.0)	(194,898)	(1.0)	(222,503)	(1.0)
Research and development expenses	(170,675)	(1.1)	(199,042)	(1.1)	(263,801)	(1.2)
Administrative expenses	(447,535)	(2.7)	(499,408)	(2.7)	(498,357)	(2.3)
Finance costs	(67,856)	(0.4)	(83,433)	(0.4)	(69,438)	(0.3)
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Profit before taxation	357,208	2.2	472,511	2.5	570,408	2.7
Income tax expense	(69,253)	(0.4)	(92,183)	(0.5)	(121,026)	(0.6)
Profit and total comprehensive income						
for the year	287,955	1.8	380,328	2.0	449,382	2.1

NON-IFRS MEASURES

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

FINANCIAL INFORMATION

	For the Year Ended December 31,		
	2023	2024	2025
	<i>(in RMB thousands, except for percentages)</i>		
Profit for the year	287,955	380,328	449,382
Add:			
Share-based compensation expenses	11,104	7,780	10,735
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted profit for the year (a non- IFRS measure)	299,059	388,108	477,876
Adjusted net margin (a non-IFRS measure)	1.8%	2.1%	2.2%

The following table sets forth a reconciliation of our profit for the year to EBITDA (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) for the years indicated:

	For the Year Ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands, except for percentages)</i>		
Profit for the year	287,955	380,328	449,382
Add:			
Income tax expenses	69,253	92,183	121,026
Finance costs	67,856	83,433	69,438
Depreciation and amortization	702,473	758,466	924,486
Less:			
Interest income	24,805	55,632	73,474
EBITDA (a non-IFRS measure)	1,102,732	1,258,778	1,490,858
Add:			
Share-based compensation expenses	11,104	7,780	10,735
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted EBITDA (a non-IFRS measure)	1,113,836	1,266,558	1,519,352
Adjusted EBITDA margin (a non-IFRS measure)	6.9%	6.8%	7.1%

Our adjusted profit increased steadily throughout the Track Record Period, driven by our continued business expansion and improved operational efficiency.

Our adjusted profit (a non-IFRS measure) increased from RMB299.1 million in 2023 to RMB388.1 million in 2024, and our adjusted net margin (a non-IFRS measure) increased from 1.8% in 2023 to 2.1% in 2024. This increase was primarily due to continued growth in our business volume and the absence of the significant provision for a litigation claim that was recorded in 2023.

Our adjusted profit (a non-IFRS measure) increased from RMB388.1 million in 2024 to RMB477.9 million in 2025, and our adjusted net margin (a non-IFRS measure) increased from 2.1% in 2024 to 2.2% in 2025, primarily reflecting a decrease in our administrative expense ratio and finance cost ratio as a percentage of revenue.

FINANCIAL INFORMATION

PRINCIPAL COMPONENTS OF RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we mainly generated revenue from our integrated supply chain logistics solutions, and, to a lesser extent, from basic logistics services. We expect integrated supply chain logistics solutions to continue to be a major contributor to our total revenue going forward. For more details about these services, see “Business — Our Service Offerings.”

By service offerings

	For the Year Ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>					
Integrated supply chain logistics solutions⁽¹⁾						
Production logistics	1,563,151	9.6	1,997,496	10.7	2,779,989	13.0
Omni-channel shared inventory and distribution	10,653,931	65.7	12,052,774	64.6	12,992,249	60.5
Integrated last-mile delivery & installation.	1,880,999	11.6	2,292,403	12.3	2,757,887	12.9
Subtotal	14,098,081	86.9	16,342,673	87.6	18,530,125	86.4
Basic logistics services ⁽²⁾	2,125,951	13.1	2,320,667	12.4	2,921,779	13.6
Total.	16,224,032	100.0	18,663,340	100.0	21,451,904	100.0

Notes:

- (1) Revenue from customers engaging the Company for more than one type of logistics service during a reporting period is recorded under integrated supply chain logistics solutions, which comprise bundled services (such as transportation, warehousing management, last-mile delivery and installation and other related services) delivered as a holistic solution, with us assuming contractual responsibilities across multiple stages.
- (2) Revenue from customers utilizing only one type of logistics service during a reporting period is recorded under basic logistics services, which comprise a single standalone service with the Group’s responsibilities limited to that service.

Our revenue increased by 14.9% from RMB18,663.3 million in 2024 to RMB21,451.9 million in 2025, primarily because we continued to strengthen our relationships with existing customers, broadened the scope of collaboration, and expanded our customer base. Our revenue from integrated supply chain logistics solutions increased by 13.4% from RMB16,342.7 million in 2024 to RMB18,530.1 million in 2025. Our revenue from basic logistics services increased by 25.9% from RMB2,320.7 million in 2024 to RMB2,921.8 million in 2025, primarily driven by growth of our freight services. We discontinued digital freight services in June 2025 to ensure compliance with PRC regulations on foreign investment in value-added telecommunication services.

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

FINANCIAL INFORMATION

Cost of services

Our cost of services primarily consists of (i) procurement for logistics capacity, (ii) procurement for warehousing resources, (iii) direct labor expenses, (iv) depreciation and amortizations and (v) other operating costs.

	For the Year Ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>					
Procurement for logistics capacity	11,611,262	77.2	13,384,345	77.3	14,862,614	74.6
Procurement for warehousing resources	2,207,359	14.7	2,599,308	15.0	3,609,478	18.1
Direct labor expenses	648,911	4.3	720,674	4.2	796,260	4.0
Depreciation and amortizations	106,418	0.7	112,562	0.7	117,284	0.6
Others	464,896	3.1	490,991	2.8	545,147	2.7
Total	15,038,846	100.0	17,307,880	100.0	19,930,783	100.0

Our cost of services increased by 15.2% from RMB17,307.9 million in 2024 to RMB19,930.8 million in 2025. Our cost of services increased by 15.1% from RMB15,038.8 million in 2023 to RMB17,307.9 million in 2024.

The increase in cost of services during the Track Record Period is in line with our revenue growth, reflecting higher business volumes during the periods.

Gross profit and gross profit margin

By service offerings

	For the Year Ended December 31,					
	2023		2024		2025	
	<i>Gross profit</i>	<i>Gross profit margin %</i>	<i>Gross profit</i>	<i>Gross profit margin %</i>	<i>Gross profit</i>	<i>Gross profit margin %</i>
	<i>(in RMB thousands, except for percentages)</i>					
Integrated supply chain logistics solutions						
Production logistics	116,283	7.4	138,185	6.9	184,232	6.6
Omni-channel shared inventory and distribution	749,083	7.0	811,329	6.7	852,568	6.6
Integrated last-mile delivery & installation	273,581	14.5	340,257	14.8	413,250	15.0
Subtotal	1,138,947	8.1	1,289,771	7.9	1,450,050	7.8
Basic logistics services	46,239	2.2	65,689	2.8	71,071	2.4
Total/Overall	1,185,186	7.3	1,355,460	7.3	1,521,121	7.1

Our overall gross profit margin decreased from 7.3% in 2024 to 7.1% in 2025. Gross profit margins for production logistics and omni-channel shared inventory and distribution slightly decreased in 2025, as we adopted more competitive pricing strategies. Our gross profit margin for integrated last-mile delivery & installation increased from 14.8% in 2024 to 15.0% in 2025, primarily due to an

FINANCIAL INFORMATION

improved customer business mix. Our gross profit margin for basic logistics services decreased from 2.8% in 2024 to 2.4% in 2025, primarily because more competitive pricing strategies adopted to support business growth.

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

Other income

Our other income during the Track Record Period primarily consisted of (i) government grants, (ii) interest income and (iii) others.

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
Government grants	52,134	65.1	61,360	50.8	53,279	40.5
Interest income	24,805	31.0	55,632	46.0	73,474	55.9
Others	3,147	3.9	3,910	3.2	4,669	3.6
Total	80,086	100.0	120,902	100.0	131,422	100.0
<i>as % of total revenue</i>		<i>0.5</i>		<i>0.5</i>		<i>0.5</i>

Our other income increased by 8.7% from RMB120.9 million in 2024 to RMB131.4 million in 2025, primarily due to an increase in interest income attributable to a higher bank deposit base.

Our other income increased by 51.0% from RMB80.1 million in 2023 to RMB120.9 million in 2024, primarily due to increased government grants and interest income.

Distribution and selling expenses

Our selling expenses primarily include (i) employee compensation, (ii) business development expenses, (iii) travel expenses, (iv) advertising expenses and (v) others.

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
Employee compensation	129,971	80.9	157,617	80.8	178,791	80.3
Business development expenses	8,354	5.2	8,887	4.6	9,704	4.4
Travel expenses	8,652	5.4	12,131	6.2	15,999	7.2
Advertising expenses	2,279	1.4	3,139	1.6	2,243	1.0
Others	11,446	7.1	13,124	6.8	15,766	7.1
Total	160,702	100.0	194,898	100.0	222,503	100.0
<i>as % of total revenue</i>		<i>1.0</i>		<i>1.0</i>		<i>1.0</i>

FINANCIAL INFORMATION

Research and development expenses

Our research and development expenses primarily include (i) employee compensation, (ii) outsourced IT expenses for system development, (iii) lease and depreciation expenses, and (iv) others.

	For the Year Ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>					
Employee compensation	108,427	63.5	130,478	65.6	154,256	58.5
Outsourced IT expenses for system development	53,924	31.6	54,844	27.5	90,723	34.4
Lease and depreciation expenses	5,553	3.3	12,407	6.2	17,149	6.5
Others	2,771	1.6	1,313	0.7	1,673	0.6
Total	170,675	100.0	199,042	100.0	263,801	100.0
<i>as % of total revenue</i>		<i>1.1</i>		<i>1.1</i>		<i>1.2</i>

Our research and development expenses increased by 32.5% from RMB199.0 million in 2024 to RMB263.8 million in 2025, primarily due to an increase in outsourced IT expenses for system development and an increase in the number of R&D personnel.

Our research and development expenses increased by 16.6% from RMB170.7 million in 2023 to RMB199.0 million in 2024, as we increased our compensation to R&D personnel to support our research and development efforts.

Administrative expenses

Our administrative expenses primarily include (i) employee compensation, (ii) depreciation and amortization, (iii) travel expenses, (iv) business development expenses, (v) third party service and IT maintenance expenses, (vi) lease and property management and (vii) others.

	For the Year Ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>					
Employee compensation	317,883	71.0	361,522	72.4	365,141	73.3
Depreciation and amortization	17,562	3.9	22,731	4.6	25,973	5.2
Travel expenses	23,553	5.3	24,170	4.8	21,141	4.2
Business development expenses	24,089	5.4	19,853	4.0	20,823	4.2
Third party service and IT maintenance expenses	19,909	4.4	9,279	1.9	9,258	1.9
Lease and property management	9,319	2.1	14,211	2.8	15,681	3.1
Others	35,220	7.9	47,642	9.5	40,340	8.1
Total	447,535	100.0	499,408	100.0	498,357	100.0
<i>as % of total revenue</i>		<i>2.7</i>		<i>2.7</i>		<i>2.3</i>

Our administrative expenses decreased by 0.2% from RMB499.4 million in 2024 to RMB498.4 million in 2025, primarily due to a decrease in other administrative expenses and travel expenses, partially offset by an increase in employee compensation and depreciation and amortization.

FINANCIAL INFORMATION

Our administrative expenses increased by 11.6% from RMB447.5 million in 2023 to RMB499.4 million in 2024, as we incurred more compensation expenses associated with administrative personnel to support our business growth.

Finance costs

Our finance costs include interest expense on lease liabilities and bank borrowings.

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Interest expense on lease liabilities	59,269	87.3	58,396	70.0	51,350	74.0
Interest expense on bank borrowings	8,587	12.7	25,037	30.0	18,088	26.0
Total	67,856	100.0	83,433	100.0	69,438	100.0
<i>as % of total revenue</i>		0.4		0.4		0.3

Other gains and losses

Our other gains and losses primarily represent (i) net gains/loss on disposal /written off of property, plant and equipment and right-of-use assets, (ii) provision/reversal of provision for claims and (iii) others.

In 2023, 2024 and 2025, our other gains and losses amounted to loss of RMB50.5 million, gain of RMB0.7 million, loss of RMB11.7 million, representing less than 0.3% of our total revenue in each of the respective periods.

Net impairment losses and reversal of impairment losses on financial assets

Our net impairment losses on financial assets represents our net impairment losses on trade and note receivables and other receivables.

In 2023, 2024 and 2025, our impairment on financial assets, amounted impairment loss of RMB10.8 million, impairment loss of RMB27.8 million and reversal of impairment loss of RMB1.4 million, representing less than 0.1% of our total revenue in each of the respective periods.

Income tax expense

We are subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which the members of our Group are domiciled and operate. Our income tax expense comprises current income tax and deferred tax.

Several of our subsidiaries were entitled to a preferential income tax rate of 15% for certain years during the Track Record Period for registering in the western region of the PRC. Several of our subsidiaries were entitled the income tax rate from 2.5% to 10% for the micro and small enterprises qualification. In addition, our enterprises engaging in research and development activities were entitled to additional 100% tax deduction of their qualified research and development expenses under relevant laws and regulations in the PRC during the Track Record Period. For details, see note 10 to Appendix I — Accountants’ Report.

As of the Latest Practicable Date and during the Track Record Period, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

FINANCIAL INFORMATION

COMPARISON OF RESULTS OF OPERATIONS

2025 compared to 2024

Revenue

Our revenue increased by 14.9% from RMB18,663.3 million in 2024 to RMB21,451.9 million in 2025. We continued to enhance our solutions and service capabilities in 2025, which strengthened our relationships with existing customers and broadened the scope of collaboration, contributing to an increase in revenue. In addition, we actively expanded our customer base, and the business volume from newly acquired customers also contributed to our revenue growth in the period.

Our revenue from integrated supply chain logistics solutions increased by 13.4% from RMB16,342.7 million in 2024 to RMB18,530.1 million in 2025 primarily driven by the increase in revenue from integrated warehousing and distribution and production logistics. The number of our customers for integrated supply chain logistics solutions increased to 13,815 in 2025.

Our revenue from basic logistics services increased by 25.9% from RMB2,320.7 million in 2024 to RMB2,921.8 million in 2025, primarily driven by growth of our freight services. We discontinued digital freight services in June 2025, which partially impacted the revenue from basic logistics services.

Cost of services

Our cost of services increased by 15.2% from RMB17,307.9 million for in 2024 to RMB19,930.8 million in 2025, primarily attributable to the increase in procurement for logistics capacity and warehousing resources, in line with our revenue growth, reflecting higher business volume during the period.

Gross profit and gross profit margin

As a result of the foregoing, our overall gross profit increased by 12.2% from RMB1,355.5 million in 2024 to RMB1,521.1 million in 2025. Our overall gross profit margin decreased from 7.3% to 7.1% over the same period, primarily due to changes in our business mix, including a higher contribution from freight services as part of basic logistics services, which carried lower margins and the more competitive pricing strategies we adopted in production logistics and integrated warehousing and distribution.

Other income

Our other income increased by 8.7% from RMB120.9 million in 2024 to RMB131.4 million in 2025, primarily due to an increase in interest income attributable to a higher bank deposit base.

Distribution and selling expenses

Our distribution and selling expenses increased by 14.2% from RMB194.9 million in 2024 to RMB222.5 million in 2025, primarily due to higher staff costs for sales and marketing personnel.

Research and development expenses

Our research and development expenses increased by 32.5% from RMB199.0 million in 2024 to RMB263.8 million in 2025, primarily due to higher staff costs from R&D personnel and an increase in outsourced IT expenses for system development.

FINANCIAL INFORMATION

Administrative expenses

Our administrative expenses decreased by 0.2% from RMB499.4 million in 2024 to RMB498.4 million in 2025, primarily due to a decrease in travel expenses and other administrative expenses.

Finance costs

Our finance costs decreased by 16.8% from RMB83.4 million in 2024 to RMB69.4 million in 2025, primarily due to the reduced bank borrowings.

Other gains and losses

Our other gains and losses changed from a net gain of RMB0.7 million in 2024 to a net loss of RMB11.7 million in 2025, primarily due to the change in provision for claims from a reversal of RMB0.9 million in 2024 to a provision of RMB7.8 million in 2025, mainly attributable to a significant increase in provisions for claims in 2025, and to a lesser extent, the absence in 2025 of a one-off gain on disposal of certain right-of-use assets recognized in 2024.

Net (impairment losses) reversal of impairment losses on financial assets

Our net impairment on financial assets changed from net impairment loss of RMB27.8 million in 2024 to reversal of impairment loss of RMB1.4 million in 2025, primarily due to enhanced collection efforts.

Income tax expense

Our income tax expense increased by 31.3% from RMB92.2 million in 2024 to RMB121.0 million in 2025, primarily due to higher taxable profit driven by revenue growth.

Profit for the period

As a result of the foregoing, our profit for the period increased by 18.2% from RMB380.3 million in 2024 to RMB449.4 million in 2025.

2024 compared to 2023

Revenue

Our revenue increased by 15.0% from RMB16,224.0 million in 2023 to RMB18,663.3 million in 2024 primarily due to increased revenue across our service offerings.

Our revenue from integrated supply chain logistics solutions increased by 15.9% from RMB14,098.1 million to RMB16,342.7 million, as we offered more services offerings to existing customers, converted certain customers for basic logistics services to our integrated supply chain logistics solutions and attracted new customers. The number of our customers for integrated supply chain logistics solutions increased from 3,961 in 2023 to 5,399 in 2024. The number of key customers, those who used our integrated supply chain logistics solutions and contributed more than RMB30.0 million in annual revenue, grew from 64 in 2023 to 80 in 2024. The aggregated revenue from these key customers increased by 19.6% from RMB9,238.2 million in 2023 to RMB11,049.4 million in 2024.

Our revenue from basic logistics services increased by 9.2% from RMB2,126.0 million in 2023 to RMB2,320.7 million primarily because we acquired new customers. The number of our customers for basic logistics services increased from 2,456 in 2023 to 3,000 in 2024.

FINANCIAL INFORMATION

Cost of services

Our cost of services increased by 15.1% from RMB15,038.8 million in 2023 to RMB17,307.9 million in 2024 primarily due to our business growth.

Gross profit and gross profit margin

As a result of the foregoing, our overall gross profit increased by 14.4% from RMB1,185.2 million in 2023 to RMB1,355.5 million in 2024. Our overall gross profit margin remained stable at 7.3% in both 2023 and 2024. Gross profit margins for integrated last-mile delivery & installation remained stable.

Our gross profit margin for production logistics decreased from 7.4% in 2023 to 6.9% in 2024, as we further developed this business line by adopting a more competitive pricing strategy. Our gross profit margin for omni-channel shared inventory and distribution decreased from 7.0% in 2023 to 6.7% in 2024, as we priced our services more competitively to attract customers. Our gross profit margin for basic logistics services increased from 2.2% in 2023 to 2.8% in 2024, primarily due to business mix optimization, including streamlining lower-margin existing services and introducing higher-margin new services.

Other income

Our other income increased by 51.0% from RMB80.1 million in 2023 to RMB120.9 million in 2024, primarily from increase in government grants and interest income.

Distribution and selling expenses

Our distribution and selling expenses increased by 21.3% from RMB160.7 million in 2023 to RMB194.9 million in 2024, mainly reflecting our increased compensation to our sales and marketing personnels, commensurate with our revenue growth. Our distribution and selling expenses as a percentage of our total revenue remained stable at 1.0% in both 2023 and 2024.

Research and development expenses

Our research and development expenses increased by 16.6% from RMB170.7 million in 2023 to RMB199.0 million in 2024, as we increased our compensation to R&D personnels to support our research and development efforts. Our research and development expenses as a percentage of our total revenue remained stable at 1.1% in 2023 and 2024.

Administrative expenses

Our administrative expenses increased by 11.6% from RMB447.5 million in 2023 to RMB499.4 million in 2024, primarily due to increased employee compensation and other personnel related expenses, commensurate with our business growth. Our administrative expenses as a percentage of our total revenue remained stable at 2.7% in 2023 and 2024.

Finance costs

Our finance costs increased by 23.0% from RMB67.9 million in 2023 to RMB83.4 million in 2024, primarily due to higher interest expenses associated with an increase in interest-bearing liabilities.

FINANCIAL INFORMATION

Other gains and losses

Our other gains and losses changed from losses of RMB50.5 million in 2023 to gains of RMB0.7 million in 2024, primarily due to decrease in provision for claims.

Net impairment losses on financial assets

Our net impairment losses on financial assets changed from losses recognized of RMB10.8 million in 2023 to RMB27.8 million in 2024, primarily due to higher impairment for trade and other receivables.

Income tax expense

Our income tax expense increased by 33.1% from RMB69.3 million in 2023 to RMB92.2 million in 2024, primarily due to overall increase in profit before taxation. Our income tax expense as a percentage of our total profit before tax remained stable at 19.5% in 2024, compared to 19.4% in 2023.

Profit for the year

As a result of the foregoing, our profit for the year increased by 32.1% from RMB288.0 million in 2023 to RMB380.3 million in 2024.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our operations primarily through a combination of cash generated from operations and borrowings. As of December 31, 2024 and 2025, we had cash and cash equivalents of RMB617.8 million and RMB913.6 million, respectively.

Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash generated from operations and net [REDACTED] from the [REDACTED]. As of December 31, 2025, we had committed unutilized banking facilities of RMB1,499.9 million.

The Directors are of the view that, taking into account the financial resources available to us, including cash and cash equivalents, term deposits, our available banking facilities, cash flows from operating activities and net [REDACTED] from the [REDACTED], we have sufficient working capital for our present requirements, for the next 12 months from the date of the [REDACTED].

FINANCIAL INFORMATION

Net current liabilities

The table below sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>(in RMB thousands)</i>			<i>(unaudited)</i>
Current assets				
Trade and other receivables and prepayments	2,258,629	2,607,862	2,905,294	3,122,906
Restricted cash	4,993	273,820	6,247	22,884
Term deposits	—	374,567	747,544	2,687,066
Cash and cash equivalents	2,169,962	617,816	913,602	1,009,554
Total current assets	4,433,584	3,874,065	4,572,687	6,842,410
Current liabilities				
Trade and other payables	3,515,262	3,899,860	4,342,086	4,967,982
Contract liabilities	84,010	126,894	198,884	85,348
Current tax liabilities	52,917	39,514	23,892	22,084
Lease liabilities due within one year	562,322	558,901	632,073	665,945
Bank borrowings	1,080,410	547,941	158,915	1,532,408
Total current liabilities	5,294,921	5,173,110	5,355,850	7,273,767
Net current liabilities	(861,337)	(1,299,045)	(783,163)	(431,357)

Comparison between April 30, 2026 and December 31, 2025

Our net current liabilities decreased from RMB783.2 million as of December 31, 2025 to RMB431.4 million as of April 30, 2026, primarily due to a significant increase in term deposits, as well as increases in cash and cash equivalents, restricted cash and trade and other receivables and prepayments, partially offset by an increase in bank borrowings and trade and other payables.

Our total current assets increased from RMB4,572.7 million as of December 31, 2025 to RMB6,842.4 million as of April 30, 2026, mainly driven by (i) an increase in term deposits from RMB747.5 million to RMB2,687.1 million; (ii) an increase in trade and other receivables and prepayments from RMB2,905.3 million to RMB3,122.9 million; (iii) an increase in cash and cash equivalents from RMB913.6 million to RMB1,009.6 million; and (iv) an increase in restricted cash from RMB6.2 million to RMB22.9 million.

Our total current liabilities increased from RMB5,355.9 million as of December 31, 2025 to RMB7,273.8 million as of April 30, 2026, primarily due to (i) an increase in bank borrowings from RMB158.9 million to RMB1,532.4 million; and (ii) an increase in trade and other payables from RMB4,342.1 million to RMB4,968.0 million, partially offset by (iii) a decrease in contract liabilities from RMB198.9 million to RMB85.3 million; and (iv) a slight decrease in current tax liabilities.

Comparison between December 31, 2025 and December 31, 2024

Our net current liabilities decreased from RMB1,299.0 million as of December 31, 2024 to RMB783.2 million as of December 31, 2025, primarily due to an increase in term deposits, cash and cash equivalents, trade and other receivables and prepayments and decrease in bank borrowings, partially offset by an increase in trade and other payables and a decrease in restricted cash.

FINANCIAL INFORMATION

Despite our net current liabilities position as of December 31, 2025, we believe we have sufficient working capital to meet our present requirements and that our liquidity position remains healthy, based on the following considerations: (a) our expected cash flows from operating activities; (b) the availability of undrawn banking facilities amounted to RMB1,499.9 million at December 31, 2025; and (c) our term deposits of RMB2,545.4 million as of December 31, 2025 included in non-current assets, if necessary, can be withdrawn to settle the current liabilities with the forfeiture of interest income.

Comparison between December 31, 2024 and December 31, 2023

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

SELECTED BALANCE SHEET ITEMS

Trade and note receivables

Our trade and note receivables primarily arise from our services offered to our customers on credit. We usually grant credit periods of up to 60 days to our major customers.

The table below sets forth the breakdown of our trade and note receivables as of the dates indicated.

	As at December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Trade and note receivables			
— Trade receivables	1,590,850	1,628,691	1,761,328
— Note receivables	303,996	375,253	410,380
	1,894,846	2,003,944	2,171,708
Less: allowance for credit losses			
— Trade receivables	(73,551)	(87,098)	(80,183)
— Note receivables	(81)	(27)	(18)
	(73,632)	(87,125)	(80,201)
	1,821,214	1,916,819	2,091,507

Our trade and note receivables increased by 5.2% from RMB1,821.2 million as of December 31, 2023 to RMB1,916.8 million as of December 31, 2024. Our trade and note receivables increased by 9.1% from RMB1,916.8 million as of December 31, 2024 to RMB2,091.5 million as of December 31, 2025. The higher balances at the end of 2024 and 2025 were primarily attributable to our higher business volumes. The change in our impairment losses matched the change in our trade and note receivables. See “— Principal Components of Results of Operations — Net impairment loss on financial assets.”

FINANCIAL INFORMATION

Aging analysis

The table below sets forth an aging analysis of our trade and note receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		<i>(in RMB thousands)</i>	
0–90 days	1,689,287	1,743,182	1,931,430
91–180 days	131,927	173,637	159,248
181 days–1 year	—	—	829
Total	1,821,214	1,916,819	2,091,507

Turnover days

The table below sets forth the turnover days of our trade and note receivables for the periods indicated. Trade and notes receivable turnover days for each period equals the average of the beginning and ending balances of trade and note receivables for that period divided by revenue for that period and multiplied by the number of days in that period.

	2023	2024	2025
Trade and note receivables turnover days	42	37	34

Our trade receivable turnover days decreased from 42 days in 2023 to 37 days in 2024, as we readjusted our own credit cycle and enhanced our collection management. Our trade and note receivables turnover days decreased at 37 days as of 2024 and 34 days in the year ended December 31, 2025 for the same reasons.

As of April 30, 2026, 96.5% of our total trade receivables as of December 31, 2025, or RMB1,622.1 million, were settled.

Other receivables and prepayments

Our other receivables and prepayments primarily include various costs on a prepaid basis, various deposits in the ordinary course of our business and other miscellaneous receivables. The table below sets forth the breakdown of our other receivables and prepayments as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		<i>(in RMB thousands)</i>	
Refundable deposits	303,874	437,311	492,021
Prepayments to suppliers	125,966	245,057	306,056
Tax recoverables	21,209	28,180	38,235
Deferred issue costs	—	—	3,006
Prepaid issue costs and [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Others	2,519	6,129	4,108
	453,568	716,677	843,509
Less: allowance for credit losses	(16,153)	(25,634)	(29,722)
Total	437,415	691,043	813,787

FINANCIAL INFORMATION

Our other receivables and prepayments increased by 58.0% from RMB437.4 million as of December 31, 2023 to RMB691.0 million as of December 31, 2024. Our other receivables and prepayments further increased by 17.8% to RMB813.8 million as of December 31, 2025 primarily attributable to higher refundable deposits and prepayments to suppliers, driven by an increased level of outstanding services procured to support our elevated business volumes. The higher balances at the end of 2024 and 2025 were primarily attributable to higher refundable deposits and prepayments to suppliers, driven by an increased level of outstanding services procured to support our elevated business volumes.

As of April 30, 2026, RMB93.2 million, or 18.8%, of our other receivables as of December 31, 2025 were settled, and RMB152.5 million, or 49.8%, of our prepayments as of December 31, 2025 were utilized.

Trade and other payables

Our trade and other payables primarily include trade and note payables to our suppliers and other payables occurred in the ordinary course of our business. Our suppliers usually grant us a credit period between 0 to 120 days to settle our purchases of goods or services. The table below sets forth the breakdown of our trade and other payables as of the dates indicated.

	As at December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Trade and note payables			
Trade payables	2,602,176	2,899,544	3,186,746
Note payables	104,499	82,766	171,085
	<u>2,706,675</u>	<u>2,982,310</u>	<u>3,357,831</u>
Other payables			
Payroll payables	304,436	317,831	346,693
Deposits received	476,820	536,423	582,678
Accrued issue costs and [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Other tax payables	24,962	60,032	46,266
Others	2,369	3,264	1,623
	<u>808,587</u>	<u>917,550</u>	<u>984,255</u>
Total	<u>3,515,262</u>	<u>3,899,860</u>	<u>4,342,086</u>

Our trade and other payables increased by 10.9% from RMB3,515.3 million as of December 31, 2023 to RMB3,899.9 million as of December 31, 2024 and further increased by 11.3% to RMB4,342.1 million as of December 31, 2025, primarily attributable to higher trade and note payables, as we procured more services to support our business growth.

FINANCIAL INFORMATION

Aging analysis

The table below sets forth an aging analysis of our trade and note payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Within 90 days	2,459,457	2,730,608	3,172,143
91 to 180 days	116,197	129,942	110,309
181 to 365 days	48,266	46,720	10,718
Over 1 year	82,755	75,040	64,661
Total	<u>2,706,675</u>	<u>2,982,310</u>	<u>3,357,831</u>

Turnover days

The table below sets forth the turnover days of our trade and note payables for the periods indicated. Trade and note payables turnover days for each period equals the average of the beginning and ending balances of trade and note payables for that period divided by cost of services for that period and multiplied by the number of days in that period.

	2023	2024	2025
Trade and note payables turnover days	<u>61</u>	<u>60</u>	<u>58</u>

Our trade and bills payable turnover days remained stable throughout the Track Record Period.

As of April 30, 2026, 77.7% of our total trade payables as of December 31, 2025, or RMB2,476.9 million, were settled.

Contract liabilities

Our contract liabilities primarily represent advance payments received from our customers for our services. The table below sets forth the breakdown of our contract liabilities as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Advances from customers for integrated supply chain logistics solutions and basic logistics services	<u>84,010</u>	<u>126,894</u>	<u>198,884</u>

Our contract liabilities increased by 51.0% from RMB84.0 million as of December 31, 2023 to RMB126.9 million as of December 31, 2024. Our contract liabilities increased by 56.7% from RMB126.9 million as of December 31, 2024 to RMB198.9 million as of December 31, 2025. Due to changes in the mix of services that require advance payments from customers, our contract liabilities at period-end have experienced fluctuations.

As of April 30, 2026, RMB172.0 million, or 86.5%, of our contract liabilities as of December 31, 2025 were recognized as revenue.

FINANCIAL INFORMATION

CASH FLOWS

The table below sets forth our cash flows for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Operating cash flows before movements in working capital	1,173,332	1,291,681	1,508,231
Changes in working capital	389,212	(204,021)	(226,916)
Income tax paid	(93,071)	(107,387)	(135,952)
Net cash from operating activities	<u>1,469,473</u>	<u>980,273</u>	<u>1,145,363</u>
Net cash from (used in) investing activities . .	(235,017)	(1,387,277)	(1,733,489)
Net cash from (used in) financing activities . .	<u>493,703</u>	<u>(1,145,142)</u>	<u>883,912</u>
Net increase (decrease) in cash and cash equivalents	1,728,159	(1,552,146)	295,786
Cash and cash equivalents at beginning of the year	<u>441,803</u>	<u>2,169,962</u>	<u>617,816</u>
Cash and cash equivalents at end of the year	<u>2,169,962</u>	<u>617,816</u>	<u>913,602</u>

Operating activities

In 2025, the net cash generated from operating activities of RMB1,145.4 million, primarily consisting of our profit before taxation of RMB570.4 million, adjusted for items mainly including (i) non-cash and non-operating items, primarily comprising (a) depreciation of right-of-use assets of RMB784.7 million and (b) depreciation of property, plant and equipment of RMB131.5 million; and (ii) changes in working capital, primarily comprising (a) an increase in trade and other receivables and prepayments of RMB750.5 million and (b) an increase in trade and other payables of RMB451.5 million.

In 2024, we had net cash generated from operating activities of RMB980.3 million, primarily consisting of our profit before taxation of RMB472.5 million, adjusted for items mainly including (i) non-cash and non-operating items, primarily comprising (a) depreciation of right-of-use assets of RMB627.0 million and (b) depreciation of property, plant and equipment of RMB127.7 million; and (ii) changes in working capital, primarily comprising (a) an increase in trade and other receivables and prepayments of RMB631.5 million and (b) an increase in trade and other payables of RMB384.6 million.

In 2023, we had net cash generated from operating activities of RMB1,469.5 million, primarily consisting of our profit before taxation of RMB357.2 million, adjusted for items mainly including (i) non-cash and non-operating items, primarily comprising (a) depreciation of right-of-use assets of RMB587.3 million and (b) depreciation of property, plant and equipment of RMB114.5 million; and (ii) changes in working capital, primarily comprising an increase in trade and other payables of RMB506.6 million.

FINANCIAL INFORMATION

Investing activities

In 2025, we had net cash used in investing activities of RMB1,733.5 million, primarily consisting of payments for purchase of financial assets of RMB2,690.0 million and placement of restricted cash of RMB1,070.2 million, partially offset by proceeds from disposal of financial assets of RMB720.0 million and release of restricted cash of RMB1,302.8 million.

In 2024, we had net cash used in investing activities of RMB1,387.3 million, primarily consisting of payments for purchase of financial assets of RMB1,750.0 million and placement of restricted cash of RMB273.7 million, partially offset by proceeds from disposal of financial assets of RMB650.0 million.

In 2023, we had net cash used in investing activities of RMB235.0 million, primarily consisting of payments for purchase of financial assets of RMB440.0 million and payment for purchase and deposits paid for acquisition of property, plant and equipment of RMB75.7 million, partially offset by proceeds from disposal of financial assets of RMB250.0 million.

Financing activities

In 2025, we had net cash generated from financing activities of RMB883.9 million, primarily consisting of proceeds from the Pre-[REDACTED] Investment in the amount of RMB1,900.0 million and new bank borrowings raised of RMB1,688.6 million, partially offset by repayment of bank borrowings of RMB1,620.1 million, payment of lease liabilities of RMB786.3 million and dividends paid to the Company’s shareholders of RMB226.8 million.

In 2024, we had net cash used in financing activities of RMB1,145.1 million, primarily consisting of repayment of bank borrowings of RMB1,715.1 million, payment of lease liabilities of RMB616.3 million and dividends paid to the Company’s shareholders of RMB167.4 million, partially offset by new bank borrowings raised of RMB1,437.2 million.

In 2023, we had net cash generated from financing activities of RMB493.7 million, primarily consisting of new bank borrowings raised of RMB1,255.1 million, partially offset by payment of lease liabilities of RMB585.6 million and dividends paid to the Company’s shareholders of RMB108.0 million.

INDEBTEDNESS

The table below sets forth our indebtedness as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>(in RMB thousands)</i>			
				(unaudited)
Borrowings	1,080,410	547,941	158,915	1,532,408
Lease liabilities	1,294,761	1,184,344	1,139,550	1,166,108
Total	2,375,171	1,732,285	1,298,465	2,698,516

FINANCIAL INFORMATION

Borrowings

The borrowings were due within one year from the end of each reporting period. The secured and unguaranteed borrowings as of December 31, 2023, 2024 and 2025 were RMB80.4 million, RMB547.9 million and RMB158.9 million. The unsecured and unguaranteed borrowings as of December 31, 2023, 2024 and 2025 were RMB1,000.0 million, nil and nil.

Lease liabilities

As of December 31, 2023, 2024 and 2025, our lease liabilities amounted to RMB1,294.8 million, RMB1,184.3 million and RMB1,139.6 million, respectively, as we rented more warehouses and equipment to meet our business expansion.

Contingent liabilities

As of December 31, 2025, we did not have any material contingent liabilities.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital expenditure

The table below sets forth our capital expenditure for the periods indicated.

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Capital expenditure.	80,199	57,251	61,659
	80,199	57,251	61,659

During the Track Record Period, our capital expenditure was primarily for purchase of property, plant and equipment and intangible assets to carry out our logistics service offerings.

Capital commitments

The table below sets forth our capital commitments as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Consideration committed in respect of acquisition of plant and equipment contracted for but not provided in the Historical Financial Information.	19,101	6,024	36,191
	19,101	6,024	36,191

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

	For the year ended/as of December 31,		
	2023	2024	2025
Gross profit margin ¹	7.3%	7.3%	7.1%
Net profit margin ²	1.8%	2.0%	2.1%
Return on assets ³	4.4%	5.0%	5.2%
Return on equity ⁴	21.2%	24.3%	16.4%
Current ratio ⁵	83.7%	74.9%	85.4%
Quick ratio ⁶	83.7%	74.9%	85.4%
Gearing ratio ⁷	74.4%	32.8%	4.2%

Notes:

1. Gross profit margin is calculated as gross profit for the year divided by revenue for the corresponding year and multiplied by 100%.
2. Net profit margin is calculated as net profit for the year divided by revenue for the corresponding year and multiplied by 100%.
3. Return on assets is calculated as net profit for the year divided by the average total assets and multiplied by 100%. Average total assets is the sum of the balance of total assets at the beginning and at the end of the year, divided by two.
4. Return on equity is calculated as net profit for the year divided by the average total equity and multiplied by 100%. Average total equity is the sum of the balance of total equity at the beginning and at the end of the year, divided by two.
5. Current ratio is calculated as total current assets as at the end of the year divided by total current liabilities as at the end of the corresponding year.
6. Quick ratio is calculated as total current assets less inventories as at the end of the year/period and divided by total current liabilities as at the end of the corresponding year.
7. Gearing ratio is calculated as the total bank loans as at the end of the year/period divided by total equity as at the end of the corresponding year/period and multiplied by 100%.

DISCLOSURE ABOUT FINANCIAL RISKS

We are exposed to a variety of financial risks including interest risk, credit risk and liquidity risk. Our management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details of our risk exposure and sensitivity analysis, see note 31 to Appendix I — Accountants’ Report.

Interest Risk

We are exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on restricted cash and bank balances, incurred at prevailing market interest rates and variable rate. We considered that interest rate risk of restricted cash and bank balances is insignificant and accordingly no sensitivity analysis is presented. We are exposed to fair value interest rate risk in relation to term deposits, bank borrowings and lease liabilities. We manage such interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

FINANCIAL INFORMATION

Credit Risk

Credit risk refers to the risk that our counterparties may default on their contractual obligations resulting in financial losses to us. Our credit risk exposures primarily relate to trade and note receivables, other receivables, term deposits, restricted cash and cash and cash equivalents. We do not hold any collateral or other credit enhancements to cover our credit risks associated with our financial assets.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations due to shortage of funds. To manage our liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flows.

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maximize our return to shareholders through the optimization of our debt and equity balance. Our overall strategy remained unchanged during the Track Record Period.

Our capital structure consists of net debt, which includes bank borrowings, net of cash and cash equivalents and equity attributable to the owners of the Company, mainly comprising issued share capital and reserves.

Our management reviews our capital structure on a regular basis. As part of this review, they consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to balance our overall capital structure.

RELATED PARTY TRANSACTIONS

Related party transactions are set out in note 30 to Appendix I — Accountants’ Report. See also “Connected Transactions” for more details.

Our Directors confirm that these transactions were conducted in the ordinary course of our business, and at terms negotiated between the Group and the relevant parties.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period, we did not enter into any off-balance sheet arrangements.

DIVIDEND POLICY

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

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

FINANCIAL INFORMATION

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

DISTRIBUTABLE RESERVE

As of December 31, 2025, we had retained profits excluding statutory reserve of subsidiaries of the Company of RMB769.1 million.

DISCLOSURE REQUIRED UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

UNAUDITED [REDACTED] FINANCIAL INFORMATION

Please refer to Appendix II — Unaudited [REDACTED] Financial Information for details.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] commission and fees incurred in connection with the [REDACTED] and the [REDACTED]. Our [REDACTED] expenses are estimated to be approximately HK\$[REDACTED] (including [REDACTED] commission), accounting for [REDACTED]% of the gross [REDACTED] of the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the [REDACTED] range stated in this document, and no exercise of the [REDACTED]). Among our [REDACTED] expenses, approximately HK\$[REDACTED] is directly attributable to the issuance of H Shares and will be charged to equity upon completion of the [REDACTED], and approximately HK\$[REDACTED] has been or will be charged to our consolidated statements of profit or loss and other comprehensive income. The [REDACTED] expenses we incurred during the Track Record Period and expect to incur would consist of approximately HK\$[REDACTED] [REDACTED] related expenses and fees (including but not limited to commissions and fees), approximately HK\$[REDACTED] non-[REDACTED]-related expenses and fees of the Joint Sponsors, legal advisors and reporting accountant and approximately HK\$[REDACTED] for other non-[REDACTED]-related fees and expenses. During the Track Record Period, we incurred RMB[REDACTED] of [REDACTED] expenses, among which, RMB[REDACTED] was deferred issue costs and included in other receivables and will be subsequently charged to our equity upon completion of the [REDACTED] and RMB[REDACTED] was charged to our consolidated statements of profit or loss and other comprehensive income.

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

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, as of the date of this document, there has been no material adverse change in our financial position since December 31, 2025, and there has been no event since December 31, 2025 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.