You should read the following discussion and analysis in conjunction with our audited consolidated financial statements included in the Accountant's Report set out in Appendix I to this document, together with the accompanying notes. Our financial information has been prepared in accordance with IFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

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 analysis 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. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this document, including the sections headed "Risk Factors" and "Business."

Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a leading provider of intelligent logistics and supply chain services for black bulk commodities in China. Leveraging our proprietary Wubo Smart Chain platform, we provide intelligent logistics and integrated supply chain services in China, and have established a standardized, intelligent, and visualized digital infrastructure covering the entire industrial value chain for bulk commodities. During the Track Record Period, despite industry volatility arising from the release of Decree No. 783 and the fluctuations of our overall revenue scale, we demonstrated robust operational resilience and achieved strong profit growth by proactively optimizing our business structure and focusing on developing producer customers and providing value-added services. We recorded revenue of RMB21,726.8 million, RMB16,562.4 million and RMB16,283.1 million in 2023, 2024 and 2025, respectively. Our gross profit was RMB249.1 million, RMB375.7 million and RMB496.7 million, respectively, with a gross profit margin of 1.1%, 2.3% and 3.1% for the same years. Our adjusted net profit (non-IFRS measure) was RMB67.0 million, RMB136.4 million and RMB177.3 million, respectively, with an adjusted net profit margin (non-IFRS measure) of 0.3%, 0.8% and 1.1% for the same years.

BASIS OF PRESENTATION

The historical financial information of our Group has been prepared in accordance with all applicable IFRSs as issued by the IASB.

Since the Company and Shandong Duanxin are under the common control of Yankuang Energy, the acquisition of Shandong Duanxin and its subsidiaries by the Company has been reflected in the Historical Financial Information using the principle of merger accounting as if they had been combined from the date when the Company and Shandong Duanxin and its subsidiaries first came under the control of Yankuang Energy (i.e. upon the completion of the acquisition of the Company by Yankuang Energy on October 31, 2024). The assets and liabilities of Shandong Duanxin and its subsidiaries have been accounted for in our consolidated statements of financial position at their existing book values from Yankuang Energy's perspective. No amount is recognized in respect of goodwill nor adjustment made in respect of differences between the fair values of Shandong Duanxin and its subsidiaries' identifiable assets, liabilities and contingent liabilities and their carrying amounts. The consolidated statements of profit or loss and other comprehensive income include the results of Shandong Duanxin and its subsidiaries since the date when the Company and Shandong Duanxin and its subsidiaries first came under the common control of Yankuang Energy.

For the assets, liabilities, income and expenses of Shandong Duanxin and its subsidiaries before October 31, 2024, such items were not applicable to the principle of merger accounting. As a major transaction within the Track Record Period, these items are disclosed as pre-acquisition financial information as required by the Listing Rules. Such pre-acquisition financial information is set out in Note 39 to the Accountant's Report in Appendix I to this Document.

The statutory financial statements of the Company were prepared in accordance with Chinese Accounting Standards for Business Enterprises ("**CASBE**") issued by the Ministry of Finance of the PRC for each of the three years ended December 31, 2025; and were audited by 中審華會計師事務所(特殊普通合夥)/Zhongshenhua Certified Public Accountants LLP* for the year ended December 31, 2023 and by 天職國際會計師事務所(特殊普通合夥)/Tianzhi International Certified Public Accountants LLP* for each of the year ended December 31, 2024 and 2025, both are certified public accountants registered in the PRC.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this historical financial information, we have consistently applied all applicable new and revised IFRS Accounting Standards throughout the Track Record Period. We have not adopted any new and revised accounting standards and interpretations issued but not yet effective for the accounting period beginning January 1, 2025, which are set out in Note 3 of the Accountants' Report in Appendix I to this document.

For more information on the basis of preparation of the financial information included herein, please refer to Note 2 to the Accountant's Report in Appendix I to this Document.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, operating results, and financial condition have been and are expected to continue to be affected by the following significant factors:

Macroeconomic Trends in China and Developments in the Logistics and Supply Chain Service Industry and Our Strategic Transformation

We benefit from China's economic growth and the rapid development of the intelligent logistics and supply chain industry for bulk commodities in China. Our business growth is largely driven by demand for intelligent platform-based transportation services and integrated supply chain digital solutions for bulk commodities, which in turn depends on macroeconomic factors driving the growth of China's economy, such as the level of industrial production activities and the scale of bulk commodity circulation, and other economic conditions that affect consumption, investment and business activities in China in general. During the Track Record Period, building upon the operations of intelligent logistics service platform, we have tapped into the operations of commodity supply chain logistics that enable cargo control and operation scenarios management. In 2024, facing intensified market competition, we scaled down our platform-based transportation services business in advance of industry volatility caused by the release of Decree No. 783 and we commenced a strategic transformation into an intelligent logistics and supply chain service platform provider offering diversified and high-value-added services. This approach ensures the efficiency of supply chain operations through logistics-enabled cargo control and operational scenarios management, while the development of supply chain operations in turn supports the growth of our logistics business. By integrating logistics resources and providing customized supply chain solutions, we address our customers' needs across procurement, sales, processing and logistics, thereby establishing an efficient and flexible supply chain service system. Accordingly, revenue from our platform-based transportation services decreased from RMB19,519.8 million in 2023 to RMB13,926.9 million in 2024 and stabilized at RMB13,755.8 million in 2025, while revenue from our integrated supply chain services increased from RMB157.2 million in 2024 to RMB800.7 million in 2025.

According to Frost & Sullivan, the market size of black bulk commodities intelligent logistics service platform market is expected to reach RMB321.6 billion in 2030 in terms of GTV, with a CAGR of 6.7% since 2025. Over the same period, the market size of black bulk traditional logistics service provider market is expected to reach RMB2,269.5 billion in 2030 in terms of GTV, with a CAGR of negative 0.6%. The rapid growth of the intelligent logistics service platform market and the contraction of the traditional logistics service provider market are driven by the maturation and broader implementation of intelligent logistics technologies, particularly advanced dispatch algorithms and logistics monitoring systems. As a result, we anticipate that the demand for logistics and supply chain services for bulk commodity industry in China will continue to expand, driving the increase in demand for the services we provide and the growth of our business.

In addition, our business is affected by the evolvement of the market trends and by the factors driving the development of the intelligent logistics and supply chain industry in China. The trend for digitalization, which can be further elaborated as full-process standardization, intelligence and visualization, has been increasingly redefining and reshaping the industry as a result of China's continued investment in digital infrastructure. As the market in which we operate is expected to be further driven by the increasing needs of digital transformation of logistics and transportation process and customized supply chain solutions on shippers' side, the rapid extension of the nationwide transportation capacity network in China and the growing demand for green transportation, we expect that such industry trends will continue to drive the evolvement of our business and our results of operations.

Moreover, we compete with market participants and potential new entrants, including other major network freight transportation platforms and digital supply chain platforms. See "Risk Factors" and "Industry Overview — Competitive Landscape Analysis" for details. Our ability to compete effectively with our competitor and consolidate our market position depends on our ability to enhance our competitive advantages. We have always and will continue to focus on maintaining competitiveness in our services and solutions, brand recognition, capacity organization capabilities, customer resources, compliance and risk management capabilities, fulfillment capabilities, and financial resources, in order to expand our business and gain greater market share, which will directly drive our growth and improve our operating results. If we fail to compete effectively and drive business growth, we may lose our existing market share, experience a decline in revenue, and see our profitability weakened. See "Risk Factors — Risks Relating to Our Business and Industry — We operate in a competitive intelligent logistics supply chain industry, and if we fail to compete effectively, our business and prospects could suffer" for details.

Regulatory Environment and Policy Changes Applicable to Our Business

Our business and results of operations are and will continue to be impacted by existing and future laws, regulations, regulatory requirements, and industrial policies governing bulk commodity logistics and supply chains, as well as cross-sectoral regulatory regimes in relation to data security, personal information protection, tax compliance, transportation safety, multimodal transport, and green logistics. Such changes may affect our business strategy and operational structure.

We commenced a strategic transformation from a network freight platform provider to an intelligent logistics and supply chain service provider in 2024. Since the promulgation of Decree No. 783, we have further accelerated internal transformation, building on our early initiatives and focused on producer customers with value-added service as our core competitiveness. This proactive transformation has supported the continuous optimization of our business portfolio and steady growth in profitability amid industry changes. See "— Government Grants" and "Business — Business Sustainability" for further details.

Any further amendments to, or promulgation of laws, regulations, and rules issued from time to time by Chinese regulatory authorities may materially affect our business and operating results. For details, see "Regulatory Overview" for further information.

Our Ability to Attract New Customers and Retain Existing Customers

Over the years, we have built a strong brand and, through the Wubo Smart Chain platform, established a large and deeply engaged customer base across our various businesses. Our ability to continuously increase customer coverage and retention, and expand the scope of services we offer is a key driver of our business growth. Our business primarily focuses on the long-term supply chain and logistics needs of bulk commodity producer customers and their upstream and downstream partners. Our ability to attract customers relies primarily on our capacity to consistently provide visual, traceable, and cost-effective digital logistics solutions, as well as our ability to meet our customers' needs for process control, and one-stop service — all of which enhance our revenue-generating capabilities. Our ability to retain existing clients and expand our service scope depends largely on our capacity to continuously deepen our partnerships with customers and provide full-cycle, customized, and value-added supply chain services.

Our Ability to Manage and Upgrade Our Services and Solutions and Optimize Transportation Resources

Our operating performance depends in part on our ability to effectively manage and upgrade our logistics and supply chain services and utilize nationwide transportation resources to meet the increasingly complex needs of both new and existing customers. We coordinate transportation resources across all modes of multimodal transportation, including mobilizing logistics companies and individual truck drivers for first-mile and last-mile delivery, arranging railcar capacity with rail operators, and securing vessel capacity with waterway and shipping service providers. Since 2025, we have further expanded our international shipping services to cover international shipping lanes between Southeast Asia, Australia, and North America to China/Southeast Asia. We leverage industrial IoT technologies to deliver intelligent solutions, enabling data interconnectivity across our platforms and enhancing the stickiness of our core customers. We further enhance our integrated supply chain services by providing end-to-end supply chain solutions to our customers, covering the entire supply chain, including transportation, procurement, sales, and warehousing, and enhancing our ability to coordinate transportation resources. See "Business — Our Service Offerings — Integrated Supply Chain Logistics Service" for details. We generally charge our customers on a cost-plus basis, whereby service fees are determined by adding a predetermined markup to the underlying costs incurred. During the Track Record Period, our average markup rate of platform-based transportation services grew at a CAGR of approximately 7%, reflecting our enhanced service capabilities and pricing power. Our ability to continue providing the above services and solutions remains critical to our operating performance.

Our Ability to Control Costs and Expenses and Improve Operational Efficiency

Our ability to maintain and enhance profitability depends on our capacity to control costs and expenses by improving operational efficiency. Our cost of sales and services (primarily consisting of transportation costs) and operating expenses are influenced by various factors, such as upstream capacity procurement costs, supply and demand conditions for capacity, fuel price fluctuations, regional operating costs, sales and service network expansion, initial expenditures associated with new business expansion and inflation. Our operating performance also depends on our business structure, which includes the scale of intelligent logistics platform services and integrated supply chain services. A decline/growth in the scale of these businesses will result in a corresponding reduction/increase in related costs.

We continue to optimize our business structure, reduce vehicle empty-loaded rate and improve transportation efficiency through methods such as intelligent vehicle sourcing, capacity scheduling, and multimodal transportation solutions. As we continue to grow our business and expand our market share, we believe we will be able to better leverage economies of scale and gain robust profit growth.

Our Ability to Effectively Invest in Our Technology

Our technology capabilities impact our ability to provide high-quality services to our customers, thereby affecting our future growth and operating performance. During the Track Record Period, we have consistently invested in research and development activities to enhance our technological capabilities. In 2023, 2024, and 2025, our research and development expenses were RMB52.6 million, RMB50.2 million, and RMB48.2 million, respectively. Leveraging our existing competitive advantages in R&D, we expect to increase our investment in R&D activities and relentlessly explore commercialization opportunities in areas where we have established technological advantages. Specifically, we plan to continue investing in digital logistics infrastructure, construction of a Big Data Computing Center (大數據算力中心) and the recruitment of relevant talents to strengthen our technological edge. We believe these investments will effectively enhance our operational efficiency while driving our long-term growth. See "Business — Strategy — Adhering to Technology Innovation as the Core Driver to Build Long-Term Competitive Advantages" for details.

Seasonality

Our business has historically experienced, and is expected to continue experiencing, seasonal fluctuations. We typically record lower revenue in the first quarter of each year, primarily due to a decrease in shipping and service orders as a result of the Chinese New Year holiday. Our business grows significantly during the peak production seasons of our downstream industries in the second and third quarters of each year. The fourth quarter of each year is our peak business season, primarily driven by customers' demand for winter stockpiling. To address short-term fluctuations in transport capacity around the Chinese New Year, as well as peak transport demand driven by industrial production peaks during certain periods, we typically utilize demand forecasting algorithms, dynamic pricing mechanisms, flexible capacity organization and operational allocation mechanisms to minimize the impact of these seasonal factors on our operating performance.

GOVERNMENT GRANTS

Nature and Accounting Treatment of Government Grants

During the Track Record Period and up to the Latest Practicable Date, we received a substantial amount of government grants, consisting of the following:

- **Government grants related to platform-based transportation services**

  For our platform-based transportation services, we have received government grants via agreements mainly with local governments during the Track Record Period and up to the Latest Practicable Date. Terms of the relevant agreements dictate that the amounts of grants from local governments are correlated with our relevant subsidiaries' contributions to the local economy. During the Track Record Period, government grants relating to our platform-based transportation services amounted to RMB882.0 million, RMB636.8 million and RMB536.5 million in 2023, 2024 and 2025, respectively.

  Our revenue for the platform-based transportation services is recognized on a gross basis. Under the platform-based transportation services, we, as a carrier, generally recognize as revenue the freight fees charged to shippers and freight fees paid to transportation resource providers, including individual truck drivers and logistics companies. As the relevant government grants are considered as compensation for the cost of sales and services incurred in our provision of platform-based transportation services, government grants related to such business are recognized as a reduction of transportation cost.

- **Other government grants**

  We have also received government grants that were not related to the platform-based transportation service business ("**other government grants**") for other causes. For example, we had been awarded government grants for enhancements in technology, talent recruitment and daily operation. There are no unfulfilled conditions or contingencies relating to other government grants. Other government grants are recorded under other income. During the Track Record Period, other government grants received by us amounted to RMB11.2 million, RMB8.4 million and RMB8.8 million, respectively. See "— Key Components Of Our Results Of Operations — Other Income" for additional information.

Industry and Policy Background of Government Grants Related to our Platform-based Transportation Services

We focus on applying our platform-based transportation services to black bulk commodity scenarios, particularly steel, coal and mining-related industries, through our Wubo Smart Chain platform. Our customers primarily include black bulk commodity producer enterprises such as steel producers, mining companies, and coal washing plants, which typically have large shipment volumes, complex operational nodes, and high fulfillment requirements. Accordingly, the platform-based and digitalized integration of cargo supply and transportation resources helps improve transportation standardization, intelligence and visualization.

Our road transportation service under the platform-based transportation services involves dispatching shipment orders to third-party transportation resources, primarily individual truck drivers. As such drivers generally do not issue compliant VAT invoices for the transportation services they provide, intelligent logistics platforms, including us, may encounter practical difficulties in obtaining valid supporting documentation for deductible input VAT associated with the relevant transportation costs. Consequently, we have historically been exposed to additional tax burdens and operating cost pressures.

To support the standardized development of the network freight industry and promote local economic growth, the PRC Government has introduced a series of industry support policies and subsidy programs, pursuant to which we have received the government grants described above. However, in recent years, as the regulation of local fiscal support measures and tax incentives has become increasingly standardized, government grant policies applicable to the network freight industry have also undergone adjustments. As a result, certain government grants historically obtained by us pursuant to local investment promotion initiatives, regional industry support policies, or other localized fiscal support arrangements may be subject to review, adjustment, delayed disbursement, reduction, gradual phase-out, or discontinuation in the future. See "Risk Factors — Risk Factors Relating to Our Business and Industry — Changes in national and regional industry policies, subsidies, government grants, and macroeconomic conditions may materially and adversely affect our business, operations, and growth prospects" for further information. At the same time, industry regulators and certain local governments have continued to explore and implement more standardized policy measures to address the practical challenges faced by network freight platforms, particularly the relatively higher operating costs arising from the limited availability of input VAT deductions. There can be no assurance that such measures will fully mitigate the impact of any future reduction, phase-out or termination of the relevant government grant policies. Any such changes, including those arising from the implementation of Decree No. 783, could adversely affect our cost structure, operating results and profitability.

We will continue to closely monitor relevant policy developments and seek to reduce our reliance on government grants through strategic business transformation, optimizing our business mix, adjusting our pricing mechanisms, improving operational efficiency, and exploring more compliant cost deduction and settlement arrangements.

Assessment of the Sustainability of Government Grants Related to Platform-based Transportation Services and Their Impacts to Our Business and Financial Conditions

The growth and profitability of our platform-based transportation services have historically been dependent, in part, on the government grants we received. During the Track Record Period, had we not received such government grants, we would have incurred gross losses. We cannot assure you that we can continue to obtain government grants from any province in the Chinese Mainland on similar terms, or at all, in the future. See "Risk Factors — Risks Relating to Our Business and Industry — Changes in national and regional industry policies, subsidies, government grants, and macroeconomic conditions may materially and adversely affect our business, operations, and growth prospects". See "Regulatory Overview — Relevant Tax Regulations — Fair Competition and Tax Incentives".

During the Track Record Period, we have substantially satisfied relevant conditions for receiving government grants, including our contribution to the local economy, as set out in our agreements with local governments, and have not experienced any material shortfall or delay in receipt of government grant due to failure to meet such conditions. The proportion of government grants related to platform-based transportation service business as a percentage of our gross profit had been decreasing significantly over the years during the Track Record Period, due to our strategic transformation from a logistics service provider to an intelligent logistics and supply chain service provider. See "— Factors Affecting Our Results of Operations and Financial Condition — Macroeconomic Trends in China and Developments in the Logistics and Supply Chain Service Industry and Our Strategic Transformation." During the Track Record Period, government grants relating to our platform-based transportation services represented 459.4%, 259.3% and 186.5% of the gross profit generated from our platform-based transportation services for the respective years, and 354.1%, 169.5% and 108.0% of our gross profit for the respective years, both of which signified the gradual reduction in our reliance on such government grants.

MATERIAL ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

We prepare our consolidated financial information in accordance with IFRS, which requires us to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the consolidated financial information and the reported amounts of revenue and expenses during the Track Record Period. We continuously evaluate these estimates and assumptions based on the most recently available information, our own historical experiences and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. For details of our material accounting policies, significant accounting judgments and estimates, see Notes 4 and 5 to the Accountant's Report in Appendix I to this Document.

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

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income with line items in absolute amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
REVENUE	**21,726,773**	**100.0**	**16,562,427**	**100.0**	**16,283,074**	**100.0**
Cost of sales and services	(21,477,672)	(98.9)	(16,186,739)	(97.7)	(15,786,354)	(96.9)
GROSS PROFIT	249,101	1.1	375,688	2.3	496,720	3.1
Other income	39,449	0.2	32,426	0.2	26,789	0.2
Other gains and losses	(5,558)	0.0	(4,480)	0.0	(23,835)	(0.1)
Impairment losses (recognized) reversed, under expected credit loss model, net of reversal	(420)	0.0	(2,339)	0.0	2,776	0.0
Selling expenses	(73,337)	(0.3)	(71,030)	(0.4)	(99,668)	(0.6)
Administrative expenses	(70,564)	(0.3)	(138,597)	(0.8)	(126,453)	(0.8)
[**REDACTED**]	–	–	–	–	[REDACTED]	[REDACTED]
Research and development expenses	(52,552)	(0.2)	(50,188)	(0.3)	(48,215)	(0.3)
Share of results of associates	175	0.0	(458)	0.0	(286)	0.0
Finance costs	(6,729)	0.0	(5,129)	0.0	(7,184)	0.0
PROFIT BEFORE TAX	79,565	0.4	135,893	0.8	218,985	1.3
Income tax expense	(12,530)	(0.1)	(41,799)	(0.3)	(49,361)	(0.3)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**67,035**	**0.3**	**94,094**	**0.6**	**169,624**	**1.0**

NON-IFRS MEASURES

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance from year to year. We believe that adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) provide useful information to investors and others in understanding and evaluating our consolidated statements of profit or loss and other comprehensive income in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute of, our consolidated statements of profit or loss and other comprehensive income or financial position as reported under IFRS.

We define adjusted net profit (non-IFRS measure) as profit for the year, adjusted by adding back share-based payment expenses and [**REDACTED**]. We define adjusted net profit margin for the year (non-IFRS measure) as adjusted net profit (non-IFRS) for the year, divided by revenue for the year.

The following table sets forth a reconciliation from profit for the year, presented in accordance with IFRS, to our adjusted net profit for the year (non-IFRS measure) and adjusted net profit margin for the year (non-IFRS measure):

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	67,035	94,094	169,624
Add back:			
Share-based payment expenses	–	42,330	5,994
[**REDACTED**]	–	–	[**REDACTED**]
Adjusted net profit for the year (non-IFRS measure)	**67,035**	**136,424**	**177,277**
Adjusted net profit margin for the year (non-IFRS measure)	**0.3%**	**0.8%**	**1.1%**

KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Revenue by Types of Services

During the Track Record Period, we derived our revenue from providing (i) intelligent logistics platform services, (ii) integrated supply chain services and (iii) others. During the Track Record Period, all of our revenue was generated from China Mainland.

The following table sets forth a breakdown of our revenue by types of services in absolute amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Intelligent Logistics Platform Services	**21,493,557**	**99.0**	**16,362,313**	**98.8**	**15,360,225**	**94.3**
– Platform-based transportation services	19,519,769	89.8	13,926,915	84.1	13,755,764	84.5
– Port handling services	1,973,788	9.2	2,435,398	14.7	1,604,461	9.8
Integrated Supply Chain Services	**204,682**	**0.9**	**157,181**	**0.9**	**800,700**	**4.9**
– End-to-end supply chain solutions	–	–	–	–	535,986	3.3
– Smart industrial park logistics solutions	157,034	0.7	89,619	0.5	199,437	1.2
– Industrial IoT solutions	47,648	0.2	67,562	0.4	65,277	0.4
Others[(1)]	**28,534**	**0.1**	**42,933**	**0.3**	**122,149**	**0.8**
Total	**21,726,773**	**100.0**	**16,562,427**	**100.0**	**16,283,074**	**100.0**

Note:

(1) Represents revenue from labor service, transaction service, railway agency service, sales of goods and others.

For details in relation to revenue generation of our services during the Track Record Period, see "Summary — Our Services."

During the Track Record Period, the decline in our total revenue was primarily due to a decrease in revenue from intelligent logistics platform services, partially offset by rapid growth in revenue from integrated supply chain services.

Intelligent Logistics Platform Services

– ***Platform-based transportation services.*** The decreases in revenue from platform-based transportation services from RMB19,519.8 million in 2023 to RMB13,926.9 million in 2024 and further to RMB13,755.8 million in 2025 was primarily due to business scale-down resulting from our strategic transformation from a network freight service platform provider to an intelligent logistics and integrated supply chain service provider. Meanwhile, we placed increased emphasis on producer customers, enabling us to broaden service scope and deliver higher-value services. In 2025, the business scale of our platform-based transportation services remained relatively stable, resulting in stable revenue as compared to 2024. In addition, through platform route optimization and the establishment of certain green routes in 2025, we achieved 1,552 multimodal transportation orders in the year. In addition, we expanded our international shipping business in 2025, further broadening our operational capacity.

– ***Port handling services.*** Revenue from port handling services increased from RMB1,973.8 million in 2023 to RMB2,435.4 million in 2024, primarily attributable to an increase in import volumes of cargo owners. The decrease in revenue from port handling services from RMB2,435.4 million in 2024 to RMB1,604.5 million in 2025 was mainly attributable to increased uncertainty in iron ore price trends due to global geopolitical tensions in 2025, which together with reduce in demand by iron ore importers and trader customers.

Integrated Supply Chain Services

– ***End-to-end supply chain solutions.*** Leveraging our state-owned enterprise background and accumulated industrial resources, we commenced the gradual rollout of integrated supply chain services combining logistics with customized procurement and sales for the black bulk commodities sector in 2025. In 2025, revenue from our end-to-end supply chain solutions was RMB536.0 million.

– ***Smart industrial parks logistics solutions.*** During the Track Record Period, we optimized intra-park and park-to-park routes from time to time starting from 2024 based on actual freight demand. Revenue from our smart industrial parks logistics solutions declined from RMB157.0 million 2023 to RMB89.6 million in 2024 due to expiration of contract term with certain customers, and rebounded to RMB199.4 million in 2025 due to an increase in customer base.

– ***Industrial IoT solutions.*** Revenue from our industrial IoT solutions increased from RMB47.6 million 2023 to RMB67.6 million in 2024, primarily because a few industrial IoT solution projects were delivered in 2024 in accordance with their respective completion and acceptance schedules. Revenue from our industrial IoT solutions stabilized at RMB65.3 million in 2025.

For more details in relation to the changes in our revenue by types of services during the Track Record Period, see "— Review of Historical Results of Operations."

Cost of Sales and Services

During the Track Record Period, the proportion and fluctuation trends of our cost of sales and services were generally in line with changes in our revenue. Our cost of sales and services was RMB21,477.7 million, RMB16,186.7 million, and RMB15,786.4 million, in 2023, 2024 and 2025, respectively.

Cost of Sales and Services by Types of Services

During the Track Record Period, the proportion and fluctuation trends of our cost of sales and services by types of services under each different segment were generally in line with changes in our revenue by types of services. The following table sets forth our cost of sales and services by types of services for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Intelligent Logistics Platform Services	**21,273,775**	**99.1**	**16,050,714**	**99.1**	**15,015,949**	**95.2**
– Platform-based transportation services	19,327,768	90.0	13,681,307	84.5	13,468,097	85.4
– Port handling services	1,946,007	9.1	2,369,407	14.6	1,547,852	9.8
Integrated Supply Chain Services	**193,099**	**0.9**	**115,778**	**0.8**	**686,993**	**4.3**
– End-to-end supply chain solutions	–	–	–	–	473,771	3.0
– Smart industrial parks logistics solutions	156,857	0.7	82,311	0.6	188,699	1.2
-Industrial IoT solutions	36,242	0.2	33,467	0.2	24,523	0.1
Others[(1)]	10,798	0.0	20,247	0.1	83,412	0.5
Total	**21,477,672**	**100.0**	**16,186,739**	**100.0**	**15,786,354**	**100.0**

Note:

(1) Represents cost of sales and services related to labor service fees, sales of goods and others.

During the Track Record Period, the cost of platform-based transportation services mainly included transportation fees paid to transportation resources, such as individual truck drivers and logistics companies, taxes and surcharges, fuel and gas costs and other related expenses. The cost of our port handling services primarily comprises port handling fees and other related expenses. The cost of our end-to-end supply chain solutions primarily comprise transportation fees paid to transportation resources and warehousing fees. The cost of our smart industrial parks logistics solutions mainly consisted of transportation fees paid to transportation resources, vehicle depreciation, labor costs and other related expenses. The cost of our industrial IoT solutions primarily comprised labor costs and hardware equipment costs.

Cost of sales and services for platform-based transportation services constitutes a majority of our cost of sales and services during the Track Record Period, and primarily consists of (i) transportation costs, (ii) taxes and surcharges and (iii) fuel and gas costs. The following table sets forth the breakdown of our cost of sales and services for platform-based transportation services by nature for the years indicated, both in absolute amounts and as a percentage of our total cost of sales and services for platform-based transportation services:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Cost of sales and services						
Transportation costs[(1)]	19,026,498	98.4	13,465,782	98.4	13,197,833	98.0
Taxes and surcharges	181,988	0.9	124,173	0.9	109,535	0.8
Fuel and gas costs	109,541	0.6	86,345	0.6	148,648	1.1
Others[(2)]	9,741	0.1	5,007	0.1	12,081	0.1
Total	**19,327,768**	**100.0**	**13,681,307**	**100.0**	**13,468,097**	**100.0**

Note:

(1) For the years ended December 31, 2023, 2024 and 2025, government grants deducted from transportation costs were RMB882.0 million, RMB636.8 million and RMB536.5 million, respectively. See "— Government Grants" for further details.

(2) Others represent unloading fees, insurance premium and other miscellaneous fees.

Gross Profit and Gross Profit Margin

In 2023, 2024 and 2025, our gross profit was RMB249.1 million, RMB375.7 million and RMB496.7 million, respectively. Our gross profit margin was 1.1%, 2.3% and 3.1% for the corresponding years.

Gross Profit and Gross Profit Margin by Types of Services

The following table sets forth the breakdown of our gross profit and gross profit margin by types of services for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Intelligent logistics platform services	**219,782**	**1.0**	**311,599**	**1.9**	**344,276**	**2.2**
– Platform-based transportation services	192,001	1.0	245,608	1.8	287,667	2.1
– Port handling services	27,781	1.4	65,991	2.7	56,609	3.5
Integrated supply chain services	**11,584**	**5.7**	**41,403**	**26.3**	**113,707**	**14.2**
– End-to-end supply chain solutions	–	–	–	–	62,215	11.6
– Smart industrial parks logistics solutions	178	0.1	7,308	8.2	10,738	5.4
– Industrial IoT solutions	11,406	23.9	34,095	50.5	40,754	62.4
Others[1]	17,735	62.2	22,685	52.8	38,737	31.7
Total	**249,101**	**1.1**	**375,688**	**2.3**	**496,720**	**3.1**

Note:

(1) Represents gross profit from labor service, transaction service, railway transportation agency service, sales of goods and others.

During the Track Record Period, our gross profit continued to increase. Despite the industry volatility arising from the release of Decree No. 783 and the fluctuation of our overall revenue scale, we achieved robust profit growth through proactive business structure optimization and increased focus on providing producer customers with value-added services. In particular, we proactively reduced the scale of certain traditional platform-based transportation service businesses which carried lower margins, while continuously expanding higher-margin business segments and enhancing our customer mix by focusing on producer customers with growing demand for integrated logistics and supply chain solutions.

Intelligent Logistics Platform Services

– ***Platform-based Transportation Services.*** During the Track Record Period, while we continued to downsize our platform-based transportation services business through business structure optimization and divestiture of certain low-margin operations, we simultaneously enhanced gross profit and gross profit margin through implementing a range of measures, including optimizing our pricing mechanisms, improving operational efficiency and expanding the scope of our services. For example, we upgraded our services by providing multimodal transportation solutions in 2025, which enabled one-stop logistics arrangements with optimized route efficiency for our customers. In addition, the acquisition of Shandong Duanxin contributed to the increase in our gross profit in 2025.

– ***Port handling services.*** During the Track Record Period, the changes of our gross profit for port handling services were generally in line with the revenue fluctuations. The gross profit margin for port handling services increased, primarily attributable to a change in revenue mix, with a greater contribution from vessel owner services which typically carries a higher margin than that of cargo owner services.

Integrated Supply Chain Services

– ***End-to-end supply chain solutions.*** End-to-end supply chain solutions were introduced as a new business category in 2025, accounting for 12.5% of our gross profit and serving as a new driver of gross profit growth for that year. Such solutions provide comprehensive services covering procurement, transportation, warehousing and distribution to producer customers, and generally carry higher margins and stronger pricing power compared to standalone transportation services.

– ***Smart industrial parks logistics solutions.*** Gross profit margin of our smart industrial parks logistics solutions fluctuated during the Track Record Period due to the change in customer and service mix.

– ***Industrial IoT solutions.*** Gross profit and gross profit margin from our industrial IoT solutions continued to grow during the Track Record Period, primarily attributable to our expansion of high-margin software business operations. The gross profit for industrial IoT solutions increased at a CAGR of 89.0% from 2023 to 2025.

See "— Review of Historical Results of Operations" in relation to changes in gross profit and gross profit margin of our services.

Other Income

During the Track Record Period, our other income consists of (i) interest income from bank deposits; (ii) interest income from loan receivables; and (iii) government grants. Government grants we received were mainly from the local governments of the regions where we operate, the purposes of which were primarily to support our research and development activities, innovations, talent recruitment and daily operation, excluding government grants related to platform-based transportation services. See "— Government Grants" for details.

In 2023, 2024 and 2025, our other income was RMB39.4 million, RMB32.4 million, and RMB26.8 million, respectively.

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*	*%*
Other income						
Interest income						
– Bank deposits	15,822	40.1	19,502	60.1	15,408	57.5
– Loans receivable	12,434	31.5	4,532	14.0	2,614	9.8
Government grants[(1)]	11,193	28.4	8,392	25.9	8,767	32.7
Total	**39,449**	**100.0**	**32,426**	**100.0**	**26,789**	**100.0**

Note:

(1) The government grants other than those related to platform-based transportation service businesses are recognized in other income. There are no unfulfilled conditions or contingencies relating to these government grants.

During the Track Record Period, our interest income consisted of interest income from deposits for bill acceptance guarantees and interest income from demand deposits, and to a lesser extent, interest income from loans receivables. In 2023 and 2024, interest income also included interest received from loans provided to business partners for temporary working capital purposes which were repaid in 2024 and we will not generate such interest income in the future.

During the Track Record Period, our government grants under other income, which is also known as other government grants primarily consisted of value-added tax refunded upon collection for the software business under an ongoing governmental policy. Other government grants mainly include one-time government grants and individual income tax refunds. The decrease in government grants in 2024 as compared to 2023 was primarily attributable to a one-time government support grant received by our subsidiary, Shanghai Xinglian, in 2023, which was not recurring in 2024.

Other Gains and Losses

During the Track Record Period, our other gains and losses consisted primarily of (i) loss on termination of bank acceptance bills upon discount; (ii) (losses) gains on disposal of property, plant and equipment; (iii) gain from changes in fair value of financial assets at fair value through profit or loss ("**FVTPL**"); (iv) investment income; and (v) net foreign exchange gain (losses). In 2023, 2024 and 2025, our other loss was RMB5.6 million, RMB4.5 million and RMB23.8 million, respectively.

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	*RMB'000*	*RMB'000*
Loss on termination of bank acceptance bills upon discount	(7,374)	(5,924)	(20,174)
(Losses) gains on disposal of property, plant and equipment	(26)	(91)	459
Gain from changes in fair value of financial assets at FVTPL	20	15	120
Investment income	381	311	–
Net foreign exchange gain (Losses)	171	118	(3,333)
Others	1,270	1,091	(907)
Total	**(5,558)**	**(4,480)**	**(23,835)**

Selling Expenses

Our selling expenses primarily consist of (i) promotional expenses; (ii) employee compensation and benefits of our sales team; (iii) office, travel and entertainment expenses; (iv) lease expenses and depreciation and amortization; and (v) share-based payment expense. Promotional expenses remained the largest component of our selling expenses during the Track Record Period, which primarily include promotional fees related to our platform-based transportation services and port handling services.

In 2023, 2024 and 2025, our selling expenses were RMB73.3 million, RMB71.0 million and RMB99.7 million, respectively.

The following table sets forth a breakdown of our selling expenses for the years indicated, both in absolute amounts and as a percentage of our total selling expenses:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Selling expenses						
Promotional expenses	39,534	53.9	35,791	50.4	66,063	66.2
Employee compensation and benefits	27,954	38.1	27,769	39.1	26,882	27.0
Office, travel and entertainment expenses	4,867	6.6	5,190	7.3	5,172	5.2
Leased expenses and depreciation and amortization	936	1.3	1,438	2.0	774	0.8
Share-based payment expenses	–	–	295	0.4	394	0.4
Others[(1)]	46	0.1	547	0.8	383	0.4
Total	**73,337**	**100.0**	**71,030**	**100.0**	**99,668**	**100.0**

Note:

(1) Others represent consulting fees, bid-winning service fees and other miscellaneous expenses.

During the Track Record Period, the decrease in selling expenses in 2024 as compared to 2023 was primarily attributable to the scaling back of our platform-based transportation services. The increase in selling expenses in 2025 as compared to 2024 was primarily attributable to expenses incurred in promoting our port handling services.

Administrative Expenses

Our administrative expenses primarily consist of (i) employee compensation and benefit expenses of our administrative staff, (ii) leased expenses and depreciation and amortization charges, (iii) office, travel and entertainment expenses, (iv) information technology service fees, and (v) share-based payment expenses. In 2023, 2024 and 2025, our administrative expenses were RMB70.6 million, RMB138.6 million and RMB126.5 million, respectively.

The following table sets forth a breakdown of our administrative expenses for the years indicated, both in absolute amounts and as a percentage of our total administrative expenses:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Administrative expenses						
Employee compensation and benefits	47,268	67.0	61,669	44.5	82,809	65.5
Leased expenses and depreciation and amortization	11,009	15.6	13,329	9.6	14,136	11.2
Office, travel and entertainment expenses	8,853	12.5	13,350	9.6	10,145	8.0
Information technology service fees	–	–	3,901	2.8	6,732	5.3
Share-based payment expenses	–	–	41,442	29.9	4,809	3.8
Professional service fees	748	1.1	3,301	2.4	4,227	3.4
Others[(1)]	2,686	3.8	1,605	1.2	3,545	2.8
Total	**70,564**	**100.0**	**138,597**	**100.0**	**126,453**	**100.0**

Note:

(1) Others represent bank service fees, property management fees, labor union expenses and other miscellaneous expenses.

[**REDACTED**]

We incurred [**REDACTED**] of [**REDACTED**], [**REDACTED**] and [**REDACTED**] in 2023, 2024 and 2025 in connection with the [**REDACTED**], respectively.

Research and Development Expenses

Our research and development expenses primarily consist of (i) employee benefit expenses of our research team, (ii) depreciation and amortization expenses, and (iii) research and development service fees. In 2023, 2024 and 2025, our research and development expense were RMB52.6 million, RMB50.2 million, and RMB48.2 million, respectively.

The following table sets forth a breakdown of our research and development expenses by nature for the years indicated, both in absolute amounts and as a percentage of our total research and development expenses:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Research and development expenses						
Employee benefits expenses	44,385	84.5	43,132	85.9	42,383	87.9
Depreciation and amortization expenses	2,906	5.5	2,567	5.1	1,902	4.0
Research and development service fees	4,936	9.4	3,454	6.9	1,785	3.7
Office, travel and entertainment expenses	264	0.5	389	0.8	1,205	2.5
Share-based payment expenses	–	–	593	1.2	791	1.6
Others	61	0.1	53	0.1	149	0.3
Total	**52,552**	**100.0**	**50,188**	**100.0**	**48,215**	**100.0**

Impairment losses recognized (reversed), under expected credit loss model, net of reversal

During the Track Record Period, our net reversal of impairment losses or impairment losses on financial assets were primarily related to the impairment of trade and other receivables and prepayments, amounts due from related parties, and loan receivables. In 2023 and 2024, we recorded impairment losses under expected credit loss model of RMB0.4 million and RMB2.3 million, respectively. In 2025, we recorded net reversal of impairment losses under expected credit loss model of RMB2.8 million.

The following table sets forth a breakdown of our impairment losses recognized (reversed), under expected credit loss model, net of reversal for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Impairment losses recognized (reversed), under expected credit loss model, net of reversal			
Trade and other receivables and prepayments	843	1,126	(1,021)
Amounts due from related parties	7	1,096	(1,803)
Loan receivables	(430)	117	48
Total	**420**	**2,339**	**(2,776)**

Finance Costs

Our finance costs consist of interest expense on bank loans, other borrowings and lease liabilities. For details on borrowings and lease liabilities, see "— Indebtedness". In 2023, 2024 and 2025, our finance costs were RMB6.7 million, RMB5.1 million and RMB7.2 million, respectively.

The table below 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*
Financial Cost			
Interest expense on bank loans	3,266	2,384	715
Interest expense on borrowings from related parties	1,393	1,177	5,389
Interest expense on lease liabilities	2,070	1,568	1,080
Total	**6,729**	**5,129**	**7,184**

Income Tax

For the years ended December 31, 2023, 2024 and 2025, we recorded income tax of RMB12.5 million, RMB41.8 million and RMB49.4 million, respectively. The following summarizes certain tax laws and regulations applicable to us in the PRC.

Under the Law of the PRC on enterprise income tax ("**EIT**") and Implementation Regulations of the EIT Law, the standard tax rate of us and our PRC subsidiaries is 25%. Certain small profit-making PRC subsidiaries are entitled to a preferential tax rate of 5% with the expiry date on December 31, 2027. In addition, three of our subsidiaries have obtained the "High-Tech Enterprise" certification as of the Latest Practicable Date. See Note 11 to the Accountant's Report set out in Appendix I to this Document for further details on the applicable tax rate we were subject to during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, our Directors were not aware of any outstanding enquiry, audit, investigation, challenge or penalty from tax authorities in relation to our tax filings.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

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

Revenue

Our total revenue decreased by 1.7% from RMB16,562.4 million in 2024 to RMB16,283.1 million in 2025, primarily attributable to a slight decrease in revenue from intelligent logistics platform services, partially offset by our growing revenue from integrated supply chain services.

– **Intelligent Logistics Platform Services**: Our revenue derived from **platform-based transportation services** remained relatively stable at RMB13,926.9 million in 2024 and RMB13,755.8 million in 2025, which was generally in line with the slight decrease in the number of platform-based shipping orders from 5.3 million in 2024 to 5.2 million in 2025. Our revenue derived from **port handling services** decreased by 34.1% from RMB2,435.4 million in 2024 to RMB1,604.5 million in 2025, primarily attributable to increased uncertainty in iron ore price trends due to global geopolitical tensions in 2025, which together with reduce in demand by iron ore importers and trader customers.

– **Integrated Supply Chain Services**: Our revenue derived from integrated supply chain services increased by 409.4% from RMB157.2 million in 2024 to RMB800.7 million in 2025, primarily attributable to the launch of our **end-to-end supply chain solutions** in 2025, under which we completed an aggregate of 137.7 thousand service orders for our end-to-end supply chain solutions services in 2025.

Cost of Sales and Services

Our cost of sales and services decreased by 2.5% from RMB16,186.7 million in 2024 to RMB15,786.4 million in 2025, primarily attributable to a reduction in cost of platform-based transportation services and port handling services, which is related to our optimization of business structure.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our total gross profit increased by 32.2% from RMB375.7 million in 2024 to RMB496.7 million in 2025.

The overall gross margin increased from 2.3% in 2024 to 3.1% in 2025, primarily driven by: (i) increased contributions to gross profit from integrated supply chain platform services, particularly end-to-end supply chain solutions introduced in 2025, which provide integrated services covering procurement, transportation, warehousing and distribution and generally carry higher margins and stronger pricing power compared to standalone transportation services; (ii) the continued improvement in the gross margin of our intelligence platform-based transporation, achieved through a range of measures, including optimizing our pricing mechanisms, improving operational efficiency and expanding the scope of our services, including the launch of multimodal transportation solutions in 2025, which enhanced gross profit per shipping order, optimized route efficiency and reduced empty-load rates; (iii) the acquisition of Shandong Duanxin, which made a contribution to our overall gross profit in 2025.

Other Income

Our other income decreased by 17.4% from RMB32.4 million in 2024 to RMB26.8 million in 2025, primarily due to a reduction in interest income, mainly attributable to lower interest earned on bank deposits, including deposits held as collateral for accepted bills and demand deposits, and loan receivables.

Other Losses

Our net other losses increased by 432.0% from RMB4.5 million in 2024 to RMB23.8 million in 2025, primarily due to an increase in fees associated with bank acceptance bills upon discount.

Selling Expenses

Our selling expenses increased by 40.3% from RMB71.0 million in 2024 to RMB99.7 million in 2025, primarily due to expenses incurred in promoting our port handling services.

Administrative Expenses

Our administrative expenses decreased by 8.8% from RMB138.6 million in 2024 to RMB126.5 million in 2025, primarily as a result of one-off share-based payment expenses, while such accruals returned to a normal level in 2025. This was partially offset by the increase in employee compensation and benefits and other administrative expenses following the acquisition of Shandong Duanxin.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB50.2 million in 2024 and RMB48.2 million in 2025.

Impairment Losses Recognized (Reversed), under Expected Credit Loss Model, Net of Reversal

Our credit impairment loss/reversal was adjusted from a net loss of RMB2.3 million in 2024 to a net reversal of RMB2.8 million in 2025, due to collection of long-aged financial assets.

Financial Costs

Our financial costs increased by 40.1% from RMB5.1 million in 2024 to RMB7.2 million in 2025, primarily because we launched end-to-end supply chain services in 2025, which led to a significant increase in funding requirements.

Profit for the Year and Net Profit Margin

As a result of the foregoing, our profit for the year increased by 80.3% from RMB94.1 million in 2024 to RMB169.6 million in 2025. Our net profit margins increased from 0.6% in 2024 to 1.0% in 2025, respectively.

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

Revenue

Our total revenue decreased by 23.8% from RMB21,726.8 million in 2023 to RMB16,562.4 million in 2024.

– **Intelligent Logistics Platform Services**: Our revenue derived from intelligent logistics platform services decreased by 23.9% from RMB21,493.6 million in 2023 to RMB16,362.3 million, primarily attributable to the scale-down of our **platform-based transportation services business** in 2024. Such contraction was primarily driven by our proactive adjustment of business strategies to strengthen risk management. As part of this process, we strategically phased out certain road transportation services with relatively lower profit margins. This decline was partially offset by year-over-year revenue growth in our **port handling services business**, as customer import volumes increased in 2024 compared to 2023.

– **Integrated Supply Chain Services**: Our revenue derived from integrated supply chain services decreased by 23.2% from RMB204.7 million in 2023 to RMB157.2 million in 2024, primarily due to a reduction in **smart industrial parks logistics solutions** revenue resulting from expiration of contract terms of certain customers.

Cost of Sales and Services

Our cost of sales and services decreased by 24.6% from RMB21,477.7 million in 2023 to RMB16,186.7 million in 2024, primarily due to a decrease in cost of platform-based transportation services in line with the revenue decrease as part of our optimization of business structure.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 50.8% from RMB249.1 million in 2023 to RMB375.7 million in 2024.

Our overall gross margin increased from 1.1% in 2023 to 2.3% in 2024, primarily attributable to (i) our proactive business adjustments under enhanced risk control measures, including the strategic reduction of certain low-margin transportation services, (ii) our enhanced pricing mechanisms driven by our upgraded services and brand premium; and (iii) effective cost control measures due to large scale of our transportation resources and our technical capability to decrease empty loaded rate through route optimization contributed to an improvement in gross profit and gross margin. The increase contribution from industrial IoT solutions to our gross profit also improved our overall gross profit margin, reflecting our continued expansion into higher-margin integrated supply chain services.

Other Income

Our other income decreased by 17.8% from RMB39.4 million in 2023 to RMB32.4 million in 2024, primarily due to (i) a reduction in interest income resulting from the settlement of intercompany loans provided to other companies, which were fully repaid in 2024; and (ii) government grants in 2023 that were one-off in nature.

Other Losses

Our other losses decreased by 19.4% from RMB5.6 million in 2023 to RMB4.5 million in 2024, primarily attributable to a reduction in loss from bill discounting.

Selling Expenses

Our selling expenses decreased by 3.1% from RMB73.3 million in 2023 to RMB71.0 million in 2024, primarily due to a reduction in promotional expenses resulting from the scaling down of our platform-based transportation services business operations.

Administrative Expenses

Our administrative expenses increased by 96.4%, from RMB70.6 million in 2023 to RMB138.6 million in 2024 , primarily attributable to the recognition of share-based payment expenses of RMB41.4 million in 2024.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB52.6 million in 2023 and RMB50.2 million in 2024.

Impairment Losses Recognized (Reversed), under Expected Credit Loss Model, Net of Reversal

Our impairment losses increased by 456.9% from RMB0.4 million in 2023 to RMB2.3 million in 2024, primarily attributable to an increase in provision for impairment of financial assets due to increase in scale in our financial assets hold.

Finance Costs

Our finance costs decreased by 23.8% from RMB6.7 million in 2023 to RMB5.1 million in 2024, primarily attributable to a reduction in short-term bank loans and lease liabilities balances.

Profit for the Year and Net Profit Margin

As a result of the foregoing, our profit for the year increased by 40.4%, from RMB67.0 million in 2023 to RMB94.1 million in 2024. Our net profit margin was 0.3% in 2023 and 0.6% in 2024, respectively.

SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth summary information from our consolidated statements of financial position as of the dates indicated, which has been extracted from our historical financial information included in Appendix I to this Document.

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	129,617	142,866	116,364
Right-of-use assets	66,570	57,715	45,538
Investment properties	1,798	1,671	1,471
Intangible assets	834	755	639
Loan receivables	–	25,282	24,901
Investment in associates	2,423	2,589	2,303
Financial assets at fair value through profit or loss	880	895	1,015
Deferred tax assets	21,720	9,783	7,505
Total non-current assets	**223,842**	**241,556**	**199,736**

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
CURRENT ASSETS			
Inventories	10,459	15,263	14,401
Loan receivables	83,874	8,052	22,595
Financial assets at fair value through profit or loss	9,553	–	–
Trade and other receivables, prepayments and other assets	2,101,467	2,643,361	5,683,828
Amounts due from related parties	271,571	1,763,088	1,316,326
Restricted cash	994,931	919,841	724,767
Cash and cash equivalents	283,978	705,835	654,068
Total current assets	**3,755,833**	**6,055,440**	**8,415,985**
CURRENT LIABILITIES			
Trade and other payables	1,809,202	2,237,275	3,894,039
Tax liabilities	7,651	15,266	30,205
Borrowings	61,017	20,000	150,000
Amounts due to related parties	345,526	271,233	1,042,398
Contract liabilities	203,651	136,350	272,230
Lease liabilities	10,193	9,803	17,102
Current portion of long-term payables	2,709	5,064	–
Total current liabilities	**2,439,949**	**2,694,991**	**5,405,974**
NON-CURRENT LIABILITIES			
Lease liabilities	28,715	18,242	7,535
Amounts due to related parties	–	16,255	7,562
Long-term payables	–	3,355	–
Total non-current liabilities	**28,715**	**37,852**	**15,097**
NET ASSETS	**1,511,011**	**3,564,153**	**3,194,650**

Property, Plant and Equipment

Our property, plant and equipment primarily consist of transportation vehicles, construction in progress, equipment and others, buildings and plant and machinery. Our property, plant and equipment increased from RMB129.6 million as of December 31, 2023 to RMB142.9 million as of December 31, 2024 primarily due to the combination of Shandong Duanxin under common control, and reduced to RMB116.4 million as of December 31, 2025, primarily due to the depreciation of our property, plant and equipment.

Loan Receivable

The following table sets forth a breakdown of our loan receivable during the Track Record Period:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loans to a business partner	70,148	–	–
Loans to freight suppliers	13,726	33,334	47,496
	83,874	33,334	47,496

We have divested our financial leasing business through the disposal of a majority of our business and relevant assets in Tianjin Dongming Financial Leasing Co., Ltd., a subsidiary, in April 2026. Following the disposal, we no longer engage in new financial leasing business.

Right-of-use Assets

Our right-of-use assets primarily consist of leases for office spaces, vehicles and equipment. Our right-of-use assets decreased from RMB66.6 million as of December 31, 2023 to RMB57.7 million as of December 31, 2024, and further decreased to RMB45.5 million as of December 31, 2025, primarily as a result of depreciation on right-of-use assets.

Financial Assets at Fair Value through Profit or Loss

During the Track Record Period, our financial assets at fair value through profit or loss comprised current portion and non-current portion. Current portion includes investments in certain wealth management products using idle funds, all of which were fully redeemed in October 2024. Our financial assets at fair value through profit or loss amounted to RMB9.6 million, nil and nil as of December 31, 2023, 2024 and 2025, respectively.

Non-current portion includes our 5% equity interest in Shandong Yanmei Shipping Co., Ltd., our affiliate, which is accounted for as an equity investment measured at fair value. Our non-current portion of financial assets at fair value through profit or loss amounted to RMB0.9 million, RMB0.9 million and RMB1.0 million as of December 31, 2023, 2024 and 2025, respectively.

During the Track Record Period, the wealth management products purchased by us were generally described as having low levels of risks in the product description manuals published by the issuing banks. The underlying assets of the wealth management products were primarily low-risk fixed income instrument and principle-guaranteed financial instruments, and can be redeemed at our preference.

Trade and Other Receivables, Prepayments and Other Assets

Our trade and other receivables consist of trade receivables, bills receivable (at fair value through other comprehensive income ("**FVTOCI**")), other receivables, net of loss allowances and prepayments. For details of bill receivables, please refer to Note 22 to the Accountant's Report in Appendix I to this Document.

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	1,230,935	948,562	843,440
Less: allowance for credit losses	(164)	(625)	(122)
	1,230,771	**947,937**	**843,318**
Bills receivables (at FVTOCI)	**55,717**	**292,289**	**581,163**
Other receivables			
Advances and arrears	63,914	63,532	188,942
Government grants receivables	489,786	416,058	608,271
Refundable deposits	16,919	10,660	10,160
Deferred issue costs	–	–	1,457
Others	15,123	11,526	27,281
Less: allowance for credit losses	(4,407)	(3,570)	(2,997)
Value-added tax recoverable	26,445	36,838	25,973
Other receivables (except prepayments)	**607,780**	**535,044**	**859,087**

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments arising from End-to-end supply chain solutions	–	734,303	2,854,496
Prepaid port agency fees	151,663	71,401	258,631
Prepaid freight charges	55,536	62,387	277,517
Prepaid ocean freight charges	–	–	9,616
Prepayments	**207,199**	**868,091**	**3,400,260**
Total	**2,101,467**	**2,643,361**	**5,683,828**

Trade Receivables

Our trade receivables decreased from RMB1,230.8 million as of December 31, 2023 to RMB947.9 million as of December 31, 2024, and further decreased to RMB843.3 million as of December 31, 2025, primarily due to the decrease in revenue from platform-based transportation services following our business structure optimization and the substantial collection of receivables from our port handling services business, which led to a corresponding reduction in trade receivables.

The following is an aged analysis of trade receivables net of allowance for credit losses, presented based on the invoice date, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	1,195,611	824,776	834,555
7 to 12 months	16,510	98,575	1,060
1 to 2 years	18,543	24,036	6,863
2 to 3 years	12	550	777
Over 3 years	95	–	63
Total	**1,230,771**	**947,937**	**843,318**

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

	Year ended December 31,		
	2023	2024	2025
Trade receivables turnover days *(Note)*	18	24	20

Note: Trade receivables turnover days for a period equals the average of the opening and closing trade receivables divided by revenue for that period and multiplied by 360 days for a fiscal year.

Our trade receivables turnover days increased from 18 days for the year ended December 31, 2023 to 24 days for the year December 31, 2024, primarily due to a decrease in revenue from our platform-based transportation services, which resulted in an decrease in trade receivables and a longer turnover cycle. In 2025, our trade receivables turnover days decreased to 20 days, primarily due to our strengthened receivables collection management, particularly improved collection efficiency in our port handling services.

As of April 30, 2026, RMB650.6 million, or 77.1%, of our trade receivables as of December 31, 2025 had been subsequently settled.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute or disagreement with our customers in relation to the timing, amounts of billing or the collection of our trade receivables.

Bills Receivables (at FVTOCI)

Our bills receivables (at FVTOCI) increased from RMB55.7 million as of December 31, 2023 to RMB292.3 million as of December 31, 2024, primarily due to (i) increasing customer preference in bills settlement and (ii) the growth of our business scale in connection with port handling services. Our bills receivables (at FVTOCI) further increased from RMB292.3 million as of December 31, 2024 to RMB581.2 million as of December 31, 2025, primarily due to (i) increasing customer preference in bills settlement and (ii) the growth of our business scale in end-to-end supply chain solutions.

Other Receivables

Our other receivables decreased from RMB607.8 million as of December 31, 2023 to RMB535.0 million as of December 31, 2024, and rebounded to RMB859.1 million as of December 31, 2025 primarily attributable to fluctuation of government grants receivables during the Track Record Period. Government grants receivables represent receivables from local governments as incentives for our platform-based transportation services. We usually receive such grants within 12 months after we file the grant applications with the applicable local authorities upon satisfaction of the conditions under the relevant government grant arrangements. See " — Government Grants." Our other receivables also grew significantly from December 31, 2024 to December 31, 2025 due to an increase in advances and arrears which represents goods in transit that we collected for our customers in connection with end-to-end supply chain solution.

Prepayments

Our prepayments increased from RMB207.2 million as of December 31, 2023 to RMB868.1 million as of December 31, 2024, and further increased to RMB3,400.3 million as of December 31, 2025, primarily attributable to the expansion of our integrated supply chain logistics business, and in particular, the growth of our end-to-end supply chain logistics business in 2025, resulting in a significant increase in prepayments arising from end-to-end supply chain solution. Under this model, we purchase goods on behalf of our customers. These prepayments are classified as current assets and stated at cost, reflecting amounts prepaid for goods yet to be received.

As of April 30, 2026, RMB3,023.1 million, or 88.9%, of our prepayments as of December 31, 2025 had been subsequently settled.

Amounts Due from Related Parties

During the Track Record Period, our amounts due from related parties primarily consisted of receivables from our port handling services and road transportation business under platform-based transportation services. Our amounts due from related parties increased from RMB271.6 million as of December 31, 2023 to RMB1,763.1 million as of December 31, 2024, primarily attributable to (i) the combination of Shandong Duanxin under common control in 2024 that brought its existing business with shareholder-related counterparties into our Group and resulted in increased related party transactions and corresponding receivables, and (ii) the steady growth of our port handling services business. Our amounts due from related parties decreased to RMB1,316.3 million as of December 31, 2025, primarily attributable to significant collections of receivables from our port handling service business during 2025.

Our trade-related amounts due from related parties, which consists of trade-receivables, other receivables and prepayments, were RMB271.5 million, RMB1,310.0 million and RMB976.4 million as of December 31, 2023, 2024 and 2025, respectively, the fluctuations of which were generally in line with the changes in our amounts due from related parties.

Our non trade-related amounts due from related parties were nil, RMB453.1 million and RMB339.9 million as of December 31, 2023, 2024 and 2025, respectively. As of December 31, 2024 and 2025, our non trade-related amounts due from related parties was cash amounting to RMB453.1 million and RMB 339.9 million from Yankuang Energy, which conducts centralized cash management during the Track Record Period. The cash from us was interest bearing at a fix rate of 0.3% and fully refunded to us in March 2026 following termination of such centralized cash management.

Trade and Other Payables

Our trade and other payables mainly include trade payables, bills payable, other tax payables, salary and welfare payables, deposits from third parties and advance from supply-chain customers. Our trade payables are non-interest-bearing and are normally settled within 90 days. Our bills payables involve bank's acceptance bills, which are typically settled within six months and letters of credits, which are typically settled within 365 days.

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 and other payables			
Trade payables	490,683	986,141	1,264,781
Bills payables	1,044,833	920,417	1,729,129
	1,535,516	**1,906,558**	**2,993,910**
Other tax payables	193,953	114,619	279,424
Advance from supply-chain customers	–	–	421,160
Salary and welfare payables	16,376	18,030	15,805
Deposits from third parties	61,550	192,955	172,716
Other accrued expenses	1,807	5,113	4,318
Dividends payable to non-controlling holders	–	–	4,940
Issue cost payable	–	–	1,766
	273,686	**330,717**	**900,129**
	1,809,202	**2,237,275**	**3,894,039**

Our trade payables primarily consist of payments due to port handling service and transportation services. Our trade payables increased from RMB490.7 million as of December 31, 2023 to RMB986.1 million as of December 31, 2024, and further increased to RMB1,264.8 million as of December 31, 2025, primarily attributable to the development of our port handling services business in 2024 and the increased proportion of bill endorsement settlements adopted in 2025, which had not been derecognized as of the end of the period. Our bills payables primarily consist of payments due to port handling services and end-to-end supply chain solutions. Our bills payables decreased from RMB1,044.8 million as of December 31, 2023 to RMB920.4 million as of December 31, 2024, primarily due to slower acceptance and settlement of bills payables at the end of 2024. Our bills payables increased to RMB1,729.1 million as of December 31, 2025, primarily attributable to the growth of our end-to-end supply chain solutions, under which transactions are primarily settled through bills payables or domestic letters of credit.

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

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
0 to 90 days	484,243	935,711	1,175,293
91 to 180 days	2,105	5,333	78,486
181 to 365 days	3,235	40,837	5,564
Over 365 days	1,100	4,260	5,438
	490,683	**986,141**	**1,264,781**
Bills payables			
0 to 365 days	1,044,833	920,417	1,729,129

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

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days[(Note)]	7	16	26

Note: Trade payables turnover days for a period equals the average of the opening and closing trade payables divided by cost of sales and services for that period and multiplied by 360 days for a fiscal year.

Our trade payables turnover days increased from seven days in 2023 to 16 days in 2024, primarily due to expansion of our port handling services business, which led to an increase in trade payables, as well as a decrease in cost of sales and services due to optimization of our cost structure. Our trade payables turnover days further increased from 16 days in 2024 to 26 days in 2025, primarily attributable to the growth in our end-to-end supply chain solutions and the higher proportion of bill endorsement settlements and letter of credits adopted.

As of April 30, 2026, RMB1,116.8 million, or 88.3%, of our trade payables as of December 31, 2025 had been subsequently settled. During the Track Record Period and up to the Latest Practicable Date, we had no material defaults in our trade payables.

Contract Liabilities

Our contract liabilities mainly arise from the advance payments made by customers for the underlying products and services not yet provided. All of the contract liabilities are expected to be recognized as income within one year.

The following table sets forth a breakdown of our contract liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities			
Advances from customer	203,651	136,350	272,230

Our contract liabilities decreased from RMB203.7 million as of December 31, 2023 to RMB136.4 million as of December 31, 2024, primarily due to scaling down of our platform-based transportation services. Our contract liabilities increased to RMB272.2 million as of December 31, 2025, primarily attributable to the expansion of our end-to-end supply chain solutions and maritime transportation business, which led to an increase in advances received from customers.

As of April 30, 2026, RMB220.9 million, or 81.1%, of our contract liabilities as of December 31, 2025 had been subsequently utilized and recognized in revenue.

Amounts Due to Related Parties

Our amounts due to related parties decreased from RMB345.5 million as of December 31, 2023 to RMB287.5 million as of December 31, 2024. Primarily due to repayments of borrowings from related parties, the Company borrowed RMB24.0 million in November 2023 from RGL Group for temporary working capital support and repaid in January 2024. The borrowing is interest free.

Our amounts due to related parties increased from RMB287.5 million as of December 31, 2024 to RMB1,050.0 million as of December 31, 2025 primarily due to the increase in non trade-related amounts due to related parties as of December 31, 2025. Non trade-related amounts due to related parties as of December 31, 2025 mainly include interest-bearing borrowings of RMB500.0 million from Shandong Energy Group and payables of RMB425.9 million in respect of the acquisition of Shandong Duanxin due to Yankuang Energy, which was settled in cash in January 2026. The borrowings of RMB500.0 million as of December 31, 2025 are unsecured, bear a fixed annual interest rate of 2.8%, with interest payable at the end of each month, and are repayable in August 2026.

In addition, one of our subsidiaries entered into a loan agreement of RMB33.5 million with Zenith Steel Group Co., Ltd., a subsidiary's non-controlling interest in May 2022 and agreed to repay in April 2024. In May 2024, both parties agreed to the extend the repayment of remaining borrowings of RMB17.2 million to 2027. As of December 31, 2023, 2024 and 2025, non trade-related amounts due to Zenith Steel Group Co., Ltd. amounting to RMB17.2 million, RMB16.3 million and RMB7.6 million, respectively. The borrowings from Zenith Steel Group Co., Ltd. bear a fixed annual interest rate of 6.0%, with interest payable at the end of each quarter, and are expected to be repaid in May 2027.

LIQUIDITY AND CAPITAL RESOURCES

Overview

During the Track Record Period and up to the Latest Practicable Date, we have historically funded our cash requirements principally from proceeds from our business operations, capital contributions from shareholders and bank and other borrowings. After the [**REDACTED**], we intend to finance our future cash requirements through cash generated from our business operations, the [**REDACTED**] from the [**REDACTED**] and bank and other borrowings. We do not anticipate any changes in the availability of financing to fund our operations in the future.

The following table is a summary of our cash flow data from our consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash from/(used in) operating activities	612,898	(1,213,814)	(889,051)
Net cash (used in)/from investing activities	(696,893)	147,510	289,779
Net cash from financing activities	123,587	1,488,201	546,281
Net increase/(decrease) in cash and cash equivalents	39,592	421,897	(52,991)
Cash and cash equivalents at the beginning of the year	244,514	283,978	705,835
Effects of foreign exchange rate changes	(128)	(40)	1,224
Cash and cash equivalents at the end of the year	**283,978**	**705,835**	**654,068**

Operating Activities

Our net cash flows used in or from operating activities consist of profit before tax adjusted for certain non-cash or non-operating activities related items and changes in working capital.

Net cash used in operating activities in 2025 was RMB889.1 million, primarily attributable to profit before tax of RMB219.0 million, as adjusted for (i) non-cash items or non-operating items, which principally included depreciation of property, plant and equipment of RMB38.8 million, interest income of RMB18.0 million and and (ii) changes in working capital mainly represented negative adjustments, including an increase in trade and other receivables of RMB3,098.4 million, and positive adjustments, including an increase in trade and other payables of RMB1,652.6 million, a decrease in amounts due from related parties of RMB344.0 million and an increase in contract liabilities of RMB135.9 million.

Net cash used in operating activities in 2024 was RMB1,213.8 million, primarily attributable to profit before tax of RMB135.9 million, as adjusted for (i) non-cash items or non-operating items, which principally included share-based payment expenses of RMB42.3 million, depreciation of property, plant and equipment of RMB28.2 million, interest income of RMB24.0 million and, depreciation of right-of-use assets of RMB11.0 million, and (ii) changes in working capital mainly represented negative adjustments, including an increase in amounts due from related parties of RMB846.3 million, an increase in trade and other receivables of RMB530.1 million and a decrease in contract liabilities of RMB71.1 million, and positive adjustments, including an increase in trade and other payables of RMB105.6 million.

Net cash from operating activities in 2023 was RMB612.9 million, primarily attributable to profit before tax of RMB79.6 million, as adjusted for (i) non-cash items or non-operating items, which principally included interest income of RMB28.3 million, depreciation of property, plant and equipment of RMB24.0 million, and depreciation of right-of-use assets of RMB11.2 million, and (ii) changes in working capital mainly represented positive adjustments, including an increase in trade and other payables of RMB784.4 million, and negative adjustments, including an increase in trade and other receivables of RMB530.3 million, and an increase in amounts due from related parties.

Investing Activities

Our cash used in investing activities primarily consists of purchase of financial assets at fair value through profit or loss and purchase of property and equipment and intangible assets. Our cash generated from investing activities primarily consists of investment income from financial assets at fair value through profit or loss, proceeds from disposal of property, plant and equipment, and proceeds from maturity of financial assets at fair value through profit or loss.

Net cash from investing activities in 2025 was RMB289.8 million, which was primarily attributable to (i) withdrawal of restricted bank deposit of RMB1,758.7 million and (ii) net repayment from related parties of RMB102.8 million, partially offset by (i) placement of restricted bank deposit of RMB1,563.6 million and (ii) placement of loan receivables of RMB24.9 million.

Net cash from investing activities in 2024 was RMB147.5 million, which was primarily attributable to (i) withdrawal of restricted bank deposit of RMB1,044.8 million, (ii) settlement of loan receivables of RMB84.9 million and (iii) proceeds on disposal of property, plant, equipment of RMB33.2 million, partially offset by payments for (i) placement of restricted bank deposit of RMB969.7 million, (ii) purchase of property, plant and equipment and intangible assets of RMB38.0 million and (iii) placement of loan receivables of RMB34.4 million.

Net cash used in investing activities in 2023 was RMB696.9 million, which was primarily attributable to (i) placement of restricted bank deposit of RMB1,665.2 million and (ii) placement of loan receivables of RMB70.1 million, partially offset by (i) withdrawal of restricted bank deposit of RMB967.8 million and (ii) disposal of financial assets at FVTPL of RMB50.0 million.

Financing Activities

Our net cash flows from financing activities primarily consist of proceeds from issuance of paid-in-capital and proceeds from borrowings. Our net cash flows used in financing activities primarily consist of repayment of borrowings, payment of lease liabilities and payment of [**REDACTED**] to be capitalized, partially offset by dividend paid to parent company of RMB100.0 million.

In 2025, our net cash flow from financing activities was RMB546.3 million, primarily attributable to (i) new borrowing from related parties of RMB500.0 million and (ii) new borrowings raised of RMB150.0 million.

In 2024, our net cash flow from financing activities was RMB1,488.2 million, primarily attributable to (i) capital injection of RMB1,584.5 million from shareholders and (ii) new borrowings from related parties of RMB22.1 million, partially offset by (i) repayment of borrowings of RMB60.0 million (ii) repayment of borrowings from related parties of RMB25.0 million.

In 2023, our net cash flow from financing activities was RMB123.6 million, primarily attributable to (i) proceeds from bills discounted to banks that are not derecognized in their entirety of RMB75.7 million and (ii) proceeds from borrowings of RMB50.0 millions from bank and RMB34.5 millions from related parties, partially offset by repayment of borrowings from related parties of RMB16.3 million.

WORKING CAPITAL

The following table sets forth a summary of our liquidity and working capital 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	10,459	15,263	14,401	22,751
Loan receivables	83,874	8,052	22,595	–
Trade and other receivables, prepayments and other assets	2,101,467	2,643,361	5,683,828	7,337,399
Financial assets at FVTPL	9,553	–	–	–
Amounts due from related parties	271,571	1,763,088	1,316,326	1,075,803
Restricted cash	994,931	919,841	724,767	739,836
Cash and cash equivalents	283,978	705,835	654,068	551,383
	3,755,833	6,055,440	8,415,985	9,727,172
CURRENT LIABILITIES				
Trade and other payables	1,809,202	2,237,275	3,894,039	4,950,125
Tax liabilities	7,651	15,266	30,205	26,463
Borrowings	61,017	20,000	150,000	489,500
Amounts due to related parties	345,526	271,233	1,042,398	847,813
Contract liabilities	203,651	136,350	272,230	285,031
Lease liabilities	10,193	9,803	17,102	8,902
Current portion of long-term payables	2,709	5,064	–	–
	2,439,949	2,694,991	5,405,974	6,607,834
NET CURRENT ASSETS	**1,315,884**	**3,360,449**	**3,010,011**	**3,119,338**
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,539,726**	**3,602,005**	**3,209,747**	**3,282,867**

As of April 30, 2026, we had net current assets of RMB3,119.3 million, as compared to RMB3,010.0 million as of December 31, 2025, primarily due to the growth of our end-to-end supply chain service business, resulting in an increase in trade and other receivables and prepayments, partially offset by increases in account and other payables and short-term borrowings.

As of December 31, 2025, we had net current assets of RMB3,010.0 million, as compared to RMB3,360.4 million as of December 31, 2024, primarily due to a decrease in amounts due from related parties related to our port handling service business, partially offset by increases in trade and other payables and borrowings as a result of growth of our end-to-end supply chain service business and an increase in amounts due to related parties as part of the acquisition of Shandong Duanxin which was settled in January 2026 instead.

As of December 31, 2024, we had net current assets of RMB3,360.4 million, as compared to net current assets of RMB1,315.9 million as of December 31, 2023, primarily due to capital injection from Yankuang Energy, the combination of Shandong Duanxin under common control and the steady growth of our port handling services business, which led to an increase in amounts due from related parties, as well as increases in trade and other payables.

Taking into account the financial resources available to us, including the estimated [**REDACTED**] from the [**REDACTED**], cash flow generated from our operations, facilities available to us and cash and cash equivalents on hand, our Directors are of the opinion that we will have sufficient funds to meet our working capital requirements and financial requirements for capital expenditure for at least the next 12 months from the date of this Document.

INDEBTEDNESS

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our indebtedness included borrowings and lease liabilities.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000* *(Audited)*	*RMB'000*	*RMB'000* *(Unaudited)*
Current				
Bank borrowings	61,017	20,000	150,000	489,500
Lease liabilities	10,193	9,803	17,102	8,902
Amounts due to related parties	41,211	–	925,905	500,000
Current portion of long-term payables	2,709	5,064	–	–
Non-current				
Lease liabilities	28,715	18,242	7,535	9,462
Amounts due to related parties	–	16,255	7,562	5,680
Long-term payables	–	3,355	–	–
Total	**143,845**	**72,719**	**1,108,104**	**1,013,544**
Secured and unguaranteed	11,001	13,332	2,257	3,474
Unsecured and guaranteed	60,000	20,000	–	–
Unsecured and unguaranteed	72,844	39,387	1,105,847	1,010,070
Total	**143,845**	**72,719**	**1,108,104**	**1,013,544**

Borrowings

As of December 31, 2023, 2024 and 2025 and April 30, 2026, we had borrowings (including current and non-current portions) of RMB61.0 million, RMB20.0 million, RMB150.0 million and RMB489.5 million, respectively. Our borrowings comprised both secured and unsecured bank loans, with effective interest rates ranging from 0.95% to 4.15% per annum during the Track Record Period. Our borrowings are primarily denominated in Renminbi. See Note 29 of the Accountant's Report in Appendix I to this Document.

The following table shows amounts of our borrowings 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)*
At amortized cost:				
Bank loans	60,000	20,000	150,000	489,500
Transferred financial assets that were not derecognized	1,017	–	–	–
	61,017	20,000	150,000	489,500
Secured and unguaranteed	1,017	–	–	–
Unsecured and guaranteed	60,000	20,000	–	–
Unsecured and unguaranteed	–	–	150,000	489,500
	61,017	20,000	150,000	489,500

Our borrowings increased significantly to RMB150.0 million and RMB489.5 million as of December 31, 2025 and April 30, 2026, respectively, primarily attributable to the growth in our end-to-end supply chain solutions, which requires additional financing to fund prepayments of goods arising thereof.

As of the Latest Practicable Date, our unutilized banking facilities amounted to RMB1,804.5 million.

Our bank borrowings agreements contain standard terms, conditions and covenants that are customary for commercial bank loans.

Lease Liabilities

We lease rental properties for our office spaces, electric vehicle batteries and employee dormitory. These leases are typically made for fixed terms and the longest lease term is five years.

The following table shows amounts 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	10,193	9,803	17,102	8,902
Non-current	28,715	18,242	7,535	9,462
Total	**38,908**	**28,045**	**24,637**	**18,364**
Secured and unguaranteed	7,275	4,913	2,257	3,474
Unsecured and unguaranteed	31,633	23,132	22,380	14,890
Total	**38,908**	**28,045**	**24,637**	**18,364**

Our lease liabilities decreased from RMB38.9 million as of December 31, 2023 to RMB28.0 million as of December 31, 2024, primarily due to repayments of lease liabilities during 2024. Our lease liabilities decreased to RMB24.6 million as of December 31, 2025, and further decreased to RMB18.4 million as of April 30, 2026, primarily due to continued repayments of lease liabilities. Part of our lease liabilities were secured by refundable deposits.

Amounts due to Related Parties

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000* *(Audited)*	*RMB'000*	*RMB'000* *(Unaudited)*
Current				
Amounts due to related parties	41,211	–	925,905	500,000
Non-current				
Amounts due to related parties	–	16,255	7,562	5,680
Total	**41,211**	**16,255**	**933,467**	**505,680**
Unsecured and unguaranteed	41,211	16,255	933,467	505,680

Our non-trade related amounts due to related parties are all borrowings. The amounts decreased from RMB41.2 million as of December 31, 2023 to RMB16.3 million as of December 31, 2024 due to repayments of borrowings. The amounts increased from RMB16.3 million as of December 31, 2024 to RMB933.5 million as of December 31, 2025, primarily due to related parties as of December 31, 2025 mainly comprise interest-bearing borrowings of RMB500.0 million from Shandong Energy Group and payables of RMB425.9 million in respect of the acquisition of Shandong Duanxin due to Yankuang Energy, which was settled in cash in January 2026. The borrowings of RMB500.0 million are unsecured, bear a fixed annual interest rate of 2.8%, with interest payable at the end of each month, and are repayable in August 2026. The amounts further decreased to RMB505.7 million as of April 30, 2026, primarily due to continued repayments of borrowings from Zenith Steel Group Co., Ltd.

Except as disclosed above, during to the Track Record Period and up to April 30, 2026, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed or unguaranteed, secured or unsecured.

There was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. Our directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we have not encountered any difficulties in obtaining bank loans and other borrowings, nor have we defaulted on any bank loans or other borrowings or breached any related covenants. Our Directors further confirm that there has not been any material change in our indebtedness since April 30, 2026 and up to the Latest Practicable Date.

CAPITAL EXPENDITURES

As of December 31, 2023, 2024 and 2025 and the Latest Practicable Date, our capital expenditures consisted of payments of (i) property, plant and equipment and (ii) intangible assets.

In 2023, 2024 and 2025, our capital expenditures were RMB13.6 million, RMB38.0 million and RMB14.5 million, respectively. We funded these expenditures mainly with cash generated from our business operations. Following the [**REDACTED**], we will continue to incur capital expenditures to grow our business. We plan to fund our planned capital expenditures primarily with cash flows generated from our operations and the [**REDACTED**] from the [**REDACTED**]. See "Future Plans and [**REDACTED**]." We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CONTINGENT LIABILITIES

During the Track Record Period and up to the Latest Practicable Date, we had no material contingent liabilities.

COMMITMENTS

As of December 31, 2023, 2024 and 2025 and the Latest Practicable Date, we do not have any capital commitments.

KEY FINANCIAL RATIOS

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

	As of/For the year ended December 31,		
	2023	2024	2025
Gross profit margin	1.1%	2.3%	3.1%
Net profit margin(1)	0.3%	0.6%	1.0%
Adjusted net profit margin (non-IFRS measure)(2)	0.3%	0.8%	1.1%
EBITDA margin(3)	0.6%	1.1%	1.7%
Current ratio(4)	1.5	2.2	1.6
Quick ratio(5)	1.5	2.2	1.6
Gearing ratio(6)	1.6	0.8	1.7
Return on equity(7)	N/A	3.7%	5.0%
Return on assets(8)	N/A	1.8%	2.3%

Notes:

(1) Net profit margin is calculated using profit for the year divided by revenue and multiplied by 100%.

(2) Adjusted net profit margin (non-IFRS measure) represents adjusted profit for the year (non-IFRS measure) divided by revenue and multiplied by 100%. For details of the adjusted profit for the year (non-IFRS measure), see "— Non-IFRS Measures."

(3) EBITDA margin equals profit before deducting interest, income tax, depreciation and amortization for the year divided by the revenue for the year and multiplied by 100%.

(4) Current ratio is calculated using total current assets divided by total current liabilities as of the same date.

(5) Quick ratio is calculated as current assets less inventories divided by current liabilities as of the same date.

(6) Gearing ratio equals total debt divided by total equity as of the same date.

(7) Return on equity equals net profit divided by average total equity for the year and multiplied by 100%.

(8) Return on assets equals net profit divided by average total assets for the year and multiplied by 100%.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

MATERIAL RELATED PARTY TRANSACTIONS

For a discussion of material related party transactions during the Track Record Period, see Note 40 to the Accountant's Report set out in Appendix I to this Document.

Our Directors are of the view that each of the related party transactions set out in Note 40 to the Accountant's Report in Appendix I to this Document was conducted on an arm's length basis and would not distort our track record results or cause our historical results to be not reflective of our future performance.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to various types of financial and market risks, including market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk and other risks in the normal course of our business. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. For details of the risks to which we are exposed, see Note 37 to the Accountant's Report set out in Appendix I to this Document.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [**REDACTED**] Financial Information."

DIVIDEND POLICY

We have not paid or declared any dividends during each of the years ended December 31, 2023, 2024 and 2025, except for the dividends declared and paid before the reorganization from Shandong Duanxin to Yankuang Energy in respect of the year ended December 31, 2025 in an aggregate amount of RMB100.0 million.

Our Company currently does not have a formal dividend policy or a fixed dividend payout ratio. Our Board of Directors may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and applicable laws. Our shareholders at a general meeting must approve any declaration of dividends, which must not exceed the amount recommended by our Board of Directors. In addition, our Directors may from time to time pay such interim dividends as our Board of Directors considers to be justified by our profits and overall financial requirements, or special dividends of such amounts and on such dates as they think appropriate. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declaration of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Board of Directors.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company had retained earnings of approximately RMB406.7 million, representing the distributable reserves available for distribution to our Shareholders.

[REDACTED]

[**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. We estimate that our total [**REDACTED**] (including [**REDACTED**]) will be approximately [**REDACTED**], accounting for approximately [**REDACTED**] of the gross [**REDACTED**] from the [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per share, being the [**REDACTED**] of the indicative [**REDACTED**] stated in this Document [and the [**REDACTED**] is not exercised]). The [**REDACTED**] consist of [**REDACTED**]-related expenses and [**REDACTED**] non-[**REDACTED**]-related expenses (including fees and expenses of legal advisors and the reporting accountant of [**REDACTED**] and other fees and expenses of [**REDACTED**]). Our Directors do not expect such expenses to have a material adverse impact on our results in 2026.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF 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 of the Listing Rules.

RECENT DEVELOPMENT

See "Summary — Recent Development and No Material Adverse Change" in this Document for further details of the impact of recent developments on our business, operations and financial positions.

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial and trading position or prospects since December 31, 2025, and there is no event since December 31, 2025 which would materially affect the information shown in the Accountants' Report, the text of which is set out in Appendix I to this Document.