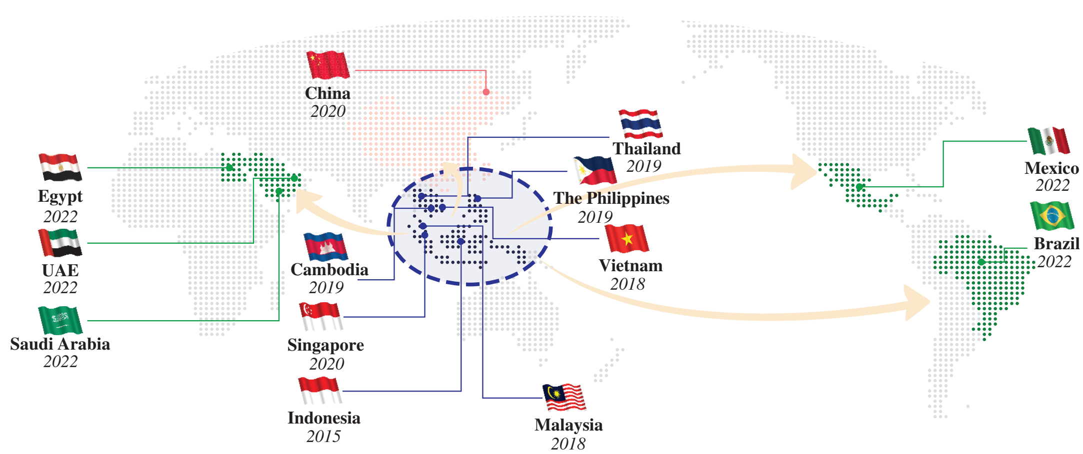
This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the [**REDACTED**].

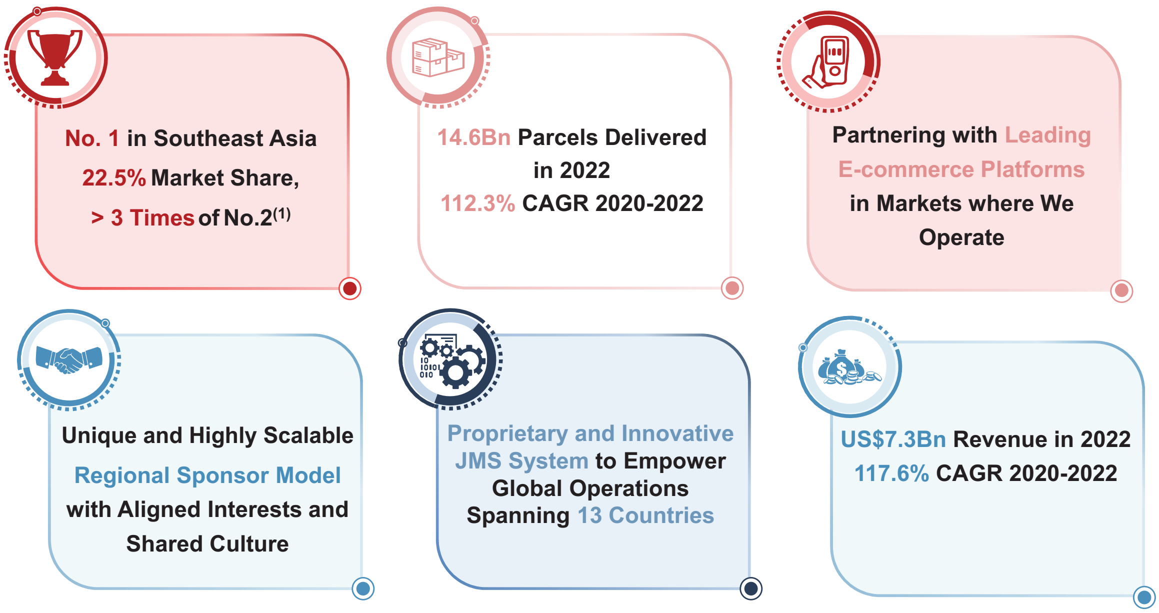
There are risks associated with any investment. Some of the particular risks in investing in the [**REDACTED**] *are set out in "Risk Factors." You should read that section carefully before you decide to invest in the* [**REDACTED**].

BUSINESS OVERVIEW

We are a global logistics service provider with the leading express delivery business in Southeast Asia, a competitive position in China and an expanding footprint in Latin America and the Middle East. Our express delivery services span 13 countries, which include the largest and fastest-growing emerging markets globally. We commenced operations in 2015 in Indonesia, and leveraged our success there to expand into other Southeast Asian countries, including Vietnam, Malaysia, the Philippines, Thailand, Cambodia and Singapore, and became the number one express delivery operator in Southeast Asia, with a 22.5% market share in 2022 by parcel volume, according to Frost & Sullivan. In Southeast Asia, we handled 2,513.2 million domestic parcels in 2022, representing a CAGR of 47.6% from 1,153.8 million in 2020. We tapped into the express delivery market in China in 2020, and handled 12,025.6 million domestic parcels in 2022, achieving a market share of 10.9% by parcel volume, according to Frost & Sullivan. Today, we have full network coverage across the seven Southeast Asia countries and a geographic coverage of over 98% by counties and districts in China. We are also the first Asian express delivery operator of scale to have expanded into Saudi Arabia, UAE, Mexico, Brazil and Egypt, according to Frost & Sullivan, supporting our e-commerce partners as they expand into new markets. To better capture cross-border logistics opportunities and enhance the connectivity among the countries we serve, we have expanded our cross-border logistics services, which include small parcels, freight forwarding and warehousing solutions.



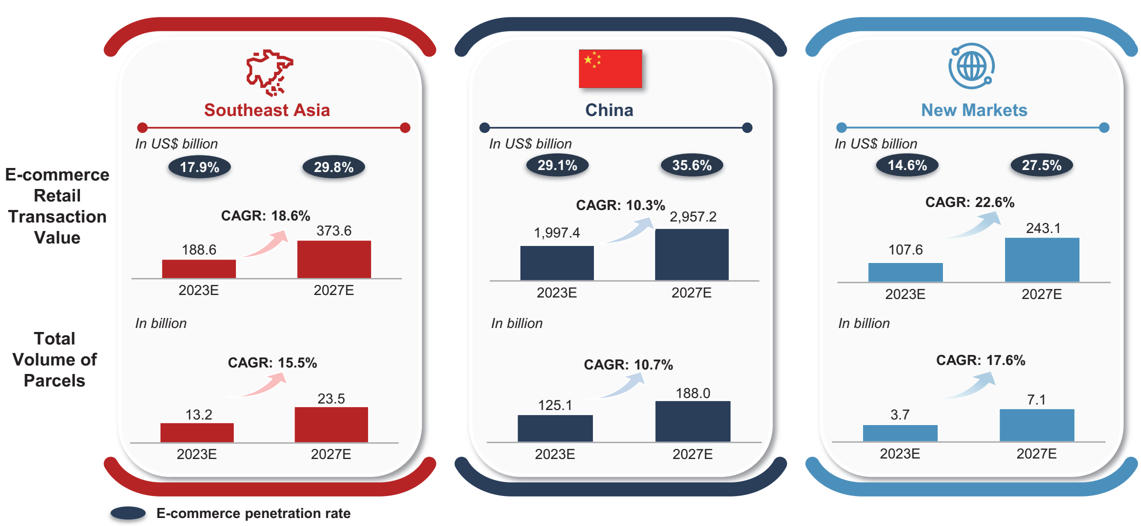
We provide express delivery solutions to leading e-commerce platforms enabling the rapid development of our partners as they expand into new markets. We have historically helped e-commerce platforms access regions that were underserved by traditional logistics service providers. We provide comprehensive express delivery services to merchants and consumers on leading e-commerce platforms, such as Shopee, Lazada, Tokopedia, Pinduoduo, Taobao, Tmall, Shein and Noon, as well as short video and live streaming platforms, such as TikTok, Douyin and Kuaishou. As e-commerce continues to evolve, we believe that we are well positioned to enable further development of the e-commerce markets in which we operate by leveraging our broad network, extensive know-how and strong execution capabilities. We expect to provide integrated solutions to serve the rapid growth in cross-border logistics with our ever expanding global footprint.



Note:

1. By parcel volume in 2022, according to Frost & Sullivan

Southeast Asia, China and the New Markets where we operate present us with significant growth opportunities:



Source: Frost & Sullivan

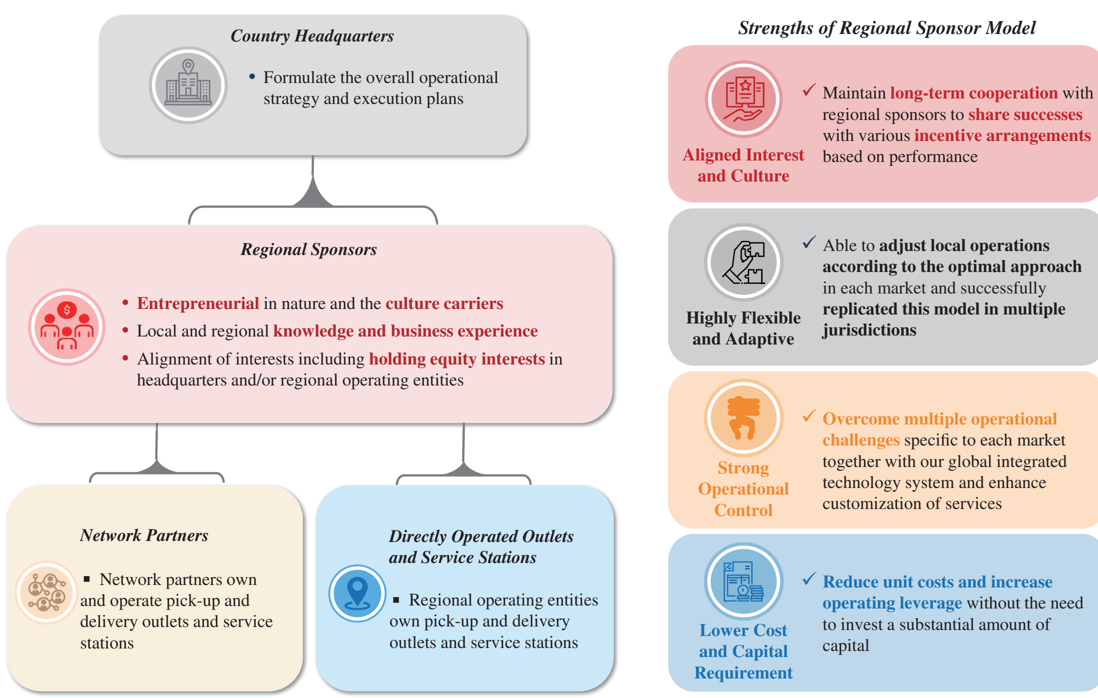
Shift to e-commerce. E-commerce retail has seen significant growth in Southeast Asia in terms of transaction value from US$38.3 billion in 2018 to US$154.8 billion in 2022, representing a CAGR of 41.8%. Improvements in Internet infrastructure in Southeast Asia will likely further support the transition from offline to online retail channels. According to Frost & Sullivan, e-commerce retail transaction value in Southeast Asia is expected to grow from US$188.6 billion in 2023 to US$373.6 billion in 2027, representing a CAGR of 18.6%, with e-commerce penetration rate increasing from 17.9% in 2023 to 29.8% in 2027. In China, e-commerce retail transaction value increased from US$1,058.5 billion in 2018 to US$1,777.1 billion in 2022, representing a CAGR of 13.8%, and is expected to grow from US$1,997.4 billion in 2023 to US$2,957.2 billion in 2027, representing a CAGR of 10.3%, according to Frost & Sullivan, with the e-commerce penetration rate increasing from 29.1% in 2023 to 35.6% in 2027. In addition, we anticipate that the rise of social e-commerce including short video and live streaming will drive additional e-commerce transactions and demand for cost-effective logistics services. According to Frost & Sullivan, the social e-commerce retail market in Southeast Asia grew rapidly from US$9.2 billion in 2018 to US$60.2 billion in 2022, representing a CAGR of 59.9%, and is expected to reach US$179.8 billion in 2027 from US$80.7 billion in 2023, representing a CAGR of 22.2% from 2023 to 2027. The social e-commerce retail market in China also grew rapidly from US$98.5 billion in 2018 to US$626.5 billion in 2022, representing a CAGR of 58.8%, and is expected to reach US$1,660.4 billion in 2027 from US$839.7 billion in 2023, representing a CAGR of 18.6%. The social e-commerce penetration rate is expected to reach 48.1% and 56.1% in Southeast Asia and China in 2027, respectively.

Demand for express delivery services. Benefiting from the significant e-commerce market, Southeast Asia and China combined form the largest and fastest-growing express delivery service market in the world, according to Frost & Sullivan. In Southeast Asia, total volume of parcels shipped rapidly increased from 3.3 billion in 2018 to 11.1 billion in 2022, representing a CAGR of 36.0%, and is projected to increase from 13.2 billion in 2023 to 23.5 billion in 2027, representing a CAGR of 15.5%, while in China the volume increased from 50.7 billion in 2018 to 110.6 billion in 2022, representing a CAGR of 21.5%, and is projected to increase from 125.1 billion in 2023 to 188.0 billion in 2027, representing a CAGR of 10.7%, according to Frost & Sullivan.

Demand from the New Markets. In 2022, we strategically expanded into other large and high-growth markets around the world, including Saudi Arabia, UAE, Mexico, Brazil and Egypt, which we refer to as the New Markets. These markets have burgeoning e-commerce industries and are undergoing a pivotal transition as consumer shift from traditional retail to online shopping. According to Frost & Sullivan, e-commerce retail transaction value of the New Markets in aggregate reached US$85.7 billion in 2022 at a CAGR of 27.5% from 2018 and is expected to further grow to US$243.1 billion in 2027 at a CAGR of 22.6% from 2023. Driven by the growth of e-commerce retail markets and e-commerce penetration rate, express delivery parcel volume in these markets in aggregate reached 3,095.8 million in 2022 and is expected to further grow to 7,137.7 million in 2027 at a CAGR of 17.6% from 2023.

Demand for cross-border services. Capitalizing on our success in each of the markets in which we operate, we are developing cross-border services to connect these markets to the global e-commerce network. In Southeast Asia and China, the total cross-border e-commerce retail markets by transaction value increased from US$213.8 billion in 2018 to US$492.2 billion in 2022, representing a CAGR of 23.2%, and are expected to increase from US$605.2 billion in 2023 to US$1,257.0 billion in 2027, representing a CAGR of 20.0%, according to Frost & Sullivan. We believe the rise of the cross-border e-commerce market will drive the growth of the cross-border logistics market. The global cross-border logistics market is expected to reach US$680.7 billion in 2027 from US$456.1 billion in 2023, representing a CAGR of 10.5%, according to Frost & Sullivan.

We have built an adaptive business model by leveraging our partners whom we refer to as our regional sponsors, and we are currently the only player in Southeast Asia and China that has successfully adopted this model at scale. By employing this model in geographically diverse countries with unique operational challenges in each of the countries where we provide express delivery services, we have expanded rapidly, serving a geographically dispersed base of merchants and consumers across multiple regions and enabling the growth of e-commerce transactions. Regional sponsors play an important role by working with our country headquarters to execute our strategies in various markets. Our regional sponsors typically hold equity interest in our country headquarters and/or regional operating entities. Our country headquarters formulate the overall operational strategy and execution plans in each market, including density and geographic locations of sorting centers, line-haul routes and network capacity, of which regional sponsors assume the role of managing regional daily operations. Regional sponsors manage our network partners through the relevant regional operating entities. Regional sponsors in certain locations also undertake the management of directly operated pickup and delivery outlets and service stations through the relevant regional operating entities. The management responsibilities of regional sponsors encompass the set-up of local operations, sales and marketing, customer service, and employee and network partner training.



As of December 31, 2022, we had a portfolio of 104 regional sponsors and approximately 9,600 network partners. We operated 280 sorting centers and over 8,100 line-haul vehicles, including more than 4,020 self-owned line-haul vehicles, with approximately 3,800 line-haul routes, as well as over 21,000 pickup and delivery outlets as of December 31, 2022. Through collaboration with international and local partners, we also provide cross-border services across Asia, North America, South America, Europe, Africa and Oceania.

We have experienced significant growth since we commenced operations in Indonesia in 2015 and over the Track Record Period. In Southeast Asia, we experienced continuous growth in parcel volume and were able to achieve positive adjusted EBITDA growth from 2020 to 2022. We expanded into the China market in 2020 and have been focusing on consolidating our market position in China. The following table sets forth our revenue, adjusted loss and adjusted EBITDA in total amount and by geographic segment for the periods indicated:

	Year ended December 31,		
	2020	2021	2022
	(in US$ thousands)		
Revenue	1,535,425	4,851,800	7,267,428
Southeast Asia	1,046,504	2,377,544	2,381,726
China	478,847	2,181,368	4,096,177
Others[(2)]	10,074	292,888	789,525
Non-IFRS measures (unaudited)			
Adjusted loss[(1)]	(475,861)	(911,347)	(798,649)
Adjusted EBITDA[(1)]	(321,163)	(528,131)	(204,442)
Southeast Asia	266,561	427,436	331,582
China	(616,227)	(939,695)	(334,906)
Others[(2)]	1,652	(14,028)	(168,789)
Unallocated[(3)]	26,851	(1,844)	(32,329)

Notes:

(1) A non-IFRS measure. See "Financial Information – Non-IFRS Measures" for more details.

(2) Includes our cross-border services and domestic express delivery services in the New Markets.

(3) Represents certain expenses, gains and losses, including general and administrative expenses, and exchange gains and losses incurred at the group and holding company levels.

During the Track Record Period, the growth of our parcel volume was primarily driven by the continued expansion of our network, an increase in the number of merchants on e-commerce platforms that used our services and the increased demand for express delivery services in the markets in which we operate. Our global annual parcel volume in 2022 was 14.6 billion, representing an increase of 39.0% from 10.5 billion in 2021 and an increase of 350.6% from 3.2 billion in 2020. The table below illustrates the growth in our parcel volume in Southeast Asia and China for the periods indicated, as well as the 2022 market share in these geographic segments:

	Year ended December 31,			2020–2022 CAGR	2022 Market Share
	2020	2021	2022		
	(in millions)				
Southeast Asia	1,153.8	2,160.8	2,513.2	47.6%	22.5%
China	2,083.5	8,334.3[(1)]	12,025.6	140.2%	10.9%

Note:

(1) On December 8, 2021, we completed the acquisition of BEST Express China from BEST and consolidated the results of BEST Express China since December 8, 2021.

OUR STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors:

- A global express delivery operator with the leading position in Southeast Asia, serving largest and fastest-growing emerging markets;
- Independent e-commerce enabler, connecting marketplaces and merchants to new markets and consumers;
- Scalable regional sponsor model that promotes rapid penetration and growth in new markets;
- Adaptive technology system and continued focus on innovation to empower global operations;
- High-quality services catering to regional customer and market needs; and
- Entrepreneurial and experienced management team and regional sponsors dedicated to cultivating leaders and promoting development of our network.

OUR STRATEGIES

To achieve our vision and mission, we intend to pursue the following strategies:

- Solidify our leading position and continue to grow our market share;
- Expand our capacity while enhancing the efficiency and connectivity of our logistics network;
- Expand into new markets and new service offerings; and
- Invest in innovation, technology and environmental sustainability.

RISK FACTORS

Our operations and the [**REDACTED**] involve certain risks and uncertainties, which are set out in "Risk Factors." You should read that section in its entirety carefully before you decide to [**REDACTED**] in our Shares. Some of the major risks we face include:

- Our business and growth are highly dependent on the development of the e-commerce industry in the markets where we operate.
- We face risks in managing global operations, entering into and expanding across a number of countries.
- We have relied, and may continue to rely, on certain prominent e-commerce platforms.
- We face risks associated with our network partners and their employees and personnel.

- We have a history of gross losses and net losses and negative cash flows from operating activities, which may continue in the future. Our limited operating history and evolving business model also make it difficult to evaluate our business, financial performance and prospects.

- We face intense competition which could adversely affect our results of operations and market share.

- Any service disruption experienced by our sorting centers or the pickup and delivery outlets may adversely affect our operations.

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

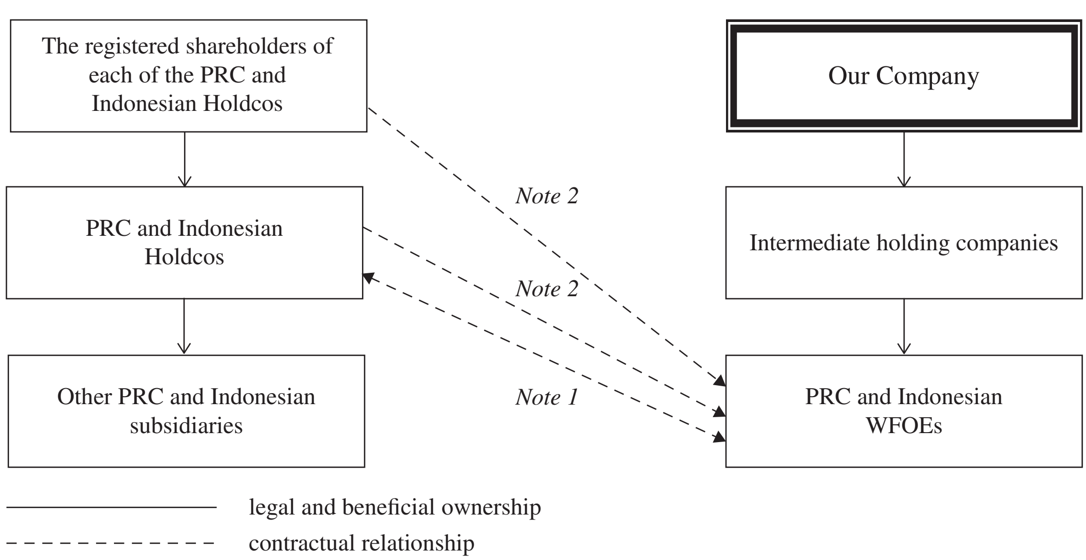
- Our long-term growth and competitiveness are highly dependent on our ability to control costs.

- Fluctuations in exchange rates could adversely affect our financial condition, results of operations and cash flows.

CONTRACTUAL ARRANGEMENTS

Our Group operates or may operate in certain industries that are subject to restrictions under the current PRC and Indonesian laws and regulations. In order to comply with such laws and regulations, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entities through the PRC Contractual Arrangements entered into on January 18, 2023 and the Indonesian Contractual Arrangements entered into on March 29, 2022. We do not directly own any equity interest in our Consolidated Affiliated Entities. Pursuant to the Contractual Arrangements, we have effective control over the financial and operational policies of our Consolidated Affiliated Entities and are entitled to all the economic benefits derived from the Consolidated Affiliated Entities' operations. For further details, see "Contractual Arrangements."

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Company stipulated under the Contractual Arrangements:



Notes:

(1) The PRC WFOE provides technical support, business support and relevant consulting services in exchange for service fees from the PRC Holdco. See "Contractual Arrangements – Our Contractual Arrangements – Summary of the agreements under the PRC Contractual Arrangements and other key terms thereunder – Exclusive Business Cooperation Agreement." The Indonesian WFOE provides comprehensive management consulting services to the Indonesian Holdco in exchange for service fees. See "Contractual Arrangements – Our Contractual Arrangements – Summary of the agreements under the Indonesian Contractual Arrangements and other key terms thereunder – Exclusive Technical Service Agreement."

(2) The Registered Shareholders of the PRC Holdco executed the exclusive option agreement in favor of the PRC WFOE for the acquisition of all or part of the equity interests in and all or part of the assets in the PRC Holdco. See "Contractual Arrangements – Our Contractual Arrangements – Summary of the agreements under the PRC Contractual Arrangements and other key terms thereunder – Exclusive Option Agreement." The Registered Shareholders of the PRC Holdco executed Shareholders' Rights Proxy Agreement in favor of the PRC WFOE, for the exercise of all shareholders' rights in the PRC Holdco. See "Contractual Arrangements – Our Contractual Arrangements – Summary of the agreements under the PRC Contractual Arrangements and other key terms thereunder – Shareholder Rights Proxy Agreement." The Registered Shareholders of the PRC Holdco granted security interests in favor of the PRC WFOE, over the entire equity interests in the PRC Holdco. See "Contractual Arrangements – Our Contractual Arrangements – Summary of the agreements under the PRC Contractual Arrangements and other key terms thereunder – Equity Pledge Agreement." The Indonesian Individual and Corporate Registered Shareholders executed a number of agreements in favor of the Indonesian WFOE to allow the Indonesian WFOE to consolidate control over the Indonesian Holdco and derive the full economic benefits from the Indonesian Holdco. See "Contractual Arrangements – Our Contractual Arrangements – Summary of the agreements under the Indonesian Contractual Arrangements and other key terms thereunder."

WEIGHTED VOTING RIGHTS STRUCTURE AND OUR CONTROLLING SHAREHOLDERS

We are proposing to adopt a weighted voting rights structure effective immediately upon the completion of the [**REDACTED**]. Under this structure, our share capital will comprise Class A Shares and Class B Shares. Each Class A Share shall entitle its holder to 10 votes, and each Class B Share shall entitle its holder to one vote on each resolution subject to a vote at our general meetings on a poll, except for resolutions with respect to the Reserved Matters, in relation to which each Class A Share and each Class B Share shall entitle its holder to one vote on a poll at a general meeting of the Company.

Immediately upon the completion of the [**REDACTED**], the WVR Beneficiary will be Mr. Li. Assuming (i) the [**REDACTED**] is not exercised and (ii) the Reclassification, Redesignation and Share Subdivision are completed, Mr. Li will be interested in and will control, through Jumping Summit Limited, 979,333,410 Class A Shares, representing approximately [**REDACTED**]% of our total issued share capital, and approximately [**REDACTED**]% of the total voting rights in our Company with respect to the Reserved Matters, and approximately [**REDACTED**]% of the total voting rights in our Company with respect to matters other than the Reserved Matters.

Topping Summit Limited, Mr. Li's wholly-owned entity, holds 5% equity interest in Jumping Summit Limited, the remaining 95% equity interest in Jumping Summit Limited is held by Exceeding Summit Holding Limited, the entire equity interest of which is held by Vistra Trust (Singapore) Pte. Limited as trustee for the family trust established by Mr. Li for himself and his family. Therefore, Mr. Li, Jumping Summit Limited, Topping Summit Limited and Exceeding Summit Holding Limited will be our Controlling Shareholders after the [**REDACTED**].

See "Share Capital – Weighted Voting Rights Structure" and "Relationship with the Controlling Shareholders" for further details.

Our WVR Structure will enable the WVR Beneficiary to exercise voting control over us notwithstanding the WVR Beneficiary does not hold a majority economic interest in the share capital of our Company. This will enable us to benefit from the continuing vision and leadership of the WVR Beneficiary who will control us with a view to our long-term prospects and strategy.

Prospective investors are advised to be aware of the potential risks of investing in companies with weighed voting rights structures, in particular that interests of the WVR Beneficiary may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiary will be in a position to exert significant influence over the affairs of our Company and the outcome of shareholders' resolutions, irrespective of how other shareholders vote. Prospective investors should make the decision to invest in our Company only after due and careful consideration. For further information about the risks associated with the WVR Structure adopted by our Company, see "Risk Factors – Risks Related to the WVR Structure."

PRE-[REDACTED] INVESTORS

We received multiple series of equity financing from our Pre-[**REDACTED**] Investors to support our expanding business operations from 2017 to 2023. Our broad and diverse base of Pre-[**REDACTED**] Investors consist of, among others, Tencent, Boyu, ATM, D1, Hillhouse, GLP, Sequoia, SF Express, Dahlia, SAI Growth and CMBI. See "History and Corporate Structure – Pre-[**REDACTED**] Investments" for more details.

OUR CUSTOMERS AND SUPPLIERS

For our express delivery and cross-border services, our customers include our network partners, e-commerce platforms, certain enterprise and individual customers, as well as our unconsolidated regional operating entities. For our cross-border services, our customers also include freight forwarders who place orders on behalf of their end customers. Our direct customers are primarily our network partners, unconsolidated regional operating entities, e-commerce platforms and other enterprise customers and individuals which require customized express delivery services. In 2020, 2021 and 2022, our top five customers contributed to 44.6%, 39.4% and 25.7% of our total revenue, respectively. For details, see "Business – Customers."

During the Track Record Period, our suppliers primarily included service providers of third-party transportation, human resources services and express delivery services including our network partners and unconsolidated regional operating entities. In 2020, 2021 and 2022, our five largest suppliers accounted for 15.6%, 12.3% and 10.0% of our total purchases, respectively. For details, see "Business – Suppliers."

COMPETITIVE LANDSCAPE

The express delivery industry in Southeast Asia is fragmented and we compete primarily with express delivery service provided by national postal agencies as well as leading private domestic express delivery companies in each of the countries in which we operate. We also compete with international carriers that operate in Southeast Asia and China in connection with our cross-border services. We believe that our global footprint, innovative regional sponsor business model, superior operational capabilities and our quality service provide us with a competitive advantage. While we maintain leading positions in our core markets, certain more established e-commerce companies may compete with us by building their own logistics capabilities. Furthermore, certain local players might seek to expand regionally and compete with us in overlapping geographies. We believe that our core strengths provide us with competitive advantages over existing and potential competitors. For further details regarding our industry, see "Industry Overview."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary consolidated financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this document. The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, our consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Consolidated Income Statements Data

The following table sets forth a summary of our consolidated income statements data for the periods indicated:

	Year ended December 31,					
	2020		2021		2022	
	US$	%	US$	%	US$	%
	(in thousands, except for percentages)					
Revenue	1,535,425	100.0	4,851,800	100.0	7,267,428	100.0
Cost of revenue	(1,796,913)	(117.0)	(5,396,544)	(111.2)	(7,537,666)	(103.7)
Gross loss	**(261,488)**	**(17.0)**	**(544,744)**	**(11.2)**	**(270,238)**	**(3.7)**
Selling, general and administrative expenses	(365,869)	(23.8)	(1,129,024)	(23.3)	(1,095,528)	(15.1)
Research and development expenses	(14,129)	(0.9)	(41,031)	(0.8)	(44,483)	(0.6)
Net impairment losses on financial assets	(9,488)	(0.6)	(41,320)	(0.9)	(37,219)	(0.5)
Other income	17,056	1.1	82,542	1.7	98,149	1.4
Other gains/(losses), net	27,474	1.8	26,370	0.5	(40,246)	(0.6)
Operating loss	**(606,444)**	**(39.5)**	**(1,647,207)**	**(34.0)**	**(1,389,565)**	**(19.1)**
Finance income	1,965	0.1	9,476	0.2	22,002	0.3
Finance costs	(13,831)	(0.9)	(99,077)	(2.0)	(99,499)	(1.4)
Finance cost, net	(11,866)	(0.8)	(89,601)	(1.8)	(77,497)	(1.1)
Fair value change of financial assets and liabilities at fair value through profit or loss	–	–	(4,383,532)	(90.3)	3,050,694	42.0
Share of results of associates	(323)	(0.0)	1,208	(0.0)	(302)	(0.0)
(Loss)/Profit before income tax	**(618,633)**	**(40.3)**	**(6,119,132)**	**(126.1)**	**1,583,330**	**21.8**
Income tax expense	(45,530)	(3.0)	(73,126)	(1.5)	(10,763)	(0.1)
(Loss)/Profit for the year	**(664,163)**	**(43.3)**	**(6,192,258)**	**(127.6)**	**1,572,567**	**21.6**
Attributable to						
Owners of the Company	(564,836)	(36.8)	(6,046,983)	(124.6)	1,656,168	22.8
Non-controlling interests	(99,327)	(6.5)	(145,275)	(3.0)	(83,601)	(1.2)
	(664,163)	**(43.3)**	**(6,192,258)**	**(127.6)**	**1,572,567**	**21.6**

NON-IFRS MEASURES

To supplement our consolidated results which are prepared and presented in accordance with IFRS, we use adjusted (loss)/profit and adjusted EBITDA as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating the potential impact of items that our management does not consider to be indicative of our operating performance, such as certain non-cash items, the impact of certain investment transactions, non-recurring items associated with the [**REDACTED**] or our acquisition of BEST Express China, and other items not directly related to our operating activities. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, or superior to, our results of operations or financial conditions as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies. Our presentation of these non-IFRS measures should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items.

The following table sets forth a reconciliation of our non-IFRS financial measures for the years ended December 31, 2020, 2021 and 2022 to the nearest measures prepared in accordance with IFRS:

	Year ended December 31,		
	2020	**2021**	**2022**
	(in US$ thousands)		
(Loss)/Profit for the year	(664,163)	(6,192,258)	1,572,567
Add			
Share-based payments and expenses[(1)]	188,302	619,012	281,366
Integration cost[(2)]	–	266,319	387,752
Fair value change of financial assets and liabilities at fair value through profit or loss	–	4,383,532	(3,050,694)
[**REDACTED**] expenses	–	[**REDACTED**]	[**REDACTED**]
Adjusted loss for the year	**(475,861)**	**(911,347)**	**(798,649)**

Notes:

(1) Include share-based compensation expenses related to employee benefits and share-based payments related to equity transactions.

(2) Includes (i) certain compensation packages for the employees of BEST Express China as part of the integration plan, (ii) impairment of property, plant and equipment that are identified as redundant as integrated BEST Express China, (iii) impairment of property, plant and equipment that we have identified as redundant, and other impairment of goodwill, property, plant and equipment and intangible assets, (iv) accrued provision for terminated customers and legal claims in relation to historical operation of BEST Express China, and (v) other miscellaneous integration costs.

	Year ended December 31,		
	2020	2021	2022
	(in US$ thousands)		
(Loss)/Profit for the year	(664,163)	(6,192,258)	1,572,567
Add			
Share-based payments and expenses[(1)]	188,302	619,012	281,366
Integration cost[(2)]	–	266,319	387,752
Fair value change of financial assets and liabilities at fair value through profit or loss	–	4,383,532	(3,050,694)
Depreciation and amortization	97,302	220,489	505,947
[**REDACTED**] expense	–	[**REDACTED**]	[**REDACTED**]
Finance income	(1,965)	(9,476)	(22,002)
Finance costs	13,831	99,077	99,499
Income tax expense	45,530	73,126	10,763
Adjusted EBITDA	(321,163)	(528,131)	(204,442)
Southeast Asia	266,561	427,436	331,582
China	(616,227)	(939,695)	(334,906)
Others[(3)]	1,652	(14,028)	(168,789)
Un-allocated[(4)]	26,851	(1,844)	(32,329)

Notes:

(1) Include share-based compensation expenses related to employee benefits and share-based payments related to equity transactions.

(2) Include (i) certain compensation packages for the employees of BEST Express China as part of the integration plan, (ii) impairment of property, plant and equipment that are identified as redundant as integrated BEST Express China, (iii) impairment of property, plant and equipment that we have identified as redundant, and other impairment of goodwill, property, plant and equipment and intangible assets, (iv) accrued provision for terminated customers and legal claims in relation to historical operation of BEST Express China, and (v) other miscellaneous integration costs.

(3) Include our cross-border services and express delivery services in the New Markets.

(4) Represent certain expenses, gains and losses, including general and administrative expenses, and exchange gains and losses incurred at the group and holding company levels.

Consolidated Balance Sheets Data

	Year ended December 31,		
	2020	2021	2022
	(in US$ thousands)		
Total non-current assets	628,286	3,028,218	3,089,262
Total current assets	1,614,754	3,516,424	2,846,297
Total assets	2,243,040	6,544,642	5,935,559
Total non-current liabilities	1,966,519	10,975,327	9,188,190
Total current liabilities	1,147,020	2,205,739	1,731,617
Total liabilities	3,113,539	13,181,066	10,919,807
Share capital	7	14	14
Share premium	33,184	607,734	603,829
Other reserves	(166,468)	(525,822)	(434,108)
Accumulated losses	(625,953)	(6,672,936)	(5,016,768)
Equity/(deficits) attributable to owners of the Company	(759,230)	(6,591,010)	(4,847,033)
Non-controlling interests	(111,269)	(45,414)	(137,215)
Total deficits	(870,499)	(6,636,424)	(4,984,248)

Consolidated Statements of Cash Flows Data

	Year ended December 31,		
	2020	2021	2022
	(in US$ thousands)		
Net cash used in operating activities	(154,700)	(967,174)	(519,817)
Net cash used in investing activities	(635,086)	(1,001,006)	(859,757)
Net cash from financing activities	1,285,166	3,469,507	881,328
Net (decrease)/increase in cash and cash equivalents	495,380	1,501,327	(498,246)
Cash and cash equivalents at the beginning of the year	97,173	600,425	2,102,448
Effects of foreign exchange rate changes on cash and cash equivalents	7,872	696	(100,154)
Cash and cash equivalents at the end of the year	**600,425**	**2,102,448**	**1,504,048**

In 2022, our net cash used in operating activities was US$519.8 million, which was primarily attributable to our profit before income tax of US$1,583.3 million in 2022, adjusted by adding back non-cash items including (i) share-based compensation of US$346.6 million, (ii) depreciation of right-of-use assets and depreciation of property, plant and equipment of US$257.2 million and US$227.9 million, respectively, incurred in relation to the optimization of operation and adjustment of network, (iii) impairment losses on long-term assets of US$219.1 million, (iv) fair value changes on convertible preferred shares of US$3,050.7 million, (v) net loss on disposal of property, plant and equipment of US$1.9 million, and (vi) impairment losses on financial assets of US$37.2 million, partially offset by items including finance cost of US$99.5 million and foreign exchange losses of US$17.3 million. The amount was further adjusted by changes in working capital, which primarily comprised of (i) an increase in trade receivables of US$191.1 million, (ii) a decrease in trade payables of US$84.7 million, (iii) a decrease in advances from customers of US$73.6 million, and (iv) an increase in prepayments, other receivables, and other assets of US$42.2 million, offset by (i) an increase in accruals and other payables of US$118.2 million, and (ii) return of restricted cash of US$45.8 million.

BUSINESS SUSTAINABILITY

According to Frost & Sullivan, we are the number one express delivery operator in Southeast Asia by parcel volume in 2021 and 2022, with a market share of 22.5% in 2022, and we are one of the top players in China with a 10.9% market share by parcel volume for 2022. In 2022, we further expanded into new markets including Saudi Arabia, UAE, Mexico, Brazil and Egypt. During the Track Record Period, we rapidly ramped up our operations across these markets and we incurred gross loss, operating loss and net operating cash outflow. We incurred net loss in 2020 and 2021, and we incurred net profit in 2022 mainly due to the fair value gain of financial liabilities at fair value through profit or loss.

As we continue to develop our market leadership, Southeast Asia and China continue to present to us significant growth opportunities brought about by several developments, including increasing levels of per capita disposable income, rising levels of consumer spending, higher rate of Internet and mobile penetration, and other general economic conditions that affect consumption and business activities in the jurisdictions where we operate. In particular, we anticipate additional growth from further adoption of online shopping in Southeast Asia, as well as the trend toward new retail in China, which is the seamless integration of online and offline retail. Additionally, the development of social e-commerce as a growing subset of the broader e-commerce market in Southeast Asia and China will likely stimulate additional demand for express delivery services. We believe we are well positioned to capture market opportunities through our global network and unique market positions.

To pave the way for long-term success, we have been focusing on growing our market share in the core markets where we operate, enhancing our leadership position in Southeast Asia and China, expanding our geographic coverage and logistics network and investing in technology, talent, customer service and environmental sustainability.

In the long term, to continue to realize our revenue potential and achieve profitability, we plan to further (i) grow our parcel volume globally, (ii) maintain a flexible pricing strategy, (iii) control costs and improve gross margin, and (iv) enhance operating leverage. See "Business – Business Sustainability" for more details.

APPLICATION FOR [REDACTED] ON THE [REDACTED]

We are applying for [**REDACTED**] with a WVR structure under Chapter 8A of the Listing Rules and satisfy the market capitalization requirement under Rule 8A.06(1) of the Listing Rules which requires that a new applicant seeking a listing with a WVR structure must have a market capitalization of at least HK$40 billion at the time of listing.

We are also applying for [**REDACTED**] under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test with reference to (i) our revenue for the year ended December 31, 2022, being approximately US$7.3 billion (equivalent to approximately HK$57.0 billion), which is significantly over HK$500 million as required by Rule 8.05(3); and (ii) our expected market capitalization at the time of [**REDACTED**], which, based on the low-end of the indicative [**REDACTED**] Range, significantly exceeds HK$4 billion as required by Rule 8.05(3).

We have applied to the [**REDACTED**] for the granting of the [**REDACTED**] of, and permission to deal in, the Class B Shares in issue (including the Class B Shares on conversion of the Pre-[**REDACTED**] Preferred Shares) and the Class B Shares to be issued pursuant to the (i) [**REDACTED**], (ii) the exercise of the [**REDACTED**] and (iii) conversion of Class A Shares into Class B Shares on a one to one basis and that are issuable upon conversion of the Class A Shares.

RECENT DEVELOPMENTS

Acquisition of Fengwang Information

On May 12, 2023, the Group entered into a share transfer agreement with Shenzhen Fengwang Holdings Company Limited (深圳市豐網控股有限公司) ("**Fengwang Holdings**"), a subsidiary of S.F. Holding Co., Ltd. (順豐控股股份有限公司) (stock code: 002352.SZ), to acquire the entire equity interest of Fengwang Holdings' wholly-owned subsidiary, Shenzhen Fengwang Information Technology Company Limited (深圳市豐網信息技術有限公司) ("**Fengwang Information**"), at a total consideration of RMB1,183 million. The acquisition is subject to customary closing conditions. For more information regarding the acquisition of Fengwang Information, see "History and Corporate Structure – Major Acquisitions, Disposals and Mergers – Acquisition of Fengwang Information."

No Material Adverse Change

Our Directors confirm that up to the date of this document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2022, the end of the period reported on as set out in the Accountants' Report included in Appendix I to this document.

FUTURE DIVIDENDS

We are a holding company incorporated under the laws of the Cayman Islands. Any future decision to declare and pay any dividends will be at the discretion of our Board and will depend on, among other things, the availability of dividends received from our subsidiaries, our earnings, capital and investment requirements, level of indebtedness, and other factors that our Board deems relevant. As advised by our Cayman Islands counsel, under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in, immediately following the date on which the distribution or dividend is proposed to be paid, the company being unable to pay its debts as they fall due in the ordinary course of business. Investors should not purchase our shares with the expectation of receiving cash dividends. Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, where appropriate. We do not have a fixed dividend payout ratio.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**] EXPENSES

Based on the mid-point [**REDACTED**] of HK$[**REDACTED**], the total estimated [**REDACTED**] expenses in relation to the [**REDACTED**] is approximately HK$[**REDACTED**] million, assuming the [**REDACTED**] is not exercised, the Reclassification, Redesignation and Share Subdivision are completed. The total estimated [**REDACTED**] expenses will represent approximately [**REDACTED**]% of the total gross [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**] billion assuming that [**REDACTED**] is not exercised. US$[**REDACTED**] million of the [**REDACTED**] was charged to our consolidated income statement for the year ended December 31, 2022. We estimate that the total [**REDACTED**] expenses for the year of 2023 in the amount of US$[**REDACTED**] million will be charged to our consolidated income statement for the year ending December 31, 2023. The balance of approximately US$[**REDACTED**] million, which mainly includes [**REDACTED**] commission, is expected to be accounted for as a deduction from equity upon the completion of the [**REDACTED**]. These [**REDACTED**] expenses mainly comprise professional fees paid and payable to the professional parties for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**] and the [**REDACTED**] commission and incentive fee payable to the [**REDACTED**] in connection with the [**REDACTED**] of [**REDACTED**] under the [**REDACTED**].

USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**] Range of between HK$[**REDACTED**] and HK$[**REDACTED**] per Share), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] billion from the [**REDACTED**] after deducting the [**REDACTED**] commissions and other estimated expenses paid and payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised. In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to expand our logistics networks, improve our infrastructure, and strengthen our sorting and warehouse capacity and capabilities in Southeast Asia and other existing markets;

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to expand in new markets and diverse our service offering;

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for research and development and technology innovations; and

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for general corporate purposes and working capital needs.

The above allocation of the net [**REDACTED**] from the [**REDACTED**] will be adjusted on a pro rata basis in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the indicative [**REDACTED**] range stated in this document.