SUMMARY

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 this document in its entirety 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 the section headed "Risk factors" in this document. You should read that section carefully before you decide to invest in the* **[REDACTED]**. *Various expressions used in this summary are defined or explained in the sections headed "Definitions" and "Glossary of Technical Terms" in this document.*

OVERVIEW

We are an established cross-border e-commerce logistics service provider based in the PRC principally engaged in the provision of end-to-end cross-border logistics services. Given our asset-light nature, we are capable of providing various flexible and reliable delivery options to our customers based on their selection of express, standard or economic delivery options through coordinating our network of suppliers. At present, we provide overall management of the entire logistics value chain (from receiving the parcel from our customer and delivering the parcel to the final destination), including the determination of the delivery route, means of transportation, delivery costs control and fulfillment of customs requirements. Leveraging our ability in providing services for the entire logistics chain together with our suppliers, we also provide different types of logistics services to customers in the PRC and overseas. We offer our customers the flexibility to pick and choose the services they require us to perform within the logistics value chain, such as freight forwarding, customs clearance, recovery, warehouse operation, transportation and last-mile delivery. We offer customised solutions based on our customers' specific requirements and formulate logistics solutions that suit their needs.

We operate our service outlets network directly providing parcel acceptance, warehousing, security check, repackaging, labelling and sorting services within the end-to-end logistics value chain, whereas our suppliers (including air/sea port operators, air and ocean carriers, customs brokers and third-party logistics service providers) operate air/sea port operation, customs clearance, international linehaul and last-mile delivery services. Our asset-light logistics business model enables us to scale our network rapidly with limited capital outlay and provide express, standard or economic delivery service options to our customers based on their budget and preferences.

The following table sets forth a breakdown of our Group's revenue, gross profit and gross profit margin by business line during the Track Record Period:

	FY2020				FY2021				FY2022				6M2022				6M2023			
	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit/ (loss)	Gross profit margin/ (loss) margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*unaudited*)	*%*	*RMB'000* (*unaudited*)	*%*	*RMB'000*	*%*	*RMB'000*	*%*
End-to-end cross-border delivery																				
— Express delivery[(1)]	673,479	44.5	77,159	11.5	609,967	45.1	79,676	13.1	767,012	61.2	66,208	8.6	378,754	62.1	30,526	8.1	341,758	50.7	17,081	5.0
— Standard delivery[(2)]	379,153	25.1	944	0.2	415,516	30.7	(19,527)	(4.7)	177,468	14.2	10,821	6.1	99,336	16.3	8,432	8.5	233,367	34.6	23,785	10.2
— Economic delivery[(3)]	302,588	20.0	16,949	5.6	51,449	3.8	130	0.3	35,956	2.9	3,536	9.8	18,737	3.1	1,252	6.7	14,784	2.2	3,395	22.7
	1,355,220	89.6	95,052	7.0	1,076,932	79.6	60,279	5.6	980,436	78.3	80,565	8.2	496,827	81.5	40,210	8.1	589,909	87.5	44,261	7.5
Freight forwarding	98,858	6.5	5,114	5.2	225,705	16.7	21,322	9.4	203,028	16.2	4,332	2.1	88,185	14.5	(820)	(0.9)	40,476	6.0	2,677	6.6
Other logistics service[(4)]	58,070	3.9	23,058	39.7	51,049	3.7	18,255	35.8	68,519	5.5	19,768	28.9	24,729	4.0	9,619	38.9	43,525	6.5	7,517	17.3
Total	**1,512,148**	**100.0**	**123,224**	**8.2**	**1,353,686**	**100.0**	**99,856**	**7.4**	**1,251,983**	**100.0**	**104,665**	**8.4**	**609,741**	**100.0**	**49,009**	**8.0**	**673,910**	**100.0**	**54,455**	**8.1**

Notes:

(1) Parcels delivered with express delivery service take approximately three to five business days to be delivered to the final destination.

(2) Parcels delivered with standard delivery service take approximately six to nine business days to be delivered to the final destination.

(3) Parcels delivered with economic delivery service take approximately 10 or more business days to be delivered to the final destination.

(4) Other logistics service includes (i) customs clearance/pick-up/delivery, (ii) industry-tailored solutions and (iii) OGP/OSP services.

We worked closely with international and national-level suppliers for the provision of various logistics services to build our international logistics network. We maintained business relationships with Customer/Supplier Group G, a Fortune Global 500 multinational logistics company group founded in the US, since 2005. We also became a business partner of Supplier Group K, a US founded Fortune Global 500 German logistics company group listed on the Frankfurt Stock Exchange since our acquisition of the Global Link group in 2017, which had had over seven years of business relationships with Global Link group prior to our acquisition of Global Link group. During the Track Record Period, we had business relationship with over 1,100 suppliers. With the support of such comprehensive suppliers' network, we are capable of providing end-to-end cross-border delivery services to different countries around the world. During the Track Record Period, we have delivered parcels to more than 220 countries/regions.

During the Track Record Period, we experienced narrow gross profit margins and net profit margins, which was in line with other companies in the same industry in accordance with the F&S Report. Our ability to negotiate with our upstream suppliers regarding their upward adjustments in transportation costs, seasonal surcharges, and fuel surcharges is relatively limited, as they possess a broader international delivery network and fleets of ground transportation and aircraft. Additionally, operating in a highly competitive industry has placed significant pressure on our capacity to promptly and fully adjust prices for our customers. Our Group also factored in the importance of preserving customer relationships when considering price adjustments. These factors have resulted in squeezed gross profit margins, impacting our overall profitability. During the Track Record Period, over 90% of our cost of sales was attributable to logistics cost, which primarily consist of (i) cost for transshipment process; (ii) cost for international linehaul and last-mile delivery process; (iii) freight charges for airborne transportation; (iv) freight charges for seaborne transportation; (v) ground transportation fees; (vi) handling costs for customs clearance/pick-up/delivery; (vii) miscellaneous costs for industry-tailored solutions; and (viii) ground transportation costs involved in OGP/OSP services. For details, please refer to the sections headed "Business — Pricing Policy — Maintenance of our profitability" and "Financial Information — Cost of sales" in this document.

OUR COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths will continue our presence and increase our market share in the logistics industry.

(a) We have a broad service outlets and suppliers network providing a wide coverage in terms of geographical reach and service variety;

(b) Our established track record of over 19 years in serving the logistics industry allows us to understand and adapt to our customers' needs so as to strengthen our relationship with customers;

(c) We have an experienced management team with a proven track record; and

(d) We have proprietary IT systems contributing to increased operation efficiency.

For details, please refer to the section headed "Business — Our competitive strengths" in this document.

OUR BUSINESS STRATEGIES

Our business objectives are to achieve sustainable growth, further strengthen our market position in the cross-border e-commerce logistics service industry in the PRC, and create long-term value for our Shareholders. We intend to achieve our business objectives with the following business strategies:

- achieve greater scale and capacity and further our reach including (i) setting up new service outlets in the PRC; and (ii) expanding and/or upgrading our existing service outlets in the PRC.

- invest in and upgrade our information technology systems.

For details, please refer to the section headed "Business — Our business strategies" in this document.

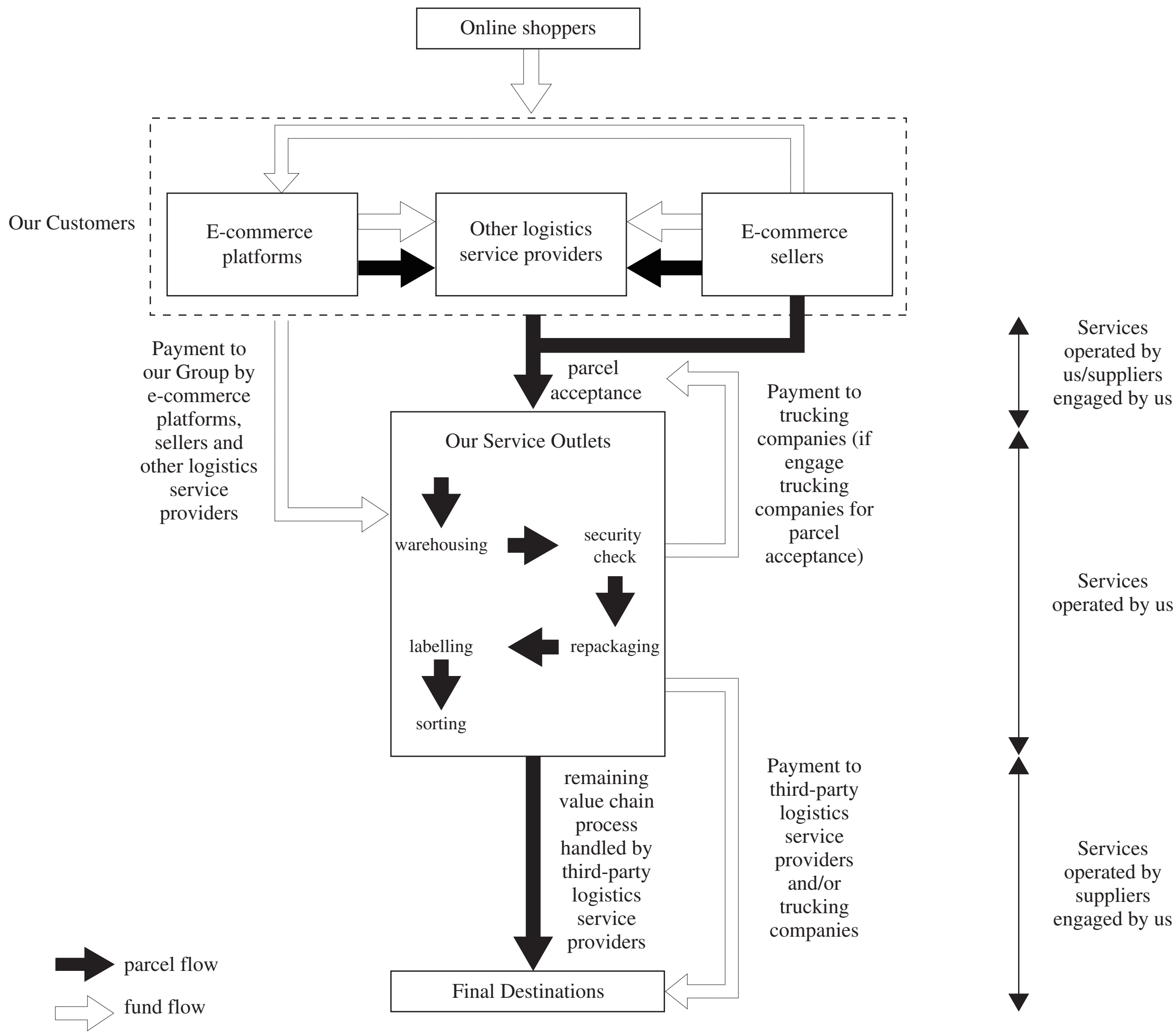
OUR BUSINESS MODEL

Our business model principally involves providing the following:

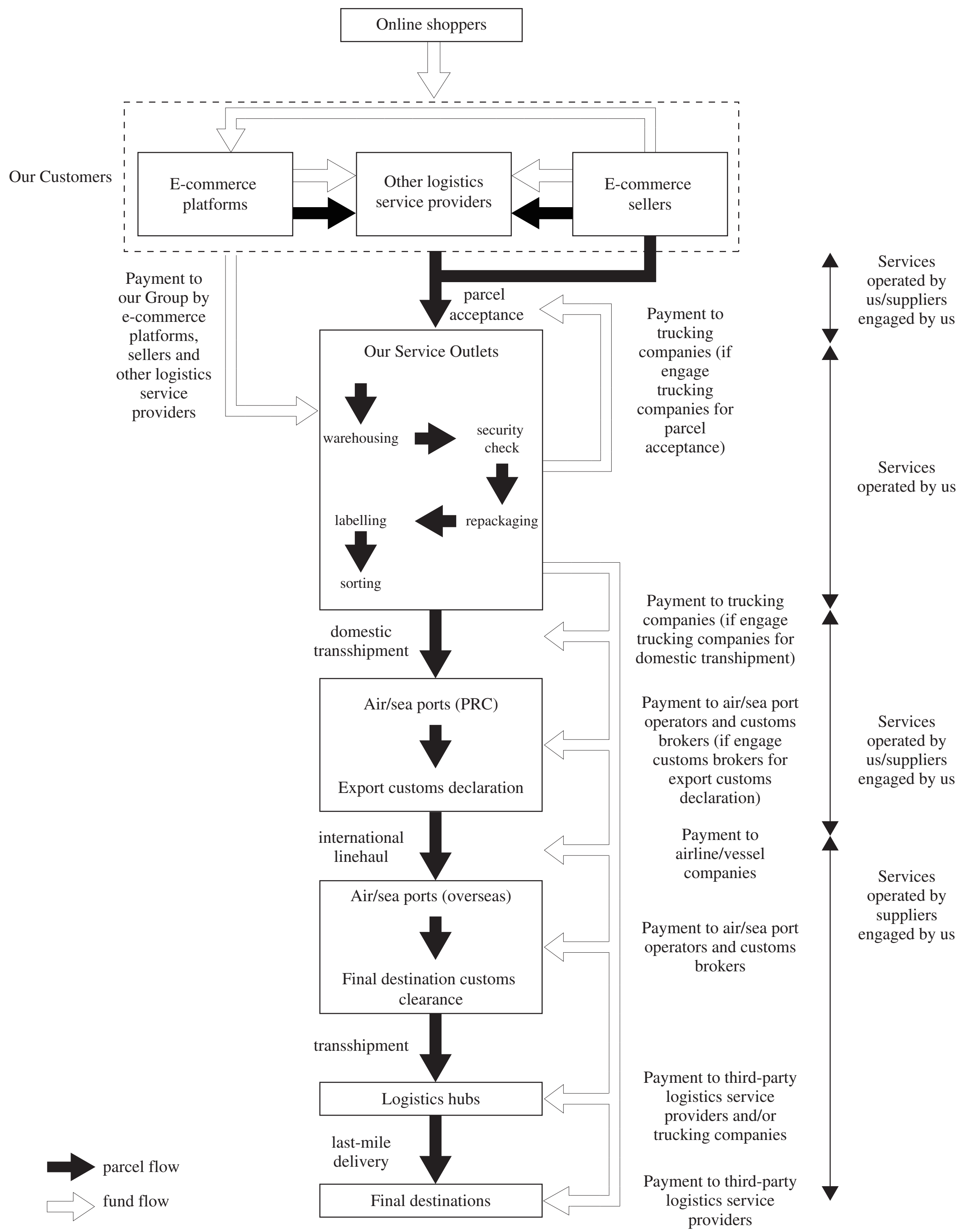
(i) End-to-end cross-border delivery service

We provide integrated one-stop international logistics services to our customers throughout the entire end-to-end logistics value chain to deliver their parcels to the destination countries or regions. Our services cover all major aspects of cross-border logistics value chain, including parcel acceptance, warehousing, security check, repackaging, labelling, sorting, export customs declaration, international linehaul, customs clearance and last-mile delivery. For illustrative purposes only, the following diagrams illustrate the process for the completion of a typical end-to-end cross-border delivery order:

Express delivery service/Economic delivery service (by postal service)

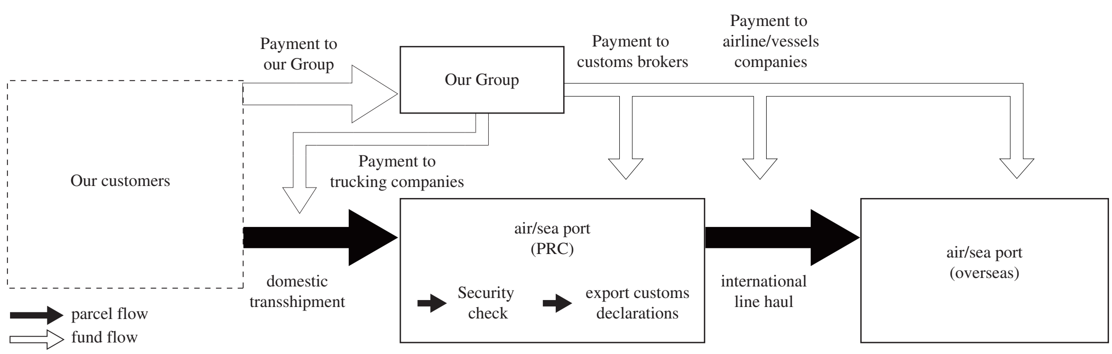


Standard delivery service/Economic delivery service (by seaborne transportation)



(ii) Freight forwarding

We offer freight forwarding services whereby we act as an integrator to organise and coordinate the delivery of parcels from the port of the origin to the port of the final destination, through different delivery methods such as airborne, seaborne and ground transportation. For illustrative purposes only, the following diagram sets out where our freight forwarding services shall be conducted within the logistics value chain:



(iii) Other logistics service

We offer value-adding supply chain solutions that integrate our service offerings and fulfill the specific needs of our customers of different industry verticals. Our other logistics services can be mainly categorised as (i) customs clearance/pick-up/delivery, (ii) industry-tailored solutions and (iii) OGP/OSP services.

For details, please refer to the section headed "Business — Our business model" in this document.

OUR CUSTOMERS AND SUPPLIERS

Our Customers

Our customers generally include e-commerce platforms, e-commerce sellers, other logistics service providers and traditional traders. During the Track Record Period, majority of our revenue was derived from e-commerce related customers. For each FY2020, FY2021, FY2022 and 6M2023, sales to our five largest customers in each year/period amounted to approximately RMB346.8 million, RMB432.2 million, RMB357.3 million and RMB304.4 million, representing approximately 22.8%, 31.9%, 28.5% and 45.2% of our total revenue, respectively, and sales to our largest customer in each year/period amounted to approximately RMB106.4 million, RMB218.6 million, RMB153.3 million and RMB150.7 million representing approximately 7.0%, 16.1%, 12.2% and 22.4% of our total revenue, respectively. We had established business relationships with our five largest customers in each year/period during the Track Record Period for two to 18 years.

For further details of our customers, please refer to the section headed "Business — Our customers".

Our Suppliers

Our suppliers generally include air/sea port operators, air and ocean carriers, custom brokers as well as international and national-level logistics service providers. For FY2020, FY2021, FY2022 and 6M2023, purchases from our five largest suppliers in each year/period amounted to approximately RMB823.3 million, RMB602.4 million, RMB669.6 million and RMB368.4 million representing approximately 61.4%, 50.6%, 61.2% and 62.3% of our total purchases, respectively, and purchases from our largest supplier, Supplier Group K, amounted to RMB379.4 million, RMB301.6 million, RMB474.8 million and RMB235.0 million, representing approximately 28.3%, 25.3%, 43.4% and 39.8% of our total purchases, respectively. We had established business relationships with our five largest suppliers in each year/period during the Track Record Period for two to 18 years.

For further details on our reliance on Supplier Group K, please refer to the section headed "Business — Our Suppliers — Reliance on Supplier Group K" in this document.

SUMMARY OF KEY OPERATIONAL AND FINANCIAL INFORMATION

The following tables present a summary of our financial information during the Track Record Period extracted from "Financial Information" section in this document and should be read in conjunction with our financial information included in the Accountants' Report set out in Appendix I to this document, including the notes thereto.

Highlight of our consolidated statements of profit or loss and other comprehensive income

The following table sets out a summary of our consolidated statements of profit or loss for the periods indicated:

	FY2020	FY2021	FY2022	6M2022	6M2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Revenue	1,512,148	1,353,686	1,251,983	609,741	673,910
Cost of Sales	(1,388,924)	(1,253,830)	(1,147,318)	(560,732)	(619,455)
Gross profit	123,224	99,856	104,665	49,009	54,455
Profit for the year/period	52,695	36,892	26,903	14,095	11,744
Profit attributable to:					
— Owners of our Company	52,715	36,932	26,872	14,050	12,169
— Non-controlling interests	(20)	(40)	31	45	(425)
	52,695	36,892	26,903	14,095	11,744

Our revenue increased by approximately RMB64.1 million, or approximately 10.5%, from approximately RMB609.7 million for 6M2022 to approximately RMB673.9 million for 6M2023. Such increase was mainly attributable to (i) the increase in revenue from the provision of standard delivery service under end-to-end cross-border delivery services by approximately RMB134.0 million; and (ii) the increase in revenue from the provision of other logistics service by approximately RMB18.8 million, and was partially offset by (i) the decrease in revenue from the provision of express delivery service by approximately RMB37.0 million; (ii) the decrease in revenue from the provision of economy delivery service by approximately RMB4.0 million; and (iii) the decrease in revenue from the freight forwarding services by approximately RMB47.7 million.

Our revenue decreased by approximately RMB101.7 million, or approximately 7.5%, from approximately RMB1,353.7 million for FY2021 to approximately RMB1,252.0 million for FY2022. Such decrease was mainly attributable to the decrease in revenue from the provision of standard delivery service by approximately RMB238.0 million and the decrease in revenue from the provision of economic delivery services by approximately RMB15.5 million under end-to-end cross-border delivery service and the decrease in revenue from freight forwarding services by approximately RMB22.7 million, and was partially offset by the increase in revenue from the provision of express delivery service by approximately RMB157.0 million under end-to-end cross-border delivery services and (ii) the increase in revenue from the provision of other logistics service by approximately RMB17.5 million.

Our revenue decreased by approximately RMB158.4 million, or approximately 10.5%, from approximately RMB1,512.1 million for FY2020 to approximately RMB1,353.7 million for FY2021. Such decrease was mainly attributable to the decrease in revenue from end-to-end cross-border delivery service of approximately RMB278.3 million, or approximately 20.5% and was offset by the increase in revenue from freight forwarding service of approximately RMB126.8 million, or approximately 128.3%.

Our gross profit increased by approximately RMB5.5 million, or approximately 11.1%, from approximately RMB49.0 million for 6M2022 to approximately RMB54.5 million for 6M2023. while the gross margin ratio increased slightly from approximately 8.0% for 6M2022 to approximately 8.1% for 6M2023. Such increase in gross profit was mainly attributable to (i) the increase in gross profit from end-to-end cross-border delivery service of approximately RMB4.1 million; and (ii) the increase in gross profit from freight forwarding service of approximately RMB3.5 million, which was partially offset by the decrease in gross profit from other logistics service of approximately RMB2.1 million.

Our gross profit increased by approximately RMB4.8 million, or approximately 4.8%, recoginsed in the approximately RMB99.9 million for FY2021 to approximately RMB104.7 million for FY2022, and our overall gross profit margin increased from approximately 7.4% during FY2021 to approximately 8.4% during FY2022. Such increase was mainly attributable to (i) the gross profit of approximately RMB10.8 million recognised in the standard delivery service segment in FY2022 as opposed to a gross loss of approximately RMB19.5 million in FY2021 and (ii) the increase in gross profit from economic delivery service by approximately RMB3.4 million; and (iii) the increase in gross profit from other logistics services by approximately RMB1.1 million, and was partially offset by (i) the decrease in gross profit from express delivery service by approximately RMB13.5 million and (ii) the decrease in gross profit from freight forwarding services by approximately RMB17.0 million. The increase in our overall gross profit margin was mainly attributable to the improvement in the performance of our standard delivery segment, which shifted from a gross loss to a gross profit, and the increase in gross profit margin from the provision of economy delivery service.

Our gross profit decreased by approximately RMB23.4 million, or approximately 19.0%, from approximately RMB123.2 million for FY2020 to approximately RMB99.9 million for FY2021, and our overall gross profit margin decreased from approximately 8.2% during FY2020 to approximately 7.4% during FY2021. Such decrease was mainly attributable to the decrease in gross profit margin from end-to-end cross-border delivery service. In particular, for FY2021, we recorded a gross loss of approximately RMB19.5 million from standard delivery due to the gross loss recorded during the sales promotion conducted on an e-commerce platform, Alibaba.com, through our business relationship with Yidatong to establish our business presence.

During the Track Record Pariod, we recorded narrow overall gross profit margin.

Our profit for 6M2023 decreased by approximately RMB2.4 million, or approximately 17.0% from approximately RMB14.1 million for 6M2022 to approximately RMB11.7 million for 6M2023. Such decreased was mainly attributable to (i) the increase in administrative and other expenses of approximately RMB6.6 million; and (ii) the increase in finance costs of approximately RMB0.8 million, partially offset by the increase in gross profit of approximately RMB5.5 million.

Our profit for FY2022 decreased by approximately RMB10.0 million, or approximately 27.1% from approximately RMB36.9 million for FY2021 to approximately RMB26.9 million for FY2022. Such decrease was mainly attributable to the **[REDACTED]** incurred during FY2022.

Our profit for FY2021 decreased by approximately RMB15.8 million, or approximately 29.9% from approximately RMB52.7 million for FY2020 to approximately RMB36.9 million for FY2021. Such decrease was mainly attributable to the decrease in revenue from end-to-end cross-border delivery service for economic delivery service and express delivery service.

For further details, please refer to the section headed "Financial information — Comparison of results of operations" in this document.

Highlight of certain items of our consolidated statements of financial position

The following table sets out a summary of our consolidated statements of financial position as at the date indicated:

	As at 31 December			As at 30 June
	2020	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	345,217	492,461	428,009	530,864
Current liabilities	145,965	112,653	97,922	169,606
Non-current assets	184,119	182,131	187,380	182,479
Non-current liabilities	6,753	11,464	7,556	3,523
Net current assets	199,252	379,808	330,087	361,258
Net assets	376,618	550,475	509,911	540,214
Non-controlling interests	54	14	45	(380)

As at 31 December 2020 and 31 December 2021, we had net current assets of approximately RMB199.2 million and RMB379.8 million, respectively. The increase was primarily attributable to (i) the increase in bank balances and cash of approximately RMB65.1 million; (ii) the increase in financial assets at fair value through profit or loss of approximately RMB62.2 million; and (iii) the increase in deposits, prepayments and other receivables of approximately RMB21.2 million which was partially offset by (i) the increase in accruals and other payables of approximately RMB5.3 million; (ii) the increase in contract liabilities of approximately RMB2.6 million; and (iii) the increase in the current portion of lease liabilities of approximately RMB2.9 million.

As at 31 December 2022, we had net current assets of approximately RMB330.1 million. The decrease was primarily attributable to (i) the decrease in trade receivables of approximately RMB18.9 million; (ii) the decrease in financial assets at fair value through profit or loss of approximately RMB86.9 million; (iii) the decrease in trade payables of approximately RMB22.3 million; and (iv) the decrease of the current portion of contract liabilities of approximately RMB4.9 million, which was partially offset by (i) the increase in deposits, prepayments and other receivables of approximately RMB18.4 million; (ii) the increase in bank balance and cash of approximately RMB23.0 million; (iii) the increase in accruals and other payables of approximately RMB7.4 million; and (iv) the increase in borrowings of approximately RMB4.1 million.

As at 30 June 2023, we had net current assets of approximately RMB361.3 million, which was increased from approximately RMB330.0 million as at 31 December 2022. The increase was primarily attributable to (i) the increase in trade receivables of approximately RMB96.9 million; (ii) the increase in deposits, prepayments and other receivables of approximately RMB9.4 million; (iii) the decrease in accruals and other payables of approximately RMB4.6 million; (iv) the decrease of the current portion of contract liabilities of approximately RMB1.3 million; (v) the decrease in income tax payables of approximately RMB5.3 million; and (vi) the decrease in current portion of lease liabilities of approximately RMB0.7 million, which was partially offset by (i) the decrease in bank balance and cash of approximately RMB8.1 million; (ii) the increase in trade payables of approximately RMB33.6 million; and (iii) the increase in borrowings of approximately RMB50.0 million.

We recorded net assets of approximately RMB376.6 million, RMB550.4 million, RMB509.9 million, and RMB540.2 million as at 31 December 2020, 2021 and 2022 and 30 June 2023, respectively. The increase in net assets as at 31 December 2021 was primarily attributable to an issue of shares of approximately RMB137.2 million, which was partially offset by an increase in profit in FY2021 of approximately RMB36.9 million. The decrease in net assets as at 31 December 2022 was primarily attributable to the shares repurchased and cancelled of approximately RMB70.7million, which was partially offset by (i) a gain in foreign exchange of approximately RMB3.2 million; and (ii) the increase in profit in FY2022 of approximately RMB30.1 million. The increase in net assets as at 30 June 2023 was primarily attributable to (i) the increase in trade receivables of approximately RMB96.9 million; and (ii) the increase in deposits, prepayments and other receivables of approximately RMB9.4 million, which was partially offset by (i) the decrease in bank balances and cash of approximately RMB8.1 million; (ii) the increase in trade payables of approximately RMB33.6 million; and (iii) the increase in borrowings of approximately RMB50.0 million.

For further details, please refer to the section headed "Financial information — Net current assets" in this document.

Highlight of our consolidated statements of cash flows

The following table sets out a summary of our consolidated cash flow statements for the years indicated:

	FY2020	FY2021	FY2022	6M2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net cash from/(used in) operating activities	102,700	8,687	23,437	(58,074)
Net cash (used in)/from investment activities	(15,529)	(46,409)	77,756	(3,573)
Net cash (used in)/from financing activities	(57,537)	103,073	(79,072)	53,183
Net increase (decrease) in cash and cash equivalents	29,634	65,351	22,121	(8,464)

For further details of the movement of our cash flow, please refer to the section headed "Financial information — consolidated statements of cash flows" in this document.

Key financial ratios

The following table sets out key financial ratios of our Group during the years/period indicated:

	FY2020	FY2021	FY2022	6M2023
Current ratio	2.4 times	4.4 times	4.4 times	3.1 times
Gearing ratio*(Note)*	8.9%	3.4%	3.9%	12.1%
Return on total assets	10.0%	5.5%	4.4%	1.6%
Return on equity	14.0%	6.7%	5.3%	2.2%
Net profit margin	3.5%	2.7%	2.1%	1.7%

Note: Gearing ratio is calculated based on the total debt (including amounts due to a Director, borrowings and lease liabilities) divided by the total equity as at the respective year end and multiplied by 100%.

During the Track Record Period, we experienced narrow net profit margins. Any material increases in our cost of sales may further squeeze our net profit margins. For detailed calculation method of those financial ratios, please refer to the section headed "Financial information — Analysis of key financial ratios" in this document.

Summary of operating data

We regularly review a number of key operating data to evaluate our core business operations, identify trends, formulate financial projections and make strategic decisions. The following table sets out certain of our key operating data for end-to-end cross border delivery service the years indicated:

	FY2020				
	Number of parcels(Note 1) *('000)*	*Billed weight*(Note 2) *('000 kg)*	*Average price (RMB per kg)*	*Average revenue (RMB per parcel)*	*Average billed weight (kg per parcel)*
End-to-end cross border delivery					
— Express delivery	1,261	11,439	58.9	534.1	9.1
— Standard delivery	9,142	4,315	87.9	41.5	0.5
— Economic delivery	6,815	3,608	83.9	44.4	0.5
Total	**17,218**	**19,362**	**70.0**	**78.7**	**1.1**

	FY2021				
	Number of parcels(Note 1) *('000)*	*Billed weight*(Note 2) *('000 kg)*	*Average price (RMB per kg)*	*Average revenue (RMB per parcel)*	*Average billed weight (kg per parcel)*
End-to-end cross border delivery					
— Express delivery	825	9,722	62.7	739.4	11.8
— Standard delivery	5,568	5,293	78.5	74.6	1.0
— Economic delivery	918	1,080	47.6	56.0	1.2
Total	**7,311**	**16,095**	**66.9**	**147.3**	**2.2**

	FY2022				
	Number of parcels(Note 1) ('000)	*Billed weight(Note 2) ('000 kg)*	*Average price (RMB per kg)*	*Average revenue (RMB per parcel)*	*Average billed weight (kg per parcel)*
End-to-end cross border delivery					
— Express delivery	876	13,798	55.6	875.6	15.8
— Standard delivery	1,655	2,308	76.9	107.2	1.4
— Economic delivery	278	1,055	34.1	129.3	3.8
Total	**2,809**	**17,161**	**57.1**	**349.0**	**6.1**

	6M2022				
	Number of parcels ('000)	*Billed weight Note (2) ('000 kg)*	*Average price (RMB per kg)*	*Average revenue (RMB per parcel)*	*Average billed weight (kg per parcel)*
End-to-end cross border delivery					
— Express delivery	425	6,807	55.6	891.2	16.0
— Standard delivery	857	1,238	80.2	115.9	1.4
— Economic delivery	155	530	35.4	120.9	3.4
Total	**1,437**	**8,575**	**57.9**	**345.7**	**6.0**

	6M2023				
	Number of parcels ('000)	*Billed weight Note (2) ('000 kg)*	*Average price (RMB per kg)*	*Average revenue (RMB per parcel)*	*Average billed weight (kg per parcel)*
End-to-end cross border delivery					
— Express delivery	430	6,795	50.3	794.8	15.8
— Standard delivery	3,011	2,314	100.8	100.9	0.8
— Economic delivery	103	679	21.8	142.9	6.6
Total	**3,544**	**9,788**	**60.3**	**166.5**	**2.8**

Notes:

(1) Parcel refers to a single or multiple parcels delivered to the same location under the same shipment order.

(2) The billed weight is the higher of the actual weight and dimensional weight. The dimensional weight is calculated by dividing the dimension of the parcel in cubic centimetre by 5,000.

For details, please refer to the section headed "Financial information — Our key operating data" in this document.

PRICING POLICY

We generally adopt a cost-plus approach when determining the fees we charge our customers and take into account our factors including: (i) the volume of the parcels; (ii) prevailing market rates offered by our competitors; (iii) cost of services; (iv) seasonality; (v) reasonable profit margin; and (vi) length of business relationship and future business opportunity.

For further details of our pricing policy, please refer to the section headed "Business — Our customers — Pricing policy" in this document.

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the **[REDACTED]** and the **[REDACTED]**, Zi Yue and Gensis FAR Holdings Limited (天遠控股有限公司) will be interested in approximately **[REDACTED]**% and **[REDACTED]**% of our total issued share capital respectively (without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]**), Zi Yue is an investment holding company and is wholly-owned by Mr. Wang. Gensis FAR Holdings Limited is a company wholly-owned by Hangzhou Aiyuan L.P., a limited partnership in which Mr. Wang is interested in approximately 37.88% of its equity interest.

Accordingly, immediately following completion of the **[REDACTED]** and the **[REDACTED]**, Mr. Wang will be interested in approximately **[REDACTED]**% of our total issued share capital through Zi Yue and Gensis FAR Holdings Limited (without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]**), Mr. Wang, Zi Yue, Gensis FAR Holdings Limited and Hangzhou Aiyuan L.P. are a group of Controlling Shareholders. For details of our shareholdings and information about our Controlling Shareholders, please refer to the sections headed "History, development and Reorganisation" and "Relationship with Controlling Shareholders", respectively, in this document.

RISK FACTORS

There are certain risks involved in our business operations and in connection with the **[REDACTED]**, many of which are beyond our control. The risks can be broadly categorised as (i) risks relating to our business and our industry; (ii) risks relating to our corporate structure; (iii) risks relating to the **[REDACTED]**; and (iv) risks relating to the statements made in this document. The occurrence of any of the events set out in the section headed "Risk factors" in this document could materially and adversely affect our, business, prospects, financial condition and results of operations. The following is a non-exhaustive list of some of our risk factors:

- Our cross-border e-commerce logistics service provider business is significantly affected by changes in global economic and social conditions.

- Some of our customers that ship goods to the US benefit from certain tax exemption regime, which may be changed in the future. In such event, these customers' operations may be negatively affected, and in turn affect our revenue generated from these customers.

- Our business and financial performance are cyclical. The business and financial performance achieved during the Track Record Period may not be consistently sustainable in the future as the outbreak and spread of COVID-19 eases.

- We face risks related to severe weather conditions and other natural disasters, health epidemics and other outbreaks.

- We operate in a competitive industry, and have limited bargaining power with our upstream suppliers. if we fail to compete effectively, our business and profitability could suffer.

- Failure in adjusting selling prices to adequately reflect the upward trend of costs could result in a significant and negative impact on our gross profit margin.

- Our business relies on our suppliers. Increases in their operating costs or failure to maintain partnerships with them may adversely affect our business.

- Fluctuations in the price or availability of fuel may adversely affect our results of operations.

- Goodwill impairment could negatively affect our financial condition and results of operation.

As different investors may have different interpretations and criteria for determining the materiality of a risk, careful consideration should be paid to the entire section headed "Risk factors" in this document before you decide to invest in the **[REDACTED]**. Additionally, prospective investors are strongly advised to read the whole of this document and give careful consideration as to how much weight or importance they should place upon any information which is not contained in this document when making their investment decisions regarding our Shares.

[REDACTED]

We estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately RMB**[REDACTED]** million (equivalent to approximately HK$**[REDACTED]** million) after deducting **[REDACTED]** and other estimated expense paid and payable by us in relation to the **[REDACTED]** without deducting any additional discretionary **[REDACTED]** assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the **[REDACTED]** of the indicative **[REDACTED]** range between HK$**[REDACTED]** and HK$**[REDACTED]** per Share. We intend to use the net **[REDACTED]** from the **[REDACTED]** as follows: (a) approximately RMB**[REDACTED]** million (equivalent to approximately HK$**[REDACTED]** million), representing approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, is expected to be used for setting up new service outlets and expanding and upgrading our existing service outlets in the PRC; (b) approximately RMB**[REDACTED]** million (equivalent to approximately HK$**[REDACTED]** million), representing approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, is expected to be used for investing in and upgrading our information technology systems; and (c) approximately RMB**[REDACTED]** million (equivalent to approximately HK$**[REDACTED]** million), representing approximately **[REDACTED]**% of the net **[REDACTED]** from the **[REDACTED]**, is expected to be used as working capital and general corporate purposes. For details please refer to the section headed "Future plans and **[REDACTED]**" in this document.

[REDACTED]

Our Directors are of the view that the financial results of our Group for the year ending 31 December 2023 are expected to be adversely affected by the **[REDACTED]** in relation to the **[REDACTED]**, the nature of which is non-recurring. The total **[REDACTED]** fees in relation to the **[REDACTED]**, primarily consisting of fees paid or payable to professional parties and **[REDACTED]** and **[REDACTED]**, are estimated to be approximately RMB[54.3] million (based on the **[REDACTED]** of the indicative **[REDACTED]** range of HK$**[REDACTED]** per **[REDACTED]** and **[REDACTED]**), which amounted to [40.3]% of the gross **[REDACTED]** from the **[REDACTED]**, of which (i) **[REDACTED]**-related expenses, including **[REDACTED]** and other expenses are approximately RMB**[REDACTED]** million and (ii) **[REDACTED]**-related expenses are approximately RMB**[REDACTED]** million, comprising (a) fees and expenses of legal advisers and accountants of approximately RMB**[REDACTED]** million and (b) other fees and expenses, including sponsor fee, of approximately RMB**[REDACTED]** million. Among the estimated total **[REDACTED]** fees, (i) approximately RMB**[REDACTED]** million is expected to be accounted for as a deduction from equity upon **[REDACTED]**; and (ii) approximately RMB**[REDACTED]** million will be recognised as expenses in our consolidated income statements, of which approximately RMB**[REDACTED]** million had been recognised up to 30 June 2023 and, approximately RMB**[REDACTED]** million is expected to be recognised during six months ending 31 December 2023.

RECENT DEVELOPMENTS

Impact of COVID-19

Since 2020, the outbreak of COVID-19 has affected the global economy. In response to the COVID-19 pandemic, the PRC government has imposed measures to contain the spread of the virus from time to time between 2020 and 2022. Due to the impacts of COVID-19 pandemic, the business operations of our service outlets were temporarily suspended during the Track Record Period. During FY2020, FY2021, FY2022 and 6M2023, 14, 1, 17, nil of our service outlets closed temporarily for an average of approximately 10.7 days, 12.0 days, 14.7 days and nil days, respectively. During the affected periods, our Group closely communicated with our customers and sought alternative routes for parcel acceptance and delivery. We also diverted some logistics flows to other unaffected service outlets to mitigate the impacts on our customers and our business. However, a shrink in labour supply and transportation capacity was observed in the logistics industry during the Track Record Period due to impacts of COVID-19 pandemic. This had a negative impact on the delivery time of parcels. Specifically, in FY2020, the average delivery time for our economic delivery service under our end-to-end cross-border delivery service business line to certain countries more than doubled compared to pre-COVID-19 levels, while the delivery time for our other services experienced less delay. However, in general, the situation gradually improved in FY2021 and FY2022.

Despite such temporary disruptions caused by COVID-19, we have benefitted from a high export demand in the second half of 2020 for anti-epidemic supplies and other necessities from the PRC to other countries due to the global COVID-19 impact. Since there was high export demand in the second half of 2020, many cargo containers were transported out of the PRC, leading to a shortage of supply of cargo containers in the PRC during FY2021. The shortage of cargo spaces and containers allowed us to increase the price mark-up while we were able to secure cargo spaces and containers from our suppliers in accordance with our framework agreements, to maintain our freight forwarding services, and resulted in an increase in revenue and gross profit during FY2021. For further details, please refer to the section headed "Financial information — Comparison of results of operations — FY2022 compared with FY2021" of this document. Our Directors expect that there will be a decrease in the average selling price per kg in express delivery, standard delivery and economic delivery under the business line of end-to-end cross-border delivery for FY2023 compared with that of FY2022, as our Directors estimate that the market price level shall return to pre-COVID levels, and our Group shall adjust our selling prices with reference to the market conditions to maintain our market competitiveness. Meanwhile, the impact of the lower estimated selling price in FY2023 is expected to be eased by the increase in estimated volume for FY2023.

In December 2022, impacts of COVID-19 brought to the world reduced. In May 2023, the World Health Organisation ended the global emergency status for COVID-19, declaring that it is now an established and ongoing health issue which no longer constitutes a public health emergency of international concern.

Given the impacts of COVID-19 brought to the world reduced, we believe that while COVID-19 outbreaks have affected and may continue to affect our short-term growth, we do not expect such outbreaks to have a material adverse effect on our long-term overall business and financial performance. Meanwhile, our Directors believe that our Group will continue to benefit from the business growth underpinned by the global consumption's shift from offline to online mode, due to the outbreak of COVID-19. According to the F&S Report, the e-commerce retail trade penetration rate of the US, which is our largest revenue generating destination during the Track Record Period, has increased from approximately 8.5% in 2018 to approximately 12.9% in 2022, and it is estimated that the penetration rate will further reach approximately 14.8% by the end of 2027. With the growth in e-commerce retail trade, the demand for e-commerce logistics services will also increase.

The actual impact caused by the COVID-19 pandemic will depend on its subsequent development. We cannot be entirely certain as to when the COVID-19 pandemic will be fully contained, and its impact will be completely alleviated. We are closely monitoring the development of the COVID-19 pandemic and continuously evaluating any potential impact on our business operations.

Regulations relating to overseas securities offering and listing by domestic companies

On 17 February 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and the relevant supporting guidelines (collectively, the "**Listing Trial Measures**") which came into effect on 31 March 2023. The Listing Trial Measures is formulated to regulate overseas securities offering and listing activities by domestics companies, either in direct or indirect form (hereinafter referred to as "**overseas offering and listing**"). The Listing Trial Measures not only list out the circumstances where overseas offering and listing is forbidden, but also set out the conditions for determining the overseas offering and listing in indirect form. Any domestic company that is deemed to conduct overseas offering and listing activities shall file with the CSRC in accordance with the Listing Trial Measures.

Pursuant to the Announcement relating to the Arrangement of Filing Management of Overseas Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》) issued on 17 February 2023 by the CSRC, domestic companies that have submitted valid applications for overseas listing and have not obtained the consent of the overseas regulatory authorities or the overseas stock exchange as at the date of implementation of the Listing Trial Measures, can reasonably arrange the timing of filing procedure as stipulated in the Listing Trial Measures, and should complete such filing procedure before the date of overseas issuance and listing.

[REDACTED]

[REDACTED]

Business activities involving the use of De Minimis Exemption in the US

In accordance with our US Tariff Legal Adviser, Section 321 of the Tariff Act of 1930, codified at 19 U.S.C. § 1321(a)(2)(C) (the "**De Minimis Exemption**") authorises U.S. Customs and Border Protection ("**CBP**") to admit certain articles free of duty, taxes, and fees where the "aggregate fair retail value in the country of shipment of articles imported by one person on one day..." is under US$800. Goods meeting these criteria may be entered using informal entry procedures under entry type 86.

The De Minimis Exemption allows an importer to avoid payment of ordinary duties (and formal entry procedures) that may otherwise apply. The De Minimis Exemption also may allow an importer to avoid payment of other additional duties applicable to imports. Critically for parties exporting goods of Chinese origin to the US, goods otherwise subject to the duties imposed on articles of China pursuant to Section 301 of the Trade Act of 1974 ("**Section 301 Duties**") ranging from 7.5% to 25%, may be entered duty free using the De Minimis Exemption.

Purpose of the De Minimis Exemption

In accordance with our US Tariff Legal Adviser, the purpose of the De Minimis Exemption is to avoid administrative burden, including the "expense and inconvenience" to CBP of formal entry procedures that would be "disproportionate to the amount of revenue that would otherwise be collected." Prior to 2016, the threshold for the De Minimis Exemption was limited to entries of an aggregate fair retail value of no more than US$200. The dollar threshold was increased to US$800 via amendment to the Tariff Act of 1930 as part of the Trade Facilitation and Trade Enforcement Act of 2015.

According to F&S, it is common for e-commerce platforms and sellers to deliver goods valued at US$800 or less to the US and enjoy the de minimis tariff exemption in order to lower the logistics costs, given that most cross-border e-commerce sellers focused on the B2C (Business-to-Consumer) business model, accounting for over 60% of all cross-border e-commerce sellers in the PRC, and under the B2C business model, about 80% to 90% of the sellers focuses on delivering small parcels, of which about 80% to 90% are priced below US$800.

During the Track Record Period, substantially all of our parcels delivered to the US entered the US under the De Minimis Exemption. The number of parcels valued at US$800 or below delivered to the US by us during the Track Record Period amounted to over 90% of the total number of parcels delivered to the US by our Group, in which parcels refer to a single or multiple parcels delivered to the same location under the same shipment order. As a result, substantially all revenue generated from parcels delivered to the US during the Track Record Period was generated from parcels under the De Minimis Exemption. In particular, within revenue generated from our end-to-end cross-border delivery service, approximately RMB798.6 million, RMB691.8 million, RMB595.2 million, RMB275.4 million and RMB456.8 million in FY2020, FY2021, FY2022, 6M2022 and 6M2023 were generated from parcels shipped to the US, respectively, representing approximately 58.9%, 64.2%, 60.7%, 55.4% and 77.5% of total revenue generated from end-to-end cross-border delivery in corresponding periods.

Potential changes in De Minimis Exemption

In 2023, two legislative proposals to limit the De Minimis Exemption are pending before the US Congress, the Import Security and Fairness Act (ISFA) and the De Minimis Reciprocity Act of 2023 (DMRA). The two proposals, although varying in substance, both propose to exclude goods of Chinese origin imported to the US from benefiting from the De Minimis Exemption.

As advised by our US Tariff Legal Adviser, if either of the proposals is enacted and implemented in its current form, parcels that would currently be eligible for the De Minimis Exemption would become ineligible for such exemption, and would have to enter the US through a formal entry process. However, the proposals may eventually be revised to provide a less restrictive standard related to the use of the De Minimis Exemption for China-origin goods to enter the US. As advised by our US Tariff Legal Adviser, US Congress is unlikely to pass either the ISFA or the DMRA as a standalone bill. Instead, if there is sufficient Congressional support to move legislation limiting use of the De Minimis Exemption, US Congress will likely include text from either bill (or some combination thereof) in a comprehensive legislative "package" containing many different sections relating to a single subject. At this point in time, it is unclear if a legislative proposal limiting use of the De Minimis Exemption for imports of China-origin goods will move through US Congress and become law. Moreover, the final form and potential effective date of any limitation is also unclear. It is possible that legislation as passed could retain the De Minimis Exemption but only impose a lower dollar value threshold, including on imports of China-origin goods.

In terms of timeline, as advised by our US Tariff Legal Adviser, US Congress is unlikely to pass a China competitiveness package this year, and will instead consider it in early 2024. Only once US Treasury publishes a Final Rule (or an Interim Final Rule) would any final change to the De Minimis Exemption go into effect. The rulemaking process generally takes anywhere from several months to over a year, depending on how fast the agency moves to issue regulations, whether the agency uses the notice and comment rulemaking process, or whether the agency determines to issue an Interim Final Rule.

Under any of the above scenarios, and assuming the earliest that De Minimis Exemption legislation would be signed into law is 2024, the earliest effective date for any change to the De Minimis Exemption likely would be mid to late 2024. However, it is inherently impossible to predict the timing or outcome of the legislative process in the US, and progress on current legislative proposals may be suddenly accelerated, delayed or may not happen at all due to a number of factors. In addition, it is possible that new legislative proposals or regulatory proposals related the De Minimis Exemption could be introduced.

Potential impacts

In our operations, we generally do not act as the importer of record for the parcels that we deliver to the US. That is, we are not responsible for dealing with and paying upfront the duties involved, if any, in the delivery of parcels; nor do we intend to do so in the foreseeable future. As a result, as advised by our US Tariff Adviser, if we can continue our practice of not being the importer of record, we would not become the party directly responsible for the increased costs and duties that the United States would impose in the event that the de minimis exemption is severely restricted. Accordingly, the most likely potential impact on us would be related to any decrease in the frequency of such shipments into the United States by our customers, which could indirectly impact demand for our services.

The proposed changes to the De Minimis Exemption would impose additional fees and costs on to our customers. By extension, these increases could impact demand for our services. Our customers would be responsible under U.S. import laws for payment of the ordinary duties applicable to goods. Imports would also be subject to additional special duties, such as Section 301 Duties which range from 7.5% to 25%. In accordance with our US Tariff Legal Adviser, the specific rate of Section 301 Duties that apply to a product depends on its Harmonized Tariff Schedule ("**HTS**") classification. The rates will often differ even across products within the same category, but the vast majority of HTS classifications fall under the first three "tranches" of Section 301 Duties (colloquially known as Lists 1, 2, and 3) at the rate of 25%. However, clothing and footwear products were more heavily targeted by the fourth tranche (List 4) and are more likely to be subject to the 7.5% Section 301 Duty rate. According to F&S, the primary categories for exports from China to the United States in the cross-border e-commerce sector include electronics, home furnishings, clothing, and footwear. Accordingly, there may be a significant portion of our customers' exports of China-origin goods to the United States that would fall within the 7.5% duty range.

The formal entry process is likely to have certain additional information and documentation requirements. As a result, our customers may see increased administrative costs as a result of any documentary requirements associated with the formal entry process and compliance costs to ensure the accuracy of such documentation. We may also see cost increases due to the time and resources needed to assist our customers or coordinate shipments under the new CBP requirements. However, we ourselves will not be directly responsible for compliance or cost increases given that it will not be serving as the importer of record into the United States. In addition, these increased costs would likely be similar across logistics providers importing China-origin goods.

Potential impacts on the industry

According to F&S, if the De Minimis Exemption are to be changed as advised by our US Tariff Advisor, Chinese e-commerce platforms may choose to pass on the costs to consumers, absorb the extra fees themselves, or combine the two options. Nevertheless, according to F&S, US consumers would still likely continue to purchase China-origin products that they purchase before such changes, as these products would still be of relatively low price even after the changes in the De Minimis Exemption as mentioned above.

According to F&S, increases in prices induces by the potential changes in the De Minimis Exemption are not likely to materially change US consumer's purchasing decisions. The vast majority of goods exported from China to the US are items that US consumers are relatively less price-sensitive to, meaning changes in prices of these items are not as likely to affect already-existed consumer behavior and decisions as the same in some other items. In addition, according to F&S, past increases in tariff indicated that increases in tariff had not historically materially affected the volume and value of exports China-origin goods to the US. In 2018, the U.S. government announced two plans to impose a 25% tariff on approximately US$50 billion worth of Chinese goods and a 10% tariff on US$200 billion worth of Chinese goods. Subsequently, the total value of goods exported from China to the US decreased from RMB3.2 trillion in 2018 to RMB2.9 trillion in 2019, and then rose from RMB3.1 trillion in 2020 to RMB3.7 trillion in 2021 and reached RMB3.9 trillion in 2022. Based on historical data, changes in tariff for goods exported from China to the US, albeit with limited impact on shipping volume, are not likely to have significant impact on shipping volume in the long run.

According to F&S, Chinese e-commerce companies and platforms continue to show significant growth in the US. A recent report by eCommerceDB indicates that the share of Chinese sellers in terms of gross Merchandise Volume (GMV) on Amazon grew from US$48 billion in 2017, representing 18% of Amazon's total GMV, to US$201 billion, representing 26% of the total Amazon's GMV in 2022. Similarly, China's cross-border e-commerce platforms, Temu and SHEIN, are the two of the most popular cross-border e-commerce platforms in the US. According to Sensor Tower, Temu's had 10 million transacting customers in January 2023, 90% of which came from the US; according to YipitData, Temu achieved a GMV of US$190 million in January 2023, accumulating a total GMV of approximately $500 million within its first five months since launch. On the other hand, according to Adjust's annual Mobile App Trends report, SHEIN's revenue reached $22.7 billion, with a growth rate of 52.8% from 2021. Its GMV reached around $30 billion in 2022, with a growth rate of 50% from 2021.

Our mitigating measures

As advised by our US Tariff Legal Adviser, if the current De Minimis Exemption rules change, our customers/buyers will be legally responsible under US import laws for payment of the ordinary duties applicable to the goods that we ship, as well as additional special duties, if applicable, to some of the items that we ship. In addition, the formal entry process will likely result in additional information and documentation requirements by the US customs, which would likely incur information and coston our Group and/or our customers/buyers.

Currently, our arrangements with our customers who have goods shipped to the US generally provide that we are not responsible for the duties incurred during our services provided. However, in light of the above potential changes in the De Minimis Exemption, we plan to review our current pricing policies and arrangements with our customers engaging in the delivery of parcels to the US to determine how they currently handle duties and fees owed on shipments exceeding the De Minimis Exemption threshold. We intend to ensure that our arrangements with customers do not make us ultimately responsible for duties, fees, and taxes associated with the potential formal entries into the US and that our customers would ultimately be responsible for additional payment of the costs associated with a formal entry, such as including contractual language in our arrangements to request our customers to provide the customers' information for the formal entry itself. We also plan to communicate with our customers to ensure that they are contractually responsible for ensuring their products are in compliance compliant with US customs laws. As a result, our Directors believe that the potential changes in De Minimis Exemption would not affect our cost structure for shipments to the US materially.

New business line with Customer Q

For the month ended 31 July 2023, in addition to the existing business line with Customer Q, one of the five largest customers for 6M2023, our Group commenced a new arrangement with Customer Q in relation to the launching of a new product line (the "**New Business Line**"), under which Customer Q agreed to procure a certain level of logistics services from our Group. During the same month, there was a total billed weight derived from Customer Q which amounted to approximately 721,000 kg, being the aggregate of (i) orders from the existing business line, being approximately 360,000 kg; and (ii) orders from the New Business Line, being approximately 361,000 kg, representing a significant increase as compared with the total billed weight of approximately 1.08 million kg from Customer Q for 6M2023.

NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, we continued to focus on e-commerce cross-border logistics services, and our business model remains unchanged.

Our Directors confirmed that save for the estimated non-recurring **[REDACTED]** as disclosed in the section headed "Financial Information — **[REDACTED]**" in this document and the paragraph headed "Recent development — New business line with Customer Q" in this section, since 30 June 2023 and up to the date of this document, (i) there was no material adverse change in the market conditions and the industry and the regulatory environment in which our Group operates that affects our financial or operating position materially and adversely; (ii) there was no material adverse change in the business, revenue structure, trading, profitability, cost structure, financial position and prospects of our Group; and (iii) no event had occurred that would affect the information shown in our Accountants' Report in Appendix I to this document materially and adversely.

[REDACTED]

Unaudited [REDACTED] statement of adjusted consolidated net tangible assets of our Group

The following statement of unaudited **[REDACTED]** adjusted consolidated net tangible assets of our Group attributable to the owners of the Company prepared in accordance with Rule 4.29 of the Listing Rules and on the basis set out below is for illustrative purposes only, and is set out below to illustrate the effect of the **[REDACTED]** on the consolidated net tangible assets of our Group attributable to the owners of the Company as at 30 June 2023, as if the **[REDACTED]** had taken place on 30 June 2023.

As it is prepared for illustrative purposes only, based on the judgements and assumptions of our Directors, and, because of its hypothetical nature, it may not give a true picture of the combined net tangible assets of our Group attributable to the owners of the Company as at 30 June 2023 or at any future dates following the completion of the **[REDACTED]**. It is prepared based on the audited combined net tangible assets of our Group attributable to the owners of the Company as at 30 June 2023 as shown in the Accountants' Report of our Group, the text of which is set out in Appendix I to this document, and adjusted as described below. The unaudited **[REDACTED]** adjusted consolidated net tangible assets does not form part of the Accountants' Report.

	Based on the minimum indicative [REDACTED] of HK$[REDACTED] per Share	Based on the maximum indicative [REDACTED] of HK$[REDACTED] per share
Unaudited **[REDACTED]** adjusted consolidated net tangible assets of our Group attributable to the owners of the Company as at 30 June 2023	RMB**[REDACTED]**	RMB**[REDACTED]**
Unaudited **[REDACTED]** adjusted consolidated net tangible assets of our Group attributable to the owners of our Company per Share as at 30 June 2023 *(Note)* .	HK$**[REDACTED]**	HK$**[REDACTED]**

Note:

[The unaudited **[REDACTED]** adjusted consolidated net tangible assets of our Group attributable to the owners of the Company per share is calculated based on **[REDACTED]** shares in issue (including shares in issue as at the date of this document and those shares expected to be issued pursuant to the **[REDACTED]** and the **[REDACTED]** but not taking into account (i) any shares which may be issued upon exercise of any options granted. The unaudited **[REDACTED]** adjusted consolidated net tangible assets of our Group attributable to the owners of the Company per share is translated to HK$ at an exchange rate of HK$1.00 to RMB[0.90], which was the exchange rate published by the People's Bank of China ("**PBOC rate**") prevailing on [Date]. No representation is made that the RMB amounts have been, could have been or may be converted to HK$, or vice versa, at that rate.] Please see "Unaudited **[REDACTED]** Financial Information" in Appendix II to this document for details.

LITIGATION AND REGULATORY COMPLIANCE

As advised by our PRC Legal Adviser, we do not have any pending or threatened litigation, arbitration or administrative proceeding against our Group or our Directors during the Track Record Period, which could have a material adverse effect on our financial conditional or result of operations.

As advised by our PRC Legal Adviser and confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, we complied with all applicable laws and regulations in Hong Kong and the PRC in all material respects.

For further details, please refer to the sections headed "Business — Litigation" and "Business — Regulatory Compliance" in this document.

DIVIDENDS

During the Track Record Period, no dividends have been declared and paid by the companies now comprising our Group to their then respective shareholders.

Our Board has absolute discretion as to whether to declare any dividend for any year end and if any, the amount of dividend and the means of payment. Such discretion is subject to any applicable laws and regulations including the Companies Act and our Articles. Subject to the Companies Act and our Articles, our Company may in general meeting declare dividends, but no dividends shall exceed the amount recommended by our Board. Our Board may, subject to our Articles, from time to time pay to our Shareholders such dividends as appear to our Board to be justified by the financial conditions and the profits of our Company. Our Board may in addition from time to time declare and pay special dividends of such amounts and on such dates and out of such distributable funds of our Company as it thinks fit. The amount of any dividends to be declared and paid in the future may depend on, among other things, our dividend policy, results of operations, earnings, cash flows, financial conditions, capital requirements, etc. and there is no assurance that our Company will be able to declare or distribute any dividend in the amount set out in any plan of our Board or at all. As confirmed by our Directors, we do not have any predetermined dividend distribution ratio.