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Hangzhou SF Intra-city Industrial Co., Ltd.
杭州順豐同城實業股份有限公司

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

(Stock code: 9699)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

The board of directors (the "**Board**") of Hangzhou SF Intra-city Industrial Co., Ltd. (the "**Company**") hereby announces the results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended December 31, 2023 (the "**Reporting Period**"), together with the comparative figures for the year ended December 31, 2022. Unless otherwise defined, capitalised terms used herein shall have the same meanings as given to them in the prospectus dated November 30, 2021 issued by the Company (the "**Prospectus**").

In this announcement, "we", "us", and "our" refer to the Company and where the context otherwise requires, the Group.

FINANCIAL HIGHLIGHTS

- Our revenue from continuing operations increased from RMB10,228.8 million for the year ended December 31, 2022 to RMB12,387.4 million for the year ended December 31, 2023 with an increase of 21.1%.

- We achieved a gross profit and a gross profit margin from continuing operations of RMB794.7 million and 6.4% in the year ended December 31, 2023, compared with a gross profit of RMB410.7 million and a gross profit margin of 4.0% in the year ended December 31, 2022.

- Our net profit and net profit margin from continuing operations for the year ended December 31, 2023 were RMB64.9 million and 0.5% respectively. Our net profit and net profit margin attributable to owners of the Company were RMB50.6 million and 0.4% respectively for the year ended December 31, 2023. We achieved a turnaround from loss to profit and steady net profit growth.

- Our net increase in cash and cash equivalents was RMB440.9 million, of which net cash generated from operating activities was RMB266.3 million in the year ended December 31, 2023, and our net cash flow turned positive.

- The Board has resolved not to recommend the distribution of a final dividend for the year ended December 31, 2023 (2022: nil).

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Year ended December 31, 2023 RMB'000	2022 RMB'000 (Restated)
Continuing operations			
Revenue	3	**12,387,416**	10,228,787
Cost of revenue	4	**(11,592,676)**	(9,818,060)
Gross profit		**794,740**	410,727
Selling and marketing expenses	4	**(212,684)**	(183,410)
Research and development expenses	4	**(91,717)**	(90,662)
Administrative expenses	4	**(517,348)**	(481,715)
Other income		**43,487**	50,728
Other gains, net		**6,423**	14,268
Net impairment losses of financial assets		**(3,750)**	(1,920)
Operating profit/(loss)		**19,151**	(281,984)
Finance income		**41,423**	44,905
Finance costs		**(1,296)**	(2,508)
Finance income, net		**40,127**	42,397
Share of profit of a joint venture accounted for using the equity method		**3,311**	–
Profit/(loss) before income tax		**62,589**	(239,587)
Income tax credit	5	**2,268**	1,944
Profit/(loss) from continuing operations		**64,857**	(237,643)
Discontinued operation			
Loss from discontinued operation	11	**(14,262)**	(49,260)
Profit/(loss) for the year		**50,595**	(286,903)
Profit/(loss) attributable to			
– Owners of the Company		**50,595**	(286,903)

	Notes	Year ended December 31, **2023** *RMB'000*	2022 *RMB'000* *(Restated)*
Earnings/(losses) per share for profit/loss from continuing operations attributable to owners of the Company (expressed in RMB per share)			
– Basis earnings/(losses) per share (in RMB)	*6*	**0.07**	(0.25)
– Diluted earnings/(losses) per share (in RMB)	*6*	**0.07**	(0.25)
Earnings/(losses) per share for profit/loss attributable to owners of the Company (expressed in RMB per share)			
– Basis earnings/(losses) per share (in RMB)	*6*	**0.05**	(0.31)
– Diluted earnings/(losses) per share (in RMB)	*6*	**0.05**	(0.31)
Profit/(loss) for the year		**50,595**	(286,903)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**3,876**	(5,414)
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income		**(5,134)**	(589)
Other comprehensive income/(loss) for the year, net of tax		**(1,258)**	(6,003)
Total comprehensive income/(loss) for the year		**49,337**	(292,906)
Total comprehensive income/(loss) for the year attributable to:			
– Owners of the Company		**49,337**	(292,906)
Total comprehensive income/(loss) for the year attributable to owners of the Company arises from:			
Continuing operations		**63,599**	(243,646)
Discontinued operation		**(14,262)**	(49,260)
		49,337	(292,906)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at December 31, 2023 RMB'000	2022 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**12,193**	14,799
Intangible assets		**138,226**	186,799
Right-of-use assets		**23,208**	40,103
Investments accounted for using the equity method		**28,375**	15,000
Financial assets at fair value through other comprehensive income		**56,000**	63,545
Financial assets at fair value through profit or loss		**–**	210,522
Deferred income tax assets		**160,847**	146,034
Other non-current assets		**193**	416
Total non-current assets		**419,042**	677,218
Current assets			
Inventories		**6,854**	15,576
Trade receivables	*7*	**1,195,199**	1,092,539
Other receivables and prepayments		**160,192**	255,751
Financial assets at fair value through profit or loss		**516,753**	601,565
Cash and cash equivalents		**1,901,651**	1,460,024
Total current assets		**3,780,649**	3,425,455
Total assets		**4,199,691**	4,102,673
EQUITY			
Equity attributable to owners of the Company			
Share capital		**933,458**	933,458
Share premium		**4,161,560**	4,161,560
Treasury shares		**(39,279)**	–
Shares held for employee incentive scheme		**(52,370)**	–
Other reserves		**831,257**	825,057
Accumulated losses		**(2,853,532)**	(2,903,538)
Total equity		**2,981,094**	3,016,537

	Notes	As at December 31, 2023 RMB'000	2022 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		**11,483**	17,311
Total non-current liabilities		**11,483**	17,311
Current liabilities			
Trade payables	*8*	**703,044**	616,886
Other payables and accruals		**417,645**	382,057
Contract liabilities		**70,351**	46,658
Income tax payables		**3,667**	–
Lease liabilities		**12,407**	23,224
Total current liabilities		**1,207,114**	1,068,825
Total liabilities		**1,218,597**	1,086,136
Total equity and liabilities		**4,199,691**	4,102,673

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Hangzhou SF Intra-city Industrial Co., Ltd. (the "**Company**") was a joint stock company incorporated in the People's Republic of China (the "**PRC**") on June 21, 2019 with limited liability. The address of the Company's registered office and the principal place of business are respectively located at Room 1626, 16/F, Chengchuang Building, 198 Zhoushan East Road, Gongshu District, Hangzhou City, Zhejiang Province, PRC and Floor 21-22, Shunfeng Headquarters Building, No. 3076 Xinghai Road, Nanshan District, Shenzhen City, Guangdong Province, PRC.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the "**Group**") are principally engaged in the intra-city on-demand delivery services in the PRC.

The ultimate holding company of the Company is Shenzhen Mingde Holding Development Co., Ltd. (the "**Mingde Holding**"), which is incorporated in the PRC with limited liability. The intermediate holding company of the Company is S.F. Holding Co., Ltd. (the "**SF Holding**"), which is incorporated in PRC with limited liability, and the shares of SF Holding have been listed on Shenzhen Stock Exchange. The parent company of the Company is Shenzhen S.F. Taisen Holding (Group) Co., Ltd. ("**SF Taisen**") and the ultimate controlling party of the Group is Mr. Wang Wei.

The Company completed its listing on Main Board of the Stock Exchange of Hong Kong Limited (the "**Listing**") on December 14, 2021.

The consolidated financial statements are presented in Renminbi ("**RMB**") and rounded to nearest thousand yuan, unless otherwise stated.

2 SUMMARY OF ACCOUNTING POLICIES

The accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standards Board ("**IFRS Accounting Standards**") and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss ("**FVPL**") and financial assets at fair value through other comprehensive income ("**FVOCI**"), which are carried at fair value.

2.2 New and amended standards adopted by the Group

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after January 1, 2023:

IFRS 17	Insurance contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies
Amendments to IAS 8	Definition of accounting estimates
Amendments to IAS 12 *(i)*	Deferred tax related to assets and liabilities arising from a single transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

(i) The Company applied Amendments to IAS 12 from the effective date on January 1, 2023. In accordance with the amendments, the Company recognised deferred tax related to assets and liabilities arising from a single transaction of leases that gave rise to equal taxable and deductible temporary differences on the initial recognition of leases that occurred on or after the beginning of the earliest comparative period presented. As a result, with the beginning of the earliest comparative period presented being January 1, 2022, an adjustment of RMB9,318,000 was recognised to the gross amounts of deferred tax assets and deferred tax liabilities simultaneously, and the resulting deferred tax assets and deferred tax liabilities were set off and presented on a net basis on the consolidated statement of financial position. Applying the amendments mentioned above, there was nil impact on the opening balance of accumulated losses for the reporting periods presented.

The adoption of the other new standards and amendments did not have any significant financial impact on these consolidated financial statements.

2.3 New standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1	Non-current liabilities with covenants	January 1, 2024
Amendments to IFRS 16	Lease liability in a sale and leaseback	January 1, 2024
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	January 1, 2024
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025

3 SEGMENT INFORMATION AND REVENUE

The chief operating decision maker (CODM) identifies operating segments based on the internal organisation structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments. An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

Shanghai Fengzan Technology Co., Ltd. and its subsidiaries, wholly owned subsidiaries of the Company, the principal activities of which were online group catering platform and delivery services, were disposed of in May 2023. For details, please refer to Note 11. Following the disposal, the CODM considers that the Group's operations are operated and managed as a single operating segment which is intra-city on-demand delivery service business under the requirements of IFRS 8 "Operating Segments" and therefore no segment information is presented.

(a) Revenue by business line and nature

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Intra-city on-demand delivery service (i)	**12,387,416**	10,228,787

(i) Revenue is recognised upon the delivery of the above services which are normally completed within one day.

(b) Unsatisfied performance obligations

For intra-city on-demand delivery service, it is rendered normally in a single day and there is no unsatisfied performance obligation at the end of financial years.

(c) Geographical information

Since all of the Group's revenue and operating profit/loss were generated in PRC and all of the Group's identifiable assets and liabilities were located in PRC, no geographical information is presented.

(d) Information about major customers

The Group's revenue derived from major customers, which individually contributed 10% or more of the Group's total revenue was as follows:

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Subsidiaries of SF Holding	**5,029,395**	3,698,097

4 EXPENSES BY NATURE

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000* *(Restated)*
Continuing operations		
Labour outsourcing costs	**11,497,026**	9,719,053
Employee benefit expenses	**512,301**	484,372
Marketing and promotion expenses	**71,195**	37,439
Information service expenses	**69,544**	60,271
Costs of materials	**53,921**	54,682
Amortization of intangible assets	**37,615**	52,533
Call center service expenses	**31,441**	28,429
Office and rental expenses	**30,429**	34,718
Depreciation of right-of-use assets	**26,802**	20,490
Professional service expenses	**18,314**	23,318
Travelling expenses	**11,827**	8,400
Depreciation of property, plant and equipment	**7,880**	7,226
Auditor's remuneration		
– Audit and audit-related service	**3,070**	2,950
– Non-audit service	**220**	220
Other taxes and surcharges	**2,726**	2,240
Transportation expenses	**1,477**	1,565
Insurance expenses	**785**	620
Others	**37,852**	35,321
	12,414,425	10,573,847

5 INCOME TAX CREDIT

(a) Income tax credit

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000* *(Restated)*
Continuing operations		
Mainland China corporate income tax		
Current income tax	**12,545**	–
Deferred income tax	**(14,813)**	(1,944)
Income tax credit	**(2,268)**	(1,944)

The Group's principal applicable taxes and tax rates are as follows:

Mainland China corporate income tax ("CIT")

CIT was made on the taxable income of the entities within the Group incorporated in the Mainland China and was calculated in accordance with the relevant tax rules and regulations of the Mainland China after considering the available tax refunds and allowances. The general CIT rate is 25% for the years ended December 31, 2023 and 2022.

The Company's subsidiaries, Beijing Shunda Tongxing Technology Co., Ltd and Shanghai Fengzan Technology Co., Ltd (the latter was disposed of during the year, please refer to Note 11 for details), are qualified as "high and new technology enterprises" and, accordingly, were eligible for a preferential income tax rate of 15% for the years ended December 31, 2023 and 2022.

Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profit for the year ended December 31, 2023.

(b) Reconciliation of income tax credit

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Profit/(loss) from continuing operations before income tax expense	**62,589**	(239,587)
Loss from discontinued operation before income tax expense	**(14,262)**	(49,260)
Profit/(loss) before income tax	**48,327**	(288,847)
Tax calculated at applicable statutory tax rate of 25%	**12,082**	(72,212)
Different tax rates available to different jurisdictions	**(222)**	(102)
Preferential income tax rates applicable to subsidiaries	**5,473**	15,372
Tax effect of unrecognised tax losses and temporary differences	**19,009**	72,975
Expenses not deductible for tax purposes	**12,610**	1,230
Income not subject to tax purpose	**(1,258)**	–
Utilization of previously unrecognised tax temporary differences and tax losses	**(21,597)**	(2,649)
Super deduction of research and development expense	**(16,333)**	(16,558)
Recognition of tax losses and temporary differences not recognised in prior years	**(12,032)**	–
	(2,268)	(1,944)

6 EARNINGS/(LOSSES) PER SHARE

(a) Basic earnings/(losses) per share for profit/(loss) attributable to owners of the Company

Basic earnings/(losses) per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of outstanding shares in issue excluding the shares repurchased during the year ended December 31, 2023 (2022: Basic losses per share was calculated by dividing the loss for the year attributable to ordinary shareholders by the weighted average number of outstanding shares in issue).

	Year ended December 31,	
	2023	2022
Profit/(loss) attributable to owners of the Company (RMB'000)	**50,595**	(286,903)
Weighted average number of shares in issue	**931,349,092**	933,457,707
Basic earnings/(losses) per share (in RMB)	**0.05**	(0.31)

(b) **Basic earnings/(losses) per share from Continuing operations**

	Year ended December 31,	
	2023	2022
Profit/(loss) from continuing operations attributable to owners of the Company (RMB'000)	**64,857**	(237,643)
Weighted average number of shares in issue	**931,349,092**	933,457,707
Basic earnings/(losses) per share from continuing operations (in RMB)	**0.07**	(0.25)

(c) **Diluted earnings/(losses) per share for profit/(loss) attributable to owners of the Company**

For the year ended December 31, 2023, the Employee Incentive Scheme have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from Employee Incentive Scheme (collectively forming the denominator for computing the diluted EPS).

	Year ended December 31, 2023
Profit attributable to owners of the Company (RMB'000)	50,595
Weighted average number of shares in issue	931,349,092
Adjustments for Employee Incentive Scheme	224,971
Weighted average number of ordinary shares for the calculation of diluted EPS	931,574,063
Diluted earnings per share (in RMB)	0.05

For the year ended December 31, 2022, the Company had no category of dilutive potential ordinary shares, thus, diluted losses per share for the year ended December 31, 2022, was the same as the basic losses per share for the year.

(d) **Diluted earnings/(losses) per share from Continuing operations**

	Year ended December 31, 2023
Profit from continuing operations attributable to owners of the Company (RMB'000)	64,857
Weighted average number of shares in issue	931,349,092
Adjustments for Employee Incentive Scheme	224,971
Weighted average number of ordinary shares for the calculation of diluted EPS	931,574,063
Diluted earnings per share from continuing operations (in RMB)	0.07

For the year ended December 31, 2022, the Company had no category of dilutive potential ordinary shares, thus, diluted losses per share from Continuing operations for the year ended December 31, 2022 was the same as the basic losses per share from Continuing operations for the year.

7 TRADE RECEIVABLES

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Trade receivables		
– related parties	**678,299**	583,852
– third parties	**519,702**	511,534
	1,198,001	1,095,386
Impairment loss allowance	**(2,802)**	(2,847)
	1,195,199	1,092,539

(a) The following is an ageing analysis of trade receivables presented based on invoice date:

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Within 30 days	**993,120**	911,928
30 to 180 days	**204,881**	183,458
	1,198,001	1,095,386

(b) Movements on the Group's impairment loss allowance of trade receivables are as follows:

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
At the beginning of the year	**(2,847)**	(2,595)
Provision of impairment allowance		
– Continuing operations	**(3,593)**	(1,981)
– Discontinued operation	**(4)**	2
Written off as uncollectible	**3,638**	1,727
Disposal of subsidiaries	**4**	–
At the end of the year	**(2,802)**	(2,847)

(c) The Group's trade receivables were denominated in RMB.

8 TRADE PAYABLES

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Trade payables to related parties	**17,235**	18,313
Trade payables to third parties	**685,809**	598,573
	703,044	616,886

The aging analysis of the trade payables based on invoice date are as follows:

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Within 3 months	**677,804**	603,164
3 months to 1 year	**15,628**	8,543
Over 1 year	**9,612**	5,179
	703,044	616,886

9 SHARE-BASED PAYMENTS

Employee Incentive Scheme

The Company adopted an employee incentive scheme (the "**Employee Incentive Scheme**") on April 19, 2023. To implement the Employee Incentive Scheme, the Company has set up an employee incentive scheme trust (the "**Employee Incentive Scheme Trust**") with an independent trustee appointed by the Company to administer and hold the Company's shares acquired. The Employee Incentive Scheme Trust purchases the shares of the Company on the market out of the Company's resources in accordance with the Employee Incentive Scheme Trust agreement and in accordance with the instructions of the Company and the relevant provisions of the Employee Incentive Scheme rules. Pursuant to the Employee Incentive Scheme, eligible participants are granted trust benefit units by the Company for no cash consideration, which correspond to a certain amount of the shares of the Company.

As the Employee Incentive Scheme Trust was set up for the employee incentive scheme which is designed by the Company, and the Company can derive benefits from the contributions of the eligible persons who are awarded with the trust benefit units by the scheme, the Employee Incentive Scheme Trust is controlled by the Group in accordance with IFRS 10 – Consolidated financial statements. The consideration paid by the Company for purchasing the Company's shares through the Employee Incentive Scheme Trust from the market is presented as "Shares held for employee incentive scheme" and the amount is deducted from total equity.

During the year ended December 31, 2023, the Employee Incentive Scheme Trust has purchased 6,453,600 shares of the Company with approximately RMB52,370,000 under the Employee Incentive Scheme.

Movement in the number of awarded trust benefit units for the year ended December 31, 2023 is as follows:

	Number of awarded trust benefit units
Granted during the year	26,142,480
Vested during the year	–
As of December 31, 2023	26,142,480

The fair value of the granted trust benefit units was assessed based on the market price of the Company's shares at the grant date and the expected trustee administrative fee during the vesting period.

The vesting period of the Trust Benefit Units granted is as follows: 30% shall be vested on the first anniversary of the date of grant, 30% shall be vested on the second anniversary of the date of grant and 40% shall be vested on the third anniversary of the date of grant upon fulfilment of the assessment conditions including the Company's performance indicators, personal performance target.

The expenses arising from the Employee Incentive Scheme recognised during the year are RMB6,805,000.

10 DIVIDENDS

No dividend has been paid or declared by the Group during each of the financial years ended December 31, 2023 and 2022.

11 DISPOSAL OF SUBSIDIARIES CLASSIFIED AS DISCONTINUED OPERATIONS

(a) Description

On May 5, 2023, the Company as the seller, and Shenzhen Fengxiang Information Technology Co., Ltd., a non-wholly owned subsidiary of Mingde Holding, as the purchaser (the "**Purchaser**") entered into the sale and purchase agreement (the "**Sale and Purchase Agreement**"), pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire equity interest (the "**Sale Shares**") in the Shanghai Fengzan Technology Co., Ltd. (the "**Target Company**") and the debts (the "**Sale Debts**") owed by the Target Company and its subsidiaries (the "**Target Group**") to the Company.

The Target Group is principally engaged in the online group catering platform and delivery services business. The disposal was completed on May 10, 2023 (the "**Completion Date**") and the companies within the Target Group ceased to be subsidiaries of the Company. The online group catering platform and delivery services business had become discontinued operation after the completion of the disposal.

The amount of the Sale Shares after adjustment on completion was RMB85,187,765, and the amount of the Sale Debts was RMB32,000,000.

Within 6 years from the Completion Date, if the Target Company (or its related company, the "**Listing Vehicle**") initiates the last round of financing (as approved by the Company and the Listing Vehicle) before the application for a qualified listing (the "**Pre-IPO Financing**"), the Company shall have the option (the "**Option**") to participate in the Pre-IPO Financing on a preferential basis based on 88% of the valuation of the Listing Vehicle prior to the Pre-IPO Financing, so as to acquire up to 20% of the total share capital of the Listing Vehicle on a fully diluted basis after completion of the Pre-IPO Financing. If the Company exercises the Option, the Target Company and the Purchaser shall procure the Listing Vehicle to issue corresponding shares to the Company in accordance with the relevant provision in the Sale and Purchase Agreement. As at December 31, 2023, the directors of the Company considered the fair value of the Option was immaterial due to the development of the Target Group was at its early stage.

(b) Financial performance and cashflow information

The financial performance and the cash flow information for the period from January 1, 2023 to May 10, 2023 and for the year ended December 31, 2022 from the Target Group are set out below:

	From January 1, 2023 to May 10, 2023 ***RMB'000***	Year ended December 31, 2022 *RMB'000*
Revenue	**12,908**	36,404
Cost of revenue	**(11,863)**	(33,774)
Selling and marketing expenses	**(4,595)**	(18,518)
Research and development expenses	**(1,417)**	(5,895)
Administrative expenses	**(9,435)**	(27,435)
Other items	**140**	(42)
Loss before income tax	**(14,262)**	(49,260)
Income tax expenses	**–**	–
Loss for the period	**(14,262)**	(49,260)
Net cash inflow/(outflow) from operating activities	**38,565**	(29,965)
Net cash inflow/(outflow) from investing activities (for the period from January 1, 2023 to May 10, 2023 includes an inflow of RMB55,671,000 from the sale of the Target Group)	**39,559**	(46,892)
Net cash (outflow)/inflow from financing activities	**(410)**	79,448
Net increase in cash generated by the Target Group	**77,714**	2,591
Loss from discontinued operations attributable to equity owners of the Company (RMB'000)	**(14,262)**	(49,260)
Weighted average number of shares in issue	**931,349,092**	933,457,707
Basic and diluted losses per share from discontinued operation (in RMB) *(i)*	**(0.02)**	(0.05)

(i) For the year ended December 31, 2023, the Employee Incentive Scheme has potential dilutive effect on the EPS. The discontinued operation incurred losses for the year ended December 31 2023. As the potential ordinary shares would be anti-dilutive, they were not included in the calculation of dilutive losses per share. Accordingly, dilutive losses per share from discontinued operation for the year ended December 31, 2023, was the same as the basic losses per share for the year.

For the year ended December 31, 2022, the Company had no category of dilutive potential ordinary shares, thus, diluted losses per share from discontinued operation for the year ended December 31, 2022, was the same as the basic losses per share from discontinued operation for the year.

(c) Details of the sale of the Target Group

	Year ended December 31, 2023
	RMB'000
Consideration received:	
Cash	85,188
Carrying amount of net assets sold	(85,188)
Loss on sale before income tax	–
Income tax expense	–
Loss on sale after income tax	–
Net cash inflows arising on disposal:	
Cash consideration received	85,188
Less: total cash and cash equivalents disposed of	(29,517)
Net cash inflows	55,671

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

We are the largest third-party on-demand delivery service provider in China[1]. As a neutral and open infrastructure platform, we provide customers with high-quality, efficient, and comprehensive third-party on-demand delivery services.

In 2023, remaining committed to a strategy of long-term, sustainable, high-quality, and robust development, we proactively capitalised on market opportunities to offer customers cost-effective products and high-quality services. During the Reporting Period, our revenue achieved healthy growth, and profitability continued to improve significantly, marking the first year of annual profitability. The net cash flow from operating activities turned positive, reflecting an improvement in pre-tax profit. This underscores our strong business quality and operational resilience.

During the Reporting Period, the revenue from continuing operations experienced steady growth, increasing from RMB10,228.8 million in 2022 to RMB12,387.4 million in 2023, representing a growth of 21.1%, and the total order volume increased by over 30% year-on-year. The revenue from intra-city delivery service grew by 12.8% from RMB6,548.4 million in 2022 to RMB7,387.3 million in 2023. The revenue from last-mile delivery service increased by 35.9% from RMB3,680.4 million in 2022 to RMB5,000.2 million in 2023. The table below provides a breakdown of our revenue:

	Year ended December 31	
	2023	2022
	RMB'000	*RMB'000*
Continuing Operations		
Intra-city on-demand delivery service	**12,387,416**	10,228,787
Intra-city delivery service	**7,387,265**	6,548,394
(1) To merchants *(i.e. to B)*	**5,219,676**	4,649,671
(2) To consumers *(i.e. to C)*	**2,167,589**	1,898,723
Last-mile delivery service	**5,000,151**	3,680,393
Total	**12,387,416**	10,228,787

The financial performance during the Reporting Period achieved further improvements, turning from losses to profits. This can be attributed to (i) the robust revenue growth through further leveraging economies of scale and network effects; (ii) optimisation of business structure, with increased contributions to revenue from premium customers; (iii) the advancements in technology and lean management driving operational quality and efficiency; and (iv) the enhanced efficiency in utilisation of resource input, leading to improvements in gross profit margin and expense ratio.

1 Such ranking is based on the order volume of independent third-party on-demand delivery service in China in 2023 according to Frost & Sullivan. The calculation of order volume takes into account the order volume generated independently by market participants, but excludes the order volume generated from connected parties.

For the year ended December 31, 2023, we recorded a gross profit of RMB794.7 million and a gross profit margin of 6.4% from our continuing operations, showing a significant improvement compared to the gross profit of RMB410.7 million and gross profit margin of 4.0% of the previous year. In 2023, our net profit and net profit margin from our continuing operations were RMB64.9 million and 0.5% respectively, marking a turnaround in profit. We also achieved operating cash inflows of RMB266.3 million in 2023. As at December 31, 2023, our cash and cash equivalents and short-term financial investments were RMB1,901.7 million and RMB516.8 million, respectively, indicating a healthy cash flow and strong capital position.

Intra-city Delivery

Our revenue from intra-city delivery service grew by 12.8% from RMB6,548.4 million in 2022 to RMB7,387.3 million in 2023. The steady revenue growth was mainly attributable to: (i) robust demand for food delivery services, with consumers expanding the habit of on-demand delivery into retail consumption scenarios, and non-food delivery scenarios[2] maintaining steady growth with a year-on-year revenue increase of 21.2% to RMB2,929.0 million in 2023; (ii) our integrated capabilities in logistics infrastructure which has enabled us to provide professional and high-quality on-demand delivery services to different types of customers, deepen cooperation with key account ("**KA**") customers, and achieve expansion of the scale of annual active merchants and consumers; (iii) our focus on lower-tier cities and counties[3], especially strengthening penetration in county areas[4], with county-level revenue rose by 147% year-on-year in 2023; (iv) actively exploring the new business landscape in local lifestyle service in conjunction with major traffic platforms, thereby deepening cooperation scenarios; (v) our hour-level delivery network effectively meeting the speed-up requirements of intra-city express delivery; and (vi) the adoption of proactive pricing strategy, which has been instrumental to strengthening our production competitiveness.

Intra-city Delivery for Merchants

We empower merchants with an open and inclusive on-demand delivery network and professional, efficient and comprehensive delivery solutions. In 2023, the revenue from intra-city delivery service for merchants reached RMB5,219.7 million, representing a year-on-year growth of 12.3%.

In terms of merchant cooperation, the scale has significantly increased, with improvements in structure and deeper collaboration with brands. In 2023, we deepened cooperation with existing KA brands, enhancing brand adhesiveness through customised and high-quality services. Building on the leading market share in cooperation with some top-tier brand merchants, we have continued to expand coverage and have been quick to take on orders from new stores of the merchants, assisting brand merchants in expanding delivery service to cover more consumers in their expansion and online operations. In terms of new customer acquisition, we broadened channels to onboard high-quality merchants, simplified the onboarding process, optimised the merchants' online experience, improved the merchant benefits system, and enhanced customer acquisition

2 "non-food delivery scenarios" refer to on-demand retail delivery and fulfillment service unrelated to food delivery scenarios.

3 "lower-tier cities and counties" refer to cities and counties in the third tier or below.

4 "county areas" refer to areas which are not municipal districts in lower-tier cities and counties, including county cities, counties, banners, autonomous banners, and forest areas.

efficiency. By analysing merchant profiles, we dynamically adjusted merchant operation strategies, further expanding the base of high-quality merchants. During the Reporting Period, the scale of annual active merchants[5] on the platform reached close to 470,000, with over half of the new stores coming from lower-tier cities and counties. Among them, the growth momentum of KA customers was strong, with revenue from newly contracted customers achieving high double-digit growth and achieving enhanced business stability given the increasing proportion of chain customers. Throughout the year, we have established collaboration with brand merchants such as CHAGEE (霸王茶姬), Molly Tea (茉莉奶白), Taobao Groceries (淘寶買菜), and Nepstar (海王星辰).

In terms of scenario expansion, leveraging our multi-scenario capabilities, we optimised the services around key categories. By focusing on key industries, major holidays, trending events, and emerging scenarios, we strived to enhance capabilities to offer differentiated services. For example, we provided major service guarantees for tea beverage customers during their marketing campaigns held in summer and holidays, which doubled daily orders during those periods. For our supermarket delivery solutions, whilst maintaining the basic one-hour-delivery from warehouse or store to customers, we further extended the customised same-day delivery services and enhanced the delivery distance and weight, achieving breakthroughs for key supermarket customers during the year. In the pharmaceutical sector, we enhanced our capacity to handle orders with a focus on the two core medical consumption scenarios, namely new pharmaceutical retail and internet hospitals. For enterprise services, leveraging our rider resources, we served flexible scenarios such as sorting goods for supermarkets and information collection. In 2023, income from tea and beverage delivery increased by 75%, and retail categories such as pharmaceuticals, beauty, maternity and baby products, pet-related products, and jewelry achieved high double-digit year-on-year growth in revenue.

Regarding coverage, we focused on strengthening the construction of intra-city delivery networks in lower-tier markets. In lower-tier cities and counties where the "acquaintance economy"（"熟人經濟"）is prominent, we provide more convenient on-demand delivery services for differentiated local lifestyle scenarios in counties. Based on this, we also explored to expand into various new business scenarios in lower-tier cities, such as shared delivery ("pick-up, drop-off station"), community group purchase and delivery, and intra-city laundry services, effectively integrating scattered local logistics resources. During the Reporting Period, we have covered more than 1,000 counties throughout the nation, reaching a county coverage rate of 60%. With deepened development and stable operation in the covered county areas, the revenue from such areas in 2023 expanded by 147% from the corresponding period of the previous year.

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5 "active merchant(s)" refers to the number of unique merchant accounts that purchase a particular service at least once during the prescribed period.

As one of the third-party on-demand delivery service providers with the broadest and deepest access to the platforms, we actively grasp the trend of diversified traffic by promoting the co-construction of ecosystems with various major local lifestyle service platforms: (i) Douyin: fully integrating into home delivery scenarios such as food delivery, live-streaming e-commerce, and Douyin Supermarket (抖音超市) delivery within an hour, covering more than 200 cities in the country, maintaining deep interconnection as the main supplier in multiple aspects such as co-building on-demand delivery standards, data exchange, and user insights; (ii) Alibaba: cooperation covering most of Alibaba's on-demand delivery business scenarios, such as supermarket to home and food delivery. As one of the main service providers for Tmall Supermarket, we offer service of "delivery within an hour" which achieved a rapid growth in revenue within the year and successfully assisted the platform in providing users with high-quality and efficient fulfillment experiences during multiple e-commerce peak periods; (iii) WeChat: deepening cooperation with them and expanding city coverage under the cooperation with WeChat takeaways delivery locator (微信門店快送); and (iv) Didi: we have integrated with Didi Fast Delivery (滴滴快送), leveraging our leading positions to create a high-quality on-demand delivery experience, providing intra-city courier services in more than 300 cities and further expanding our multi-faceted user service ecosystem. Currently, we continue to explore opportunities and experiment with different new collaborative scenarios alongside multiple strategic partners. By offering high-quality and efficient on-demand delivery experiences, we aim to contribute to the thriving new ecosystem of local lifestyle services.

We rapidly expanded and densified our nationwide delivery network, leading to a growth in the number of business districts covered and order density. The flexible network can swiftly accommodate the needs of different types of customers, such as expanding the number of stores, enlarging the reach of delivery of stores, and extending operating hours. In 2023, we strengthened operational efficiency in business districts around the stores of our top customers, effectively solving pain points such as peak order overload, excessively long waiting times for meals, and idle personnel during off-peak hours. Both parties have been able to achieve cost reduction and efficiency improvement. Our number of profitable business districts increased. We also launched the Store Manager Tool to ensure that when encountering delivery issues, merchants can reach us swiftly, speeding up the problem-solving process. The flexibility of our delivery network remains a significant advantage, with commitments to service quality and stability during special circumstances such as e-commerce festivals, peak periods during holidays, and adverse weather conditions. Fluctuations in the fulfillment in-time rate[6] during holidays and bad weather are narrowed to less than two and three percentage points, respectively. In 2023, the overall average delivery distance[7] increased, with the fulfillment in-time rate of approximately 95%. The average delivery time of orders within 3 kilometers was 22 minutes.

We also collaborated with participants in the SF Holding Group's ecosystem to create an integrated supply chain solution for customers, combining "front-end warehousing + mid-end trunk + intra-city on-demand delivery." Customers can choose their logistics products more easily through integration of our resources and capabilities within the SF Holding Group. The integrated solution helps both us and the SF Holding Group expand the customer base and enhance customer loyalty. In 2023, the Credit Customers[8] that we served together with SF Holding Group brought an external incremental revenue of RMB252.0 million, representing a year-on-year growth of 32.5%.

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6 "fulfillment in-time rate" refers to a ratio calculated by the number of orders that are delivered to the right recipients in time divided by the total number of orders placed.

7 "average delivery distance" refers to the average delivery distance per order of intra-city delivery during the prescribed period, excluding the last-mile delivery orders.

8 "Credit Customers" refer to certain existing customers who have entered into Master Service Agreements with SF Holding and/or its associates in respect of a variety of delivery and logistics solution service products SF Holdings and/or its associates offers.

Intra-city Delivery for Consumers

For consumers, we are committed to creating an industry-leading and professional on-demand fulfillment service. Our "Deliver for Me, Fetch for Me, Purchase for Me, and Solve for Me" services cover personal life and work scenarios such as daily errands, medical healthcare, and business agency, reinforcing the brand image of "SF Intra-city, the first choice for urgent delivery of valuable items." In 2023, the revenue from intra-city delivery for consumers grew by 14.2% year-on-year to RMB2,167.6 million.

During the Reporting Period, we have further enhanced our understanding of consumers and proactively captured new market opportunities. In addition to the demand for daily errand running, there was a significant increase in demand for gift delivery around holidays, leading to a peak in order volume. As consumer habits developed, the demand for personal delivery expanded from daily life to work and business scenarios. We strengthened service capabilities in central business districts (CBDs) and office areas, ensuring quality pickup and delivery experiences and delivery safety by standardising rider appearance, equipment, language, and delivery operations. The order volume recorded from business scenario increased by 27% year-on-year. Through channel partnerships, we increased touchpoints with intra-city express delivery users, allowing consumers to choose "hourly delivery" services on the user interface when placing orders to meet the need for accelerating timeliness. This service is top-rated among users requiring mid-to-short-distance intra-city express delivery. In line with our brand positioning, we provide a range of delivery guarantees for valuable products, including senior rider delivery, pickup and delivery verification codes, strict monitoring of the delivery process, automatic reporting of abnormal issues, and full-speed claims services, ensuring delivery safety from all aspects.

We actively optimised brand promotion and channel marketing strategies, covering target customer groups through various means such as new user acquisition activities, discount promotions, community operations, and city events, improving customer acquisition efficiency and new user conversion rates. As the user base expands, we pay more attention to improving service quality, implementing refined user operations, and optimising the membership system, aiming to promote the retention and repurchase rates of core individual users. The scale of annual active consumers[9] expanded, reaching approximately 20.5 million by the end of 2023.

Last-Mile Delivery

Our last-mile delivery service serves as a flexible supplement to all aspects of courier companies and logistics service providers. We observed increasing synergy between intra-city on-demand delivery and intra-city express delivery. Our scalable and flexible delivery network has catered to the multi-dimensional needs of customers to bolster their supply chain capabilities and accelerate their intra-city logistics as well as intra-city courier service. Regarding timeliness, our flexible and elastic capacity network can provide hour-/minute-level services, helping traditional courier networks improve timeliness. Products such as half-day delivery also bring additional business opportunities to our customers. In terms of services, our flexible network helps clients address challenges in-between unbalanced orders and delivery network during peak order periods, ensuring a seamless and steady fulfillment process. This capability has simultaneously expedited various logistics processes and supported personalized services. In terms of efficiency, through deepening network integration, we assist logistics service providers in improving fulfillment efficiency while reducing operational costs.

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9 "active consumer(s)" refers to the number of unique consumer accounts that purchase a particular service at least once during the prescribed period.

The revenue from our last-mile delivery service increased by 35.9% from RMB3,680.4 million in 2022 to RMB5,000.2 million in 2023, mainly benefiting from: (i) leveraging our hour-level and minute-level flexible delivery network to meet the need of traditional logistics services acceleration and to deepen collaboration in diversified delivery scenarios, recording a surge in revenue from services including "parcels collection", "delivery within half a day", and "delivery within an hour"; (ii) the steady increase in cooperation scale with major customers as we solidify their delivery network capabilities; and (iii) a year-on-year increase in delivery volume during peak periods such as the Spring Festival, the "618" and "Double 11" Shopping Festivals, reaching a new peak in by fully utilising our role as the flexible delivery capacity.

Our Riders

Riders are our closest business partners. As our business scales, we attract more riders to join the platform. In 2023, the annual active riders[10] on the platform expanded to around 950,000, with a year-on-year growth of 21%. With the goal of "satisfying income, safer deliveries, and a sense of belonging to the platform," we not only create numerous flexible income opportunities but also devote to enhancing the income of riders, which has resulted in the number of riders with mid-to-high level income grew by 31% during the year. We also strictly observe our responsibilities as a platform by continuously expanding services related to protection of the riders' rights, striving to provide them with professional empowerment and comprehensive support.

We prioritise the personal development and skill enhancement of our riders, establishing a rider development system. Riders can freely choose between professional, management, and other paths to achieve personal growth. We encourage riders to participate in professional skills training, providing free access to online and offline courses covering essential skills for beginners, common delivery issue handling, specialised improvement, retraining, health and safety, and rider experience sharing.

We attach great importance to our riders' platform experience, care benefits, and rights protection. We listen to our riders, conduct regular rider satisfaction surveys and address issues that concern riders, fostering a positive community communication and cultural atmosphere. In 2023, we continued to devote to riders' welfare care, allowing more riders to participate through a combination of online and offline methods. We established over 3,000 rider stations in various regions for rest, battery charging, and emergency assistance. Riders can enjoy equipment and uniform subsidies, holiday care, and additional rewards for working in extreme weather conditions. Our annual rider festival provides riders with a stronger sense of platform, belonging, and identity. Additionally, we provide education funds for riders and charitable support for their families, helping riders improve both personal and family lives. We have designed corresponding rider equipment based on different categories, upgrading and iterating equipment based on riders' feedback and business needs. We have upgraded the rider incentive system by enriching benefits, and enhancing missions' attractiveness. The platform maintains an open channel for rider complaints and assistance, ensuring timely resolution of issues. These measures further enhance rider activity and retention rates.

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10 "active rider(s)" refers to unique rider(s) who fulfil at least one order during the prescribed period.

We prioritise the safety and health of our riders. Through providing daily safety training, equipping protective gear and setting up safety reminders, anti-fatigue alerts, special weather warnings, and safety incident reporting services for riders, we strive to enhance the overall safety experience for riders and established a robust rider safety protection system. During the Reporting Period, our safety accident rate decreased by 11% compared to the same period last year.

Our Technologies

Technology is at the core of our business, crucial in efficiency improvement and cost reduction. We are committed to advancing digital operations and AI decision-making intelligence at various stages of our business. Our City Logistics System ("**CLS**"), which has achieved collaborative response in the three core processes, including intelligent business planning and marketing management, integrated rider dispatch and intelligent order distribution, and intelligent operational optimisation. Based on big data analysis and AI algorithms, the system can effectively predict order fluctuations, and comprehensively coordinate factors such as front-end sales and marketing strategy, rider distribution and dispatch, route planning, willingness to pick up and subsidies, store waiting times, and delivery times. It optimally matches orders with riders in different industries, scenarios, and complex delivery networks, improving fulfillment efficiency and reducing delivery costs.

We strive to integrate innovative technology services with diverse scenarios. Based on front-end user needs and operational models, we optimise order recommendations and rider dispatching patterns. For KA merchants, we continuously refine customised service capabilities to ensure fulfillment. For small and medium-sized merchants, we enhance order exposure to improve order pick-up rates. For long-distance orders from individual consumers, the system strengthens anomaly monitoring and dispatch anti-cheating supervision, ensuring fair algorithms and safe delivery.

For merchants, as a neutral and open third-party platform, we will continue to strengthen connections with various channels, platforms, and private domains for order sources, providing intelligent distribution and planning to help merchants improve operational efficiency and generate revenue in the trend of decentralised traffic.

For riders, we fully consider the availability and convenience of riders' time and routes. We optimised the rationality of rider dispatch and route planning to improve the efficiency of matching riders with orders, reduce delivery difficulty, and help riders effectively increase productivity and personal income. Our system also enhances rider experiences in combination with rider incentive systems, considering rider delivery experiences, adverse weather conditions, night shifts, and peak times, offering personalised dispatch support to enhance the platform's care with technological backing.

Building on our technological capabilities, we further promote the "SF Intra-city Delivery Cloud" (豐配雲) SaaS real-time logistics system, providing a one-stop intra-city logistics solution for delivery service providers and brands with their own delivery teams. The core functions of the "SF Intra-city Delivery Cloud" system cover various aspects of intra-city on-demand delivery, effectively adapting to the fulfillment requirements of different types of merchants. It empowers delivery service providers and brands to efficiently manage all-channel orders and processes, contributing to efficiency improvement and cost savings. Based on customer feedback, businesses using the "SF Intra-city Delivery Cloud" service can significantly increase order pick-up rates and on-time delivery rates.

We are exploring the commercial application of smart logistics and unmanned delivery technology. In 2023, we tested and achieved significant progress in the delivery planning and operational models of drones and unmanned vehicles in urban business districts, campuses, industrial parks, and other enclosed areas. We will accelerate deployment with the long-term goal of making unmanned delivery an effective supplement to the existing rider network, enhancing efficiency and providing users with a different interactive experience.

Outlook

Looking back at 2023, the pace of recovery in the consumer market remained uncertain. We increasingly focused more on the value of our business, rooting ourselves in the local lifestyle service industry. As part of the intra-city delivery infrastructure, we aim to serve every customer, assist riders in delivering every order, and ultimately achieve good business results. While achieving healthy and high-quality growth in core business, 2023 also marked a significant milestone for us in turning losses into profits.

Looking ahead, we will actively seize market opportunities in the continuous penetration of diversified traffic, local retail development, accelerated intra-city logistics, and the ongoing expansion of third-party on-demand delivery services. We are committed to expanding on a large scale, covering a wide range of scenarios, providing excellent services, and establishing a solid network, in order to enhance medium to long-term revenue and profit potential. We will also continue to invest part of the profit margins brought by operational efficiency improvements and cost reductions into business development and lean operations, to form a virtuous cycle of operations. We will also adapt to evolving consumer trends, focusing on serving customers, industries, and society, creating more flexible income opportunities, bringing broader value creation, and better fulfilling our mission of "bring enjoyable lifestyle to your fingertips".

FINANCIAL REVIEW

The following table sets forth the comparative figures for the years ended December 31, 2022 and 2023.

Consolidated Statement of Comprehensive Income

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Revenue	**12,387,416**	10,228,787
Cost of revenue	**(11,592,676)**	(9,818,060)
Gross profit	**794,740**	410,727
Selling and marketing expenses	**(212,684)**	(183,410)
Research and development expenses	**(91,717)**	(90,662)
Administrative expenses	**(517,348)**	(481,715)
Other income	**43,487**	50,728
Other gains, net	**6,423**	14,268
Net impairment losses of financial assets	**(3,750)**	(1,920)
Operating profit/(loss)	**19,151**	(281,984)
Finance income	**41,423**	44,905
Finance costs	**(1,296)**	(2,508)
Finance income, net	**40,127**	42,397
Share of profit of a joint venture accounted for using the equity method	**3,311**	–
Profit/(loss) before income tax	**62,589**	(239,587)
Income tax credit	**2,268**	1,944
Profit/(loss) from continuing operations	**64,857**	(237,643)
Discontinued operation		
Loss from discontinued operation	**(14,262)**	(49,260)
Profit/(loss) for the year	**50,595**	(286,903)
Profit/(loss) attributable to		
– Owners of the Company	**50,595**	(286,903)

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Earnings/(losses) per share for profit/loss from continuing operations attributable to owners of the Company (expressed in RMB per share)		
– Basis earnings/(losses) per share (in RMB)	**0.07**	(0.25)
– Diluted earnings/(losses) per share (in RMB)	**0.07**	(0.25)
Earnings/(losses) per share for profit/loss attributable to owners of the Company (expressed in RMB per share)		
– Basis earnings/(losses) per share (in RMB)	**0.05**	(0.31)
– Diluted earnings/(losses) per share (in RMB)	**0.05**	(0.31)
Profit/(loss) for the year	**50,595**	(286,903)
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	**3,876**	(5,414)
Items that will not be reclassified to profit or loss		
Changes in the fair value of equity investments at fair value through other comprehensive income	**(5,134)**	(589)
Other comprehensive income/(loss) for the year, net of tax	**(1,258)**	(6,003)
Total comprehensive income/(loss) for the year	**49,337**	(292,906)
Total comprehensive income/(loss) for the year attributable to:		
– Owners of the Company	**49,337**	(292,906)
Total comprehensive income/(loss) for the year attributable to owners of the Company arises from:		
Continuing operations	**63,599**	(243,646)
Discontinued operation	**(14,262)**	(49,260)
	49,337	(292,906)

key consolidated statement of financial position items

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Total non-current assets	**419,042**	677,218
Total current assets	**3,780,649**	3,425,455
Total assets	**4,199,691**	4,102,673
Total equity	**2,981,094**	3,016,537
Total non-current liabilities	**11,483**	17,311
Total current liabilities	**1,207,114**	1,068,825
Total liabilities	**1,218,597**	1,086,136
Total equity and liabilities	**4,199,691**	4,102,673
Net current assets	**2,573,535**	2,356,630

CONTINUING OPERATIONS

The following discussions and analysis are in relation to our continuing operations unless otherwise indicated.

Revenue

The following table sets forth our revenue by line of business for the years ended December 31, 2022 and 2023 respectively.

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Intra-city on-demand delivery service	**12,387,416**	10,228,787
Intra-city delivery service	**7,387,265**	6,548,394
(1) To Merchants *(i.e. to B)*	**5,219,676**	4,649,671
(2) To Consumers *(i.e. to C)*	**2,167,589**	1,898,723
Last-mile delivery service	**5,000,151**	3,680,393
Total	**12,387,416**	10,228,787

Revenue increased by 21.1% to RMB12,387.4 million for the year ended December 31, 2023, compared to RMB10,228.8 million for the year ended December 31, 2022, mainly due to (i) the increase in order density which enhanced the economies of scale effect of our network; (ii) our continuous pursuit of a sustainable high-quality development strategy, and optimisation of our business and customer structure; and (iii) the expansion of lower-tier markets development and improved performance capabilities in market segments to attract more premium customers.

Cost of Revenue

The following table sets forth our cost of revenue by category for the years ended December 31, 2022 and 2023 respectively.

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Labour outsourcing costs	**11,408,686**	9,629,861
Cost of material	**52,992**	51,224
Amortisation of intangible assets	**30,038**	45,358
Employee benefit expenses	**21,173**	22,856
Depreciation of right-of-use assets	**10,988**	8,019
Depreciation of property, plant and equipment	**1,606**	1,566
Others	**67,193**	59,176
Total	**11,592,676**	9,818,060

Cost of revenue increased by 18.1% to RMB11,592.7 million for the year ended December 31, 2023, compared to RMB9,818.1 million for the year ended December 31, 2022, mainly due to the increase in the delivery cost of the riders as a result of the increase in business scale and order volume.

Gross Profit and Margin

As a result of the foregoing, our gross profit and margin for the year ended December 31, 2023 was RMB794.7 million and 6.4% respectively, compared to the gross profit and margin of RMB410.7 million and 4.0% respectively for the year ended December 31, 2022. The gross profit increase was mainly due to (i) further enhancement of economies of scale as a result of revenue growth; and (ii) technology and on-going management and control refinement which drove improvement in operational quality and efficiency, enhancing resource input and output efficiency.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 16.0% to RMB212.7 million for the year ended December 31, 2023, compared to RMB183.4 million for the year ended December 31, 2022, mainly due to increase in promotion and advertising expenses and customer call center service due to business growth.

Research and Development Expenses

Our research and development expenses increased by 1.2% to RMB91.7 million for the year ended December 31, 2023, compared to RMB90.7 million for the year ended December 31, 2022, mainly due to the increase in research and development investment.

Administrative Expenses

Our administrative expenses increased by 7.4% to RMB517.3 million for the year ended December 31, 2023, compared to RMB481.7 million for the year ended December 31, 2022, mainly due to the increase in employee benefit expenses.

Other Income

Our other income decreased by 14.3% to RMB43.5 million for the year ended December 31, 2023, compared to RMB50.7 million for the year ended December 31, 2022, mainly due to change in the policy on additional deductions for value added tax.

Finance Income, Net

Our finance income, net decreased from RMB42.4 million for the year ended December 31, 2022 to RMB40.1 million for the year ended December 31, 2023, mainly due to decrease in interest rates, resulting in decrease in interest income.

Income Tax Credit

Our income tax credit increased by 16.7% from RMB1.9 million for the year ended December 31, 2022 to RMB2.3 million for the year ended December 31, 2023, mainly due to increased provision for deferred income tax assets.

Profit for the Year from Continuing Operations

As a result of the foregoing, we had a net profit from continuing operations of RMB64.9 million in the year ended December 31, 2023, compared to a net loss of RMB237.6 million in the year ended December 31, 2022, mainly due to (i) strong revenue growth, increase in order density and further enhancement in network economies of scale; (ii) continuous pursuit of sustainable and high-quality development strategies, as well as optimization of business and customer structures; and (iii) technology-driven lean and efficient operational bedrock, enhancement in resource utilization efficiency, and continued improvement in gross profit margin and expense ratio.

Discontinued Operation

Our net loss from discontinued operation for the year ended December 31, 2023 was RMB14.3 million, compared to a net loss of RMB49.3 million for the year ended December 31, 2022.

Profit/(Loss) for the Year and Net Profit/(Loss) Margin

As a result of the foregoing, we achieved a turnaround from loss to profit during the year ended December 31, 2023, recording a net profit and a net profit margin (after taking into account loss from discontinued operation) of RMB50.6 million and 0.4% respectively, as compared to a net loss and a net loss margin of RMB286.9 million and 2.8% respectively in the year ended December 31, 2022.

Non-IFRS Accounting Standards Measure: Adjusted Net profit/(loss)

To supplement our consolidated results which are prepared and presented in accordance with the International Financial Reporting Accounting Standards ("**IFRS Accounting Standards**"), we adopted the non-IFRS Accounting Standards of adjusted net profit/(loss) as an additional financial measure. We believe that the presentation of non-IFRS Accounting Standards measures when shown in conjunction with the corresponding IFRS Accounting Standards measures provides useful information to investors and management.

We define adjusted profit/(loss) for the year as profit/(loss) for the year adjusted by adding back share-based compensation expenses. Share-based compensation expenses are non-operational expenses arising from granted trust benefit units, which correspond to a certain amount of the shares of the Company, to selected employees, the amount of which may not directly correlate with the underlying performance of our business operations. Thus, these expenses are neither related to our ordinary course of business nor indicative of our ongoing core operating performance. Therefore, we believe that these items should be adjusted for when calculating our adjusted net profit/(loss) in order to provide investors and management with a complete and fair understanding of our core operating results and financial performance, so that they can assess our underlying core operating results and financial performance undistorted by items unrelated to our ordinary course of business operations, especially in (i) making period-to-period comparisons of and assessing the profile of, our operating and financial performance; and (ii) making comparisons with other comparable companies with similar business operations.

Nonetheless, our presentation of such non-IFRS Accounting Standards measure may not be comparable to similar titled measures presented by other companies. Furthermore, the use of this non-IFRS Accounting Standards measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS Accounting Standards.

The following table sets forth reconciliations of our adjusted net profit/(loss) (non-IFRS Accounting Standards measure) for the years to profit/(loss) for the years with its most directly comparable financial measure calculated and year presented in accordance with IFRS Accounting Standards:

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Reconciliation of adjusted net profit/(loss) (non-IFRS Accounting Standards measure)		
Net profit/(loss) for the year	**50,595**	(286,903)
Add:		
Share-based compensation expenses	**6,805**	–
Adjusted net profit/(loss) (non-IFRS Accounting Standards measure) (unaudited)	**57,400**	(286,903)

Liquidity and Financial Resources

Other than the funds raised through our Global Offering in December 2021, we have historically funded our cash requirements principally from capital contribution from shareholders/financing through borrowings from related party. We had cash and cash equivalents of RMB1,898.7 million as at December 31, 2023, compared to the balance of RMB1,458.0 million as at December 31, 2022. The following table sets forth our cash flows for the years indicated:

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Operating cash flows before changes in working capital	**78,163**	(243,059)
Changes in working capital	**155,560**	(216,642)
Interest received	**41,446**	45,009
Income tax paid	**(8,878)**	–
Net cash generated from/(used in) operating activities	**266,291**	(414,692)
Net cash generated from/(used in) investing activities	**294,630**	(644,191)
Net cash used in financing activities	**(120,054)**	(21,899)
Net increase/(decrease) in cash and cash equivalents	**440,867**	(1,080,782)
Cash and cash equivalents at the beginning of the year	**1,458,024**	2,538,226
Effects of exchange rate changes on cash and cash equivalents	**(148)**	580
Cash and cash equivalents at the end of the year	**1,898,743**	1,458,024

Net Cash Generated from Operating Activities

Cash generated from our operations primarily comprises our profit before income tax adjusted by non-cash items and changes in working capital.

For the year ended December 31, 2023, net cash generated from operating activities was RMB266.3 million, which was mainly attributable to our profit before income tax of approximately RMB48.3 million, as adjusted by: (i) non-cash and non-operating items, primarily comprising amortisation and depreciation of assets and gain from fair value adjustments of financial assets of approximately RMB71.3 million, (ii) changes in working capital of approximately RMB155.6 million, and (iii) payment of income tax of approximately RMB8.9 million.

Net Cash Generated from Investing Activities

For the year ended December 31, 2023, net cash generated from investing activities was RMB294.6 million, which was mainly attributable to (i) disposal of Shanghai Fengzan Technology Co., Ltd. and its subsidiaries, (ii) redemption of structured deposit products, and (iii) investments in intangible assets and purchase of fixed assets.

Net Cash Used in Financing Activities

For the year ended December 31, 2023, net cash used in financing activities was RMB120.1 million, which was mainly attributable to payment of lease liabilities and repurchase of shares.

Gearing Ratio

Our gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities less cash and cash equivalents. As at December 31, 2023, given that the cash and cash equivalents exceed the aggregation of total borrowings and lease liabilities, gearing ratio is no longer calculated.

Financial Assets Measured at Fair Value through Profit or Loss

Our financial assets measured at fair value through profit or loss decreased from RMB812.1 million as at December 31, 2022 to RMB516.8 million as at December 31, 2023, mainly due to our redemption of structured deposit products.

Borrowings

As at December 31, 2023, we did not have outstanding borrowing.

Capital Commitments

The following table sets forth our capital commitments as at the dates indicated.

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Investment accounted for using the equity method	**25,000**	35,000

Capital Expenditure

The following table sets forth a breakdown of our capital expenditures for the periods indicated.

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Payment for intangible assets	**61,178**	99,214
Payment for property, plant and equipment	**7,814**	9,353
Total	**68,992**	108,567

Lease Commitments and Arrangements

Leases not yet commenced to which the Group is committed are as follows:

	As at December 31,	
	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**739**	2,765
Between 1 to 2 years	**–**	320
	739	3,085

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

On May 5, 2023, the Company as vendor and Shenzhen Fengxiang Information Technology Co., Ltd. (深圳豐享信息技術有限公司) as purchaser (the "**Purchaser**", a non-wholly owned subsidiary of one of the Company's controlling shareholders) entered into the sale and purchase agreement (the "**Sale and Purchase Agreement**") pursuant to which the Company conditionally agreed to sell and the Purchaser conditionally agreed to purchase the sale shares (the "**Sale Shares**") and the sale debts (the "**Sale Debts**").

Pursuant to the Sale and Purchase Agreement, the Sale Shares represented the entire equity interest in the Shanghai Fengzan Technology Co., Ltd. (上海豐贊科技有限公司) (the "**Target Company**", which was a wholly owned subsidiary of the Company before completion of this transaction) and were in the amount of RMB92,438,400 (subject to the adjustment on completion and the amount of the Sale Shares after adjustment on completion was RMB85,187,765), and the Sale Debts represented the debts owed by the Target Company and its subsidiaries to the Company and were in the amount of RMB32,000,000. The final aggregate consideration was RMB117,187,765. The conditions precedent pursuant to the Sale and Purchase Agreement had been fulfilled and the completion took place on May 10, 2023 (the "**Completion Date**").

Within 6 years from the Completion Date, if the Target Company (or its related company, the "**Listing Vehicle**") initiates the last round of financing (as approved by the Company and the Listing Vehicle) before the application for a qualified listing (the "**Pre-IPO Financing**"), the Company shall have the option (the "**Option**") to participate in the Pre-IPO Financing on a preferential basis based on 88% of the valuation of the Listing Vehicle prior to the Pre-IPO Financing, so as to acquire up to 20% of the total share capital of the Listing Vehicle on a fully diluted basis after completion of the Pre-IPO Financing. If the Company exercises the Option, the Target Company and the Purchaser shall procure the Listing Vehicle to issue corresponding shares to the Company in accordance with the relevant provision in the Sale and Purchase Agreement. The Company will comply with the applicable Listing Rules when the Option is exercised. For detail of the same, please refer to the Company's announcement dated May 5, 2023.

Save as disclosed above, for the financial year ended December 31, 2023, we did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

Financial Risks

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument fluctuate because of changes in market prices. Market risk comprises three types of risks, which arise from foreign exchange rates, price risk and cash flow and fair value interest rate respectively.

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective group entities' functional currency.

As at December 31, 2023, the Group had HK$9 million cash in bank (as at December 31, 2022: HK$7 million cash in bank) which is different from the functional currency of RMB and exposed to foreign exchange risk. If the RMB strengthened/weakened by 1% against the HK$ with all other variables held constant, net profit before tax for the year would have been RMB93,000 lower/higher (as at December 31, 2022: if the RMB strengthened/weakened by 1% against the HK$ with all other variables held constant, net loss before tax would have been RMB69,000 higher/lower).

The Group does not hedge against any fluctuation in foreign currencies during the year.

Price Risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as financial assets at FVOCI. To manage its price risk arising from the investments, the Group diversifies its portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group's liquidity level simultaneously. Each investment is managed by management on a case by case basis.

Cash Flow and Fair Value Interest Rate Risk

As at December 31, 2023, we had no significant interest rate risk as we did not hold any long-term interest-bearing debt.

Pledge of Assets

As at December 31, 2023, we did not have any pledge of assets.

Contingent Liabilities

As at December 31, 2023, we did not have any material contingent liabilities.

Future Plans for Material Investments and Capital Assets

As at December 31, 2023, we did not have other plans for material investments and capital assets.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

From January 1, 2024 to the date of this announcement, the Company had repurchased an aggregate of 6,530,600 shares of the Company at an aggregate consideration of approximately HK$66,601,000.

Save as disclosed above, the Group had no other material events during the period from January 1, 2024 to the approval date of the consolidated financial statements by the Board of Directors on March 26, 2024.

EMPLOYEES AND REMUNERATION POLICY

As at December 31, 2023, the Group had a total of 2,041 full-time employees.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer competitive remuneration packages for our employees, which generally include salary and bonuses. We also provide benefits, including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and other national statutory insurances, housing provident fund schemes to our employees.

Furthermore, we have labour unions that protect employees' rights, help fulfil economic objectives and encourage employee participation in management decisions.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at December 31, 2023, the Company had not entered into any off-balance sheet arrangements.

FINAL DIVIDEND

The Board does not recommend the distribution of a final dividend for the year ended December 31, 2023.

USE OF PROCEEDS FROM THE LISTING

During the Reporting Period, the Group has gradually used the proceeds from the Listing for the intended purposes set out in the Prospectus. The unused net proceeds from the Listing as at December 31, 2023 were approximately HK$625.6 million after deducting underwriting commissions and offering expenses paid or payable. See the table below for details regarding the amount of net proceeds that the Company had utilised up until December 31, 2023 and the expected timeline for utilising the unutilised net amount:

Purpose	**Net proceeds from the Listing available** *(HK$ million)*	**Actual net amount utilised up to December 31, 2023** *(HK$ million)*	**Unused net proceeds up to December 31, 2023** *(HK$ million)*	**Expected timeline for utilising unutilised net amount**
Research and development and technology infrastructure	718.0	502.7	215.3	by end of 2024[11]
Expand the Company's service coverage	410.3	410.3	–	N/A
Funding the potential strategic acquisition of and investment in upstream and downstream businesses along the industry value chain	410.3	–	410.3	by end of 2024
Marketing and branding	307.7	307.7	–	N/A
Working capital and general corporate use	205.2	205.2	–	N/A
Total	**2,051.5**	**1,425.9**	**625.6**	

As at December 31, 2023, the Group has utilised approximately HK$1,425.9 million of the proceeds for the intended purposes set out in the Prospectus, accounting for 69.5% of all raised funds, and the remaining unutilised proceeds is approximately HK$625.6 million. The balance of the proceeds from the Listing will continue to be utilised according to the intended purposes as mentioned above.

11 As such proceeds were previously partially used in connection with the services provided by the Target Company, in view of the completion of the disposal of the Sale Shares in the Target Company, the Company has decided to extend the time frame for using such proceeds to the end of 2024.

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Group is committed to maintaining and promoting stringent corporate governance to safeguard the interests of the Shareholders and to enhance our corporate value. The principle of the Group's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operation are conducted in accordance with applicable laws and regulations, to enhance the transparency of the Board, and to strength accountability to all shareholders. The Group's corporate governance practices are based on the principles and code provisions prescribed in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules.

During the Reporting Period and up to the date of this announcement, the Company has complied with all applicable principles of good corporate governance and code provisions of the CG Code, save and except the following in respect of code provision C.2.1 of the CG Code: during the period from January 1, 2023 to November 30, 2023, the chairman of the Board and the Chief Executive Officer ("**CEO**") of the Company were two separate positions held by Mr. Chan Fei and Mr. Sun Haijin, respectively. After November 30, 2023, both the positions of chairman of the Board and the CEO of the Company were held by Mr. Sun Haijin following Mr. Chan Fei's step down from the post as the chairman of the Board and other positions. Notwithstanding the deviation from code provision C.2.1, the Board believes that with the support of the management, the roles of both the chairman of the Board and CEO being performed by the same person can facilitate execution of the Group's business strategies and boost effectiveness of its operation. In addition, under the supervision by the Board which currently consists of three executive Directors, four non-executive Directors and four independent non-executive Directors, the interest of the Shareholders of the Company will be adequately and fairly represented.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

Compliance with the Model Code for Securities Transactions by Directors

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all the Directors of the Group, all the Directors confirmed that they have strictly complied with the Model Code throughout the Reporting Period and up to the date of this announcement.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period and up to the date of this announcement, the Company repurchased certain H Shares on the Stock Exchange. Details of the H Shares repurchased are as follows:

Month of repurchase	No. of shares repurchased	Purchase consideration per share Highest price paid *(HK$)*	 Lowest price paid *(HK$)*	Aggregate consideration paid *(HK$)*
2023				
November 2023	57,200	9.33	8.87	518,984.01
December 2023	4,295,800	10.32	9.47	42,598,098
2024				
January 2024	6,530,600	11.2	8.92	66,600,984
Total	**10,883,600**			**109,718,066.01**

Up to the date of this announcement, a total of 10,883,600 H Shares repurchased by the Company have not been cancelled yet and the issued shares of the Company comprised 761,692,809 H Shares and 171,764,898 domestic shares. Save as disclosed in this announcement, during the Reporting Period and up to the date of this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange.

Sufficiency of public float

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirmed that the Company has maintained the aforementioned minimum public float required by the Stock Exchange throughout the Reporting Period.

Audit Committee and Review of Financial Information

The Company has established an audit committee (the "**Audit Committee**") in compliance with Rule 3.21 of the Listing Rules and the CG Code to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The Audit Committee comprises three members, namely Mr. Wong Hak Kun, Mr. Chan Kok Chung, Johnny and Mr. Li Qiuyu, with Mr. Wong Hak Kun (being our independent non-executive Director with the appropriate professional qualifications) as chair of the Audit Committee.

The Audit Committee has reviewed the annual results and the consolidated financial statements of the Group for the year ended December 31, 2023 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and PricewaterhouseCoopers, the auditor of the Company.

Scope of Work of PricewaterhouseCoopers

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2023 as set out in the preliminary results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary results announcement.

Annual General Meeting

The annual general meeting of the Company is scheduled to be held on June 6, 2024 (the "**AGM**"). A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

Closure of Register of Members

The register of members of the Company will be closed from June 3, 2024 to June 6, 2024, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents of H shares accompanied by the relevant shares certificates must be lodged with the Company's H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on May 31, 2024.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at https://www.sf-cityrush.com/. The annual report of the Group for the year ended December 31, 2023 will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its gratitude to all of our customers, suppliers, riders and partners, and all shareholders for their understanding, support and trust, with which all employees of the Group will continue to work diligently as one in the long run.

By order of the Board
Hangzhou SF Intra-City Industrial Co., Ltd.
Mr. Sun Haijin
Chairman and Chief Executive Officer

PRC, March 26, 2024

As at the date of this announcement, the board of directors of the Company comprises Mr. Sun Haijin, Mr. Chan Hey Man and Mr. Chen Lin, as executive Directors; Mr. Geng Yankun, Ms. Li Juhua, Mr. Li Qiuyu and Mr. Han Liu, as non-executive Directors; and Mr. Chan Kok Chung, Johnny, Mr. Wong Hak Kun, Mr. Zhou Xiang and Ms. Huang Jing, as independent non-executive Directors.