J&T Global Express Limited
極兔速遞環球有限公司

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)
（於開曼群島註冊成立以不同投票權控制的有限責任公司）

Stock code 股份代號 : 1519

2024 | 年度報告 Annual Report

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I. Chairman's Statement

Always Keep Moving Forward
– a Letter to All J&T Shareholders

Dear Shareholders:

This year marks the second fiscal year since J&T's listing. I am pleased to present the second letter to our Shareholders. Last year, I mentioned at the end of my letter, "In the movie 'Pegasus', the character Zhang Chi devotes all he has to everything he loves. When you see your former self racing towards the end of your dream, perhaps you have already surpassed yourself. Zhang Chi has surpassed himself, and J&T will definitely surpass itself". As I write this letter to reflect on the express delivery industry in the past year, I saw a vast and turbulent industry with so many competitors. Despite facing storms along the way, our original intentions remain unchanged. Despite the challenges along the way, we have chosen to forge ahead bravely as always.

THE ROAD OF GROWTH IS FULL OF UPS AND DOWNS

The express delivery industry has never been a smooth journey. Over the past year, we have faced many doubts from all sides: When will our share price rise? Can we make a profit in China? With growing competition in overseas markets, how will we face the challenges? What is our basic layout in new countries? How much loss have we incurred? These concerns come not only from the investment institutions that have supported us throughout, but also from many of our friends and partners who have been with us along the way. We have often heard various voices from those who do not understand J&T, who dismiss or belittle us, and who question the value of the express delivery industry. It is rare for ordinary people to maintain composure under such circumstances, and we are all ordinary people. The bumpy road ahead reminds me of the song "My Good Brother", which says "Life is full of ups and downs, but we must live with strength". In fact, we have also received a lot of care and expectation. Together, we have discussed the trends of global e-commerce, the paths of global expansion, the strengths and weaknesses of major express delivery companies, how to reduce costs and increase efficiency, and how to do the right thing after understanding the essence of the industry.

Adversity is like a blade that forces us to cut away any illusions. What is worth celebrating is that J&T has achieved its goal of survival in 2024. In comparison to thriving or enduring, surviving is something truly worth celebrating. This year, J&T became profitable globally and secured the leading position in many countries:

In Southeast Asia, the parcel volume increased by 41% year-on-year. While maintaining our e-commerce base, non-e-commerce parcels have emerged as a massive new growth point, representing J&T's greatest potential for future expansion. Unlike in China, a large proportion of overseas parcels still require cash-on-delivery (COD). Therefore, while focusing on e-commerce parcels, we have been expanding our network coverage in each country, improving service quality, and aiming for a service standard like SF Express in China. By continually increasing cross-border parcel volumes, brand customers, corporate customers and individual customers, we are creating true value in the express delivery industry – not just in volume, but also in quality;

In the new markets of the Middle East and Latin America, the parcel volume grew by 22% year-on-year, and the losses were significantly reduced through internal operational reforms. More importantly, we have already established a stable national network foundation in these regions, which can support more customer collaborations in the future. We are full of ambition and confidence;

In China, we saw both volume and profit growth, with parcel volume increasing by 29% year-on-year, surpassing the industry growth. We have begun making profits, representing our ability to survive in the Chinese market. Many have asked me if I regret investing in the Chinese market. My answer is always no. Without enduring the fierce competition in China, we could never have accumulated the world's leading express delivery genes needed to empower our overseas operations and export talent, technology, equipment and advanced concepts.

During the "Double 11" shopping festival in 2024, we have achieved our first-ever single-day parcel volume surpassing 100 million globally. The "hundred-million peak" capability we developed in China is now being replicated across our global network, and J&T's network elasticity and strength became a solid backbone for all.

We keep moving forward, and follow our heart until we reach the "open sea and vast sky". As the song says, "Let me not bow my head, but live more magnificently". Each step we take adds strength to our wings. Here, I would like to express my sincere gratitude to our entrepreneurial partners who have stood by us throughout this journey, and to those pioneers who have been rooted overseas – You are the firm foundation and backbone of J&T. Through our shared efforts, we have proven the power of "Be Together, Better Future".

Many have asked: What are J&T's current shortcomings? What is our strategy after 2025? Is J&T truly a valuable company? After several years in China's saturated express delivery market, I have increasingly understood who we are, what we seek to accomplish, and where we are headed. Some say that life must have a dream – what if it is realized? I have always believed that life must have dreams, and those dreams must be realized. My dream is that J&T will become one of the best express delivery companies in the world within ten years. Just like the recent hit movie "Ne Zha: Demon Child Conquers the Sea", the protagonist rises from death, "becomes a blazing flame, defies the world, and forges a moment named after himself".

IN THE UNCERTAINTY OF THE WORLD, WE SEEK OUR OWN CERTAINTY

Everyone hopes to develop within certainty and pursue stability. But if everything were certain and heading in a positive direction, how many would it be crowded on this path? However, the reality is that the only truly certain thing is the past, yesterday and what has been experienced. The real future and even the present are uncertain.

In the face of various uncertainties, such as ongoing wars, constantly shifting foreign policies impacting cross-border e-commerce, changing consumer momentum and the AI war, we ponder our own business that we are simply providing one of the most fundamental services in the society – delivering parcels. We are building the "highways" of logistics across nations, and we endeavor to connect thousands of homes.

No matter the circumstances, express delivery services will always be in demand. The question is can we survive in this rigid industry?

Thus, we must neither belittle ourselves nor become arrogant, but remain as we are to pursue our own certainty:

We will always maintain our original aspirations, with an open mind and a practical, grounded approach;

We will always confront challenges, undertake responsibility, have the courage to wield the sword, and be brave in moments of adversity;

We will always stay strategically unified, practice and uphold J&T's cultural values, and work as one to relentlessly pursue excellence;

We will always maintain our essence to fulfill the core express delivery needs of consumers – fast and safe services;

We will always stay committed to the mission of a happy, open and growing team;

We will always persevere in our long-term commitment to overseas expansion, maintain an entrepreneurial mindset, stick to our posts, and be resilient to begin anew whenever necessary;

We will always stay resolute in our goals and mission, surpass ourselves, and deliver results;

We will always oppose the "sickness of big corporations, the success of petty individuals, and corruption", so as to ensure long-term health and sustainability.

As one of our regional managers said, "If the regional business does not perform well, the entire J&T brand will suffer. Overseas expansion is never about idling away our time. We are at war with the J&T brand as our banner, so that we must fight to win! We must not let a small amount of power inflate our egos, because we are not just ourselves, but also the walking J&T brand".

WE PERSIST IN DOING THE RIGHT THING DESPITE OF CHALLENGES

It is easy to discern whether something is right or wrong. However, I believe the key point in this message lies not in the act itself but in the long-term persistence.

In the past, many people regarded J&T as a disruptor of the Chinese express delivery market. However, looking back, the price war in China has been fierce more than ten years ago. Currently, we must lead the team to do what is right. We will not initiate price wars, but aim for revenue through market-oriented approaches, solidifying our fundamentals, and attracting more high-quality customers. This may be challenging and requires long-term persistence. Though I am naturally impatient, I hope to maintain enough patience with the team and focus on penetrating the entire market to build a stable network, create valuable parcel volume, and reduce costs while increase efficiency. We may never reach perfection, but it does not stop us from pursuing it in attitude and action.

We will measure the longitude and latitude step by step, and understand the pulse of each city over the course of a decade. As our partners said:

"Many have asked why we ventured out. We came out not for a life of leisure but for fighting";

"To root ourselves, we must continue to innovate while respecting local cultures, and love the land and the people here";

"Nothing is unchangeable, but we must always remember why we came here";

"Despite various difficulties and even frequent armed robberies, yet in retrospect, it is these very adversities that have propelled our progress";

"Regardless of the market, we must become the benchmark because this is the foundation of our survival";

"Until we become number one, we are not in a position to talk about self-transcendence";

"Every year may be the hardest, but the dawn is always ahead after long-term persistence";

"We have done what many peers didn't have the opportunity to do, and experienced what others didn't have the opportunity to experience, so that we keep adapting and growing";

"Every fresh start is a step towards a better return, so that we can provide a better life for our families and realize our own dreams".

As Hemingway said, "Life is worth fighting for" as long as you fight with dignity. True growth never occurs on a preordained path but in the courageous rupture of boundaries, even at the cost of wounds. Rooting ourselves is nothing more than transforming distant horizons into hometown, and there are always vaster expanses ahead of us.

Surpass yourself and turn yesterday's "impossibilities" into today's "possibilities and routine". If life does not write meaningful stories, then it is an accident of life itself. Yet in J&T, this is not the monologue of an individual, but a magnificent tale written by all. The value and meaning of our pursuit lie in providing better services for our customers, gaining well-deserved returns for our shareholders and improving our team we fight alongside.

The express delivery industry is like a bowl of wine, and we will drink up it in the wind and snow before setting out again. The year 2025 marks the tenth anniversary of J&T. We will forge a heart full of sincerity, turn a decade of frost into our armor, press forward like a blazing fire, and always surpass ourselves.

Be Together, Better Future!

Jet Jie Li
Executive Director, Chairman of the Board and Chief Executive Officer
On Behalf of
J&T Global Express Limited

5 March 2025

II. Corporate Information

BOARD OF DIRECTORS

Executive Director

Jet Jie Li (Chairman and Chief Executive Officer)

Non-executive Directors

Alice Yu-fen Cheng
Qinghua Liao
Yuan Zhang

Independent Non-executive Directors

Erh Fei Liu
Peng Shen
Peter Lai Hock Meng *(appointed on 18 May 2024)*
Charles Zhaoxuan Yang *(resigned on 18 May 2024)*

AUDIT COMMITTEE

Peter Lai Hock Meng (Chairman)
(appointed on 18 May 2024)
Alice Yu-fen Cheng
Erh Fei Liu
Charles Zhaoxuan Yang *(resigned on 18 May 2024)*

REMUNERATION COMMITTEE

Erh Fei Liu (Chairman)
Jet Jie Li
Peng Shen

NOMINATION COMMITTEE

Erh Fei Liu (Chairman)
Jet Jie Li
Peng Shen

CORPORATE GOVERNANCE COMMITTEE

Peng Shen (Chairman)
Erh Fei Liu
Peter Lai Hock Meng *(appointed on 18 May 2024)*
Charles Zhaoxuan Yang *(resigned on 18 May 2024)*

JOINT COMPANY SECRETARIES

Quanxi Shang *(appointed on 19 August 2024)*
Ching Kit Cheng *(appointed on 19 August 2024)*
Yin Shan Hui *(resigned on 19 August 2024)*

AUTHORIZED REPRESENTATIVES

Jet Jie Li
Ching Kit Cheng *(appointed on 19 August 2024)*
Yin Shan Hui *(resigned on 19 August 2024)*

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Wanchai, Hong Kong

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Chater Road
Hong Kong

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Beijing
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As to laws of Cayman Islands:
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Grand Cayman, KY1-1002
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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Hong Kong

COMPLIANCE ADVISER

Somerley Capital Limited
20/F China Building
29 Queen's Road Central
Hong Kong

STOCK CODE

1519

COMPANY'S WEBSITE

www.jtexpress.com

LISTING DATE

27 October 2023

III. Financial Summary

Condensed consolidated statement of comprehensive income	2024 USD'000	2023 USD'000	2022 USD'000	2021 USD'000	2020 USD'000
Revenue	**10,259,104**	8,849,251	7,267,428	4,851,800	1,535,425
Gross profit/(loss)	**1,078,215**	472,798	(270,238)	(544,744)	(261,488)
Operating profit/(loss)	**210,543**	(1,766,550)	(1,389,565)	(1,647,207)	(606,444)
Profit/(loss) before income tax	**129,150**	(1,139,196)	1,583,330	(6,119,132)	(618,633)
Profit/(loss) for the year	**113,704**	(1,156,378)	1,572,567	(6,192,258)	(664,163)
Total comprehensive income/(loss) for the year	**34,982**	(1,138,204)	1,331,767	(6,231,543)	(676,994)
Non-IFRS measures:					
Adjusted net profit/(loss)	**200,333**	(432,277)	(1,488,297)	(1,177,666)	(475,861)
Adjusted EBIT	**301,283**	(334,761)	(1,400,037)	(1,014,939)	(418,465)
Adjusted EBITDA	**778,279**	146,694	(894,090)	(794,450)	(321,163)

Condensed consolidated balance sheets	2024 USD'000	2023 USD'000	2022 USD'000	2021 USD'000	2020 USD'000
Assets					
Non-current assets	**3,681,814**	3,464,108	3,089,262	3,028,218	628,286
Current assets	**3,612,692**	3,137,306	2,846,297	3,516,424	1,614,754
Total assets	**7,294,506**	6,601,414	5,935,559	6,544,642	2,243,040
Equity and liabilities					
Equity attributable to owners of the Company	**2,825,313**	2,749,682	(4,847,033)	(6,591,010)	(759,230)
Non-controlling interests	**(302,765)**	(270,083)	(137,215)	(45,414)	(111,269)
Total equity/deficits	**2,522,548**	2,479,599	(4,984,248)	(6,636,424)	(870,499)
Non-current liabilities	**2,354,059**	2,037,041	9,188,190	10,975,327	1,966,519
Current liabilities	**2,417,899**	2,084,774	1,731,617	2,205,739	1,147,020
Total equity and liabilities	**7,294,506**	6,601,414	5,935,559	6,544,642	2,243,040

IV. Management Discussion and Analysis

I. INDUSTRY REVIEW[1]

(I) Southeast Asia[2]

1. Macro Environment and Consumer Trends in SEA

The SEA market maintains rapid growth and is one of the fastest-growing regions in the world. In 2024, the global economy has experienced a downward inflation phase. Although a global recession was avoided, the economic growth remains sluggish. Despite these challenges, Southeast Asia (SEA) maintained one of the fastest-growing economies worldwide, fueled by a rebound in global trade, a sustained recovery in inbound tourism, and strong domestic demand. According to Frost & Sullivan, nominal gross domestic product ("**GDP**") of SEA reached US$3.9 trillion in 2024, representing a year-on-year increase of 4.4%; nominal GDP per capita reached around US$6,000, representing a year-on-year increase of 3.4%. SEA is expected to remain one of the fastest-growing economies in the world from 2025 to 2029, with a compounded annual growth rate (CAGR) of 7.0% in nominal GDP.

The recovery of the consumer market lays the foundation for the development of e-commerce and express delivery markets. 2024 saw a significant slowdown in inflation in the SEA, thanks to proactive regulation by central banks across various countries. According to the World Economic Outlook published by the International Monetary Fund (IMF) in October 2024, the growth rate of the Consumer Price Index ("**CPI**") in the major SEA countries in 2024 was 1.2 percentage points lower than that in 2023. The low inflation environment and robust labor market in SEA have contributed to rising household incomes, ensuring that private consumption will remain firm, while buoyant external remittances will boost domestic consumption in the corresponding region. According to Frost & Sullivan, total retail sales in SEA reached US$1.1 trillion in 2024, representing a year-on-year increase of 3.2%, maintaining a rapid growth.

2. E-Commerce Growth and Trends in SEA

With the rapid development of the e-commerce retail market, the e-commerce penetration rate is further increased. In recent years, the infrastructure in SEA has been continuously improved, the level of per capita GDP and purchasing power has risen rapidly, the middle class has risen rapidly, the digital adoption has been increasing, and the consumer habits and retail channels of enterprises have shifted online. According to Frost & Sullivan, in 2024, the transaction value of the e-commerce retail market increased by 25.7% year-on-year, reaching US$238.25 billion, representing an e-commerce penetration rate of 22.0%, and a year-on-year increase of 3.9 percentage points from 2023. In 2024, the existing major e-commerce platforms have increased their resource investment and rapidly grown. Under the competition between new and old players, each e-commerce platform continues to optimize its service systems, improve user coverage and product sales, and further increase the demand for express delivery services in the market.

Social e-commerce is a strong growth engine for the e-commerce retail market. As an emerging model of e-commerce, social e-commerce has successfully led the transformation of consumer behaviors and the e-commerce market landscape. Social e-commerce companies such as TikTok and Meta, which sell goods online through social group sharing and interaction, combined with their creative new gameplay, are typically popular among younger consumers with stronger purchasing power and high growth potential. According to Frost & Sullivan, the retail transaction value of social e-commerce reached US$109.08 billion in 2024, representing a year-on-year increase of 33.2%, accounted for 45.8% of the total e-commerce retail market, and the percentage of social e-commerce is expected to reach 51.9% in 2029.

[1] Unless otherwise specified, all industry data are sourced from Frost & Sullivan.

[2] For the purpose of this report, Southeast Asia (the "**SEA**") includes seven countries, namely, Indonesia, Vietnam, Malaysia, the Philippines, Thailand, Cambodia and Singapore.

3. Growth and Policies of the Express Delivery Industry in SEA

The rapid development of express delivery market in SEA has raised demands for high-quality express delivery services. With the improvement of the macro-economic and the booming development of the e-commerce retail market, the demand for express delivery market in SEA continues to expand. According to Frost & Sullivan, the total parcel volume of the express delivery market in SEA reached 15.98 billion parcels in 2024, representing a year-on-year increase of 25.2%. With the gradual maturity of the express delivery industry, the competition in the e-commerce industry is becoming increasingly fierce, and e-commerce platforms, merchants, and consumers have higher requirements for timeliness and service experience. High cost-effective express delivery service can effectively help e-commerce companies and sellers stand out in fierce competition, becoming an important competitive advantage for express delivery companies.

Steady implementation of government policies empowers the express delivery industry in multiple dimensions. To promote the sustainable development of the express delivery industry in SEA, governments in multiple relevant regions have issued policies and guidelines to clarify relevant definitions and strategic directions and provide infrastructure support to aid the orderly development of the express delivery industry. For example, Indonesia's Digital Roadmap 2021-2024, aims to develop digital ecosystems covering logistics, governments and transportations; and Malaysia's National Logistics Development Strategy 2030, aims to provide the strategic framework for future logistics development, including improving transportation infrastructure, supporting the construction of logistics centers, and nurturing advanced logistics enterprises.

(II) China

1. Macro Environment and Consumer Trend in China

China's national economy is steadily recovering, and its high-quality development is making continuous progress. In 2024, despite facing complex external pressures and internal challenges, China's economy remained stable. in particular, the government implemented a series of incremental policies in a timely manner, effectively boosting social confidence and significantly restoring the economic momentum, and ensuring the achievement of key economic and social development objectives. According to the National Bureau of Statistics of China, China's GDP reached RMB134.9 trillion in 2024, representing a year-on-year increase of 5.0% at constant prices, which is higher than the expected global growth rate of around 3%, reaffirming China's position as the world's largest driver of economic growth.

Total consumption market volume reached a record high, with promising growth in rural markets. In 2024, China's economy stabilized and progressed, supported by a series of policies aimed at expanding domestic demand and promoting consumption. These measures contributed to a favorable recovery in consumer spending. According to the National Bureau of Statistics of China, total retail sales of consumer goods reached RMB48.8 trillion in 2024, setting a new record. Consumption remained one of the main drivers of economic growth, with consumer spending contributing 2.2 percentage points to economic expansion in 2024 and accounting for 44.5% of GDP growth. Although this contribution was slightly lower than in the previous year, it remains higher than pre-pandemic levels, reflecting a transition to a more moderate and stable recovery phase. Regionally, retail sales of consumer goods in towns and cities amounted to RMB42.1 trillion, reflecting a 3.4% year-on-year increase, with per capita disposable income rising 4.6% in nominal terms. Meanwhile, rural retail sales amounted to RMB6.7 trillion, growing 4.3% year-on-year, with per capita disposable income increasing 6.6% in nominal terms. The rural market continues to outpace urban areas in both sales and income growth, highlighting significant potential for future expansion in lower-tier markets.

2. E-Commerce Growth and Trends in China

China is the world's largest e-commerce retail market, with new e-commerce modes contributing to the continuous increase in penetration rate. According to the National Bureau of Statistics of China, China's e-commerce retail sales reached RMB13.1 trillion in 2024, representing a year-on-year increase of 6.5%, a growth rate of 3.0 percentage points faster than that of the total retail sales of consumer goods. At the same time, benefiting from a mature industrial chain and a vast market, China's e-commerce industry is highly innovative, with new e-commerce modes such as live streaming commerce and real-time retailing emerging, and with the development of AI and other technologies, services have become more intelligent and personalized, which has a significant role in driving the growth of online consumption. According to data from the National Bureau of Statistics of China, the proportion of online retail sales of physical goods in the total retail sales of consumer goods reached 26.8% in 2024.

Rural e-commerce and social e-commerce are highly efficient drivers of the growth of China's e-commerce market. China is actively building an "e-commerce + industry belt" to enhance the resilience and synergy of e-commerce supply chain, and "promoting agricultural revitalization through digital business" to help agricultural products continue to rise. According to data published by the Ministry of Commerce, China's online retail sales of rural and agricultural products grew by 6.4% and 15.8% respectively in 2024, demonstrating strong growth. In recent years, e-commerce companies such as Taobao, JD and Pinduoduo have established social e-commerce sub-platforms to satisfy consumers' diverse and personalized consumption needs, and further expand the influence of content marketing under social attributes, driving the platforms to achieve rapid growth. According to Frost & Sullivan, the social e-commerce retail market in China increased from US$198.88 billion in 2020 to US$754.38 billion in 2024 at a CAGR of 39.6%, and the proportion of social e-commerce in the total e-commerce market reached 36.9% in 2024.

3. Growth and Policies of the Express Delivery Industry in China

China's express delivery industry is growing rapidly and the service level continues to improve. According to the data disclosed by the State Post Bureau of the People's Republic of China, the cumulative volume of express delivery industry reached 175.08 billion parcels in 2024, representing a year-on-year increase of 21.5%. Meanwhile, the service quality of the express delivery industry continued to improve, which includes a further enhancement in timeliness. According to the data for the first three quarters of 2024 released by the State Post Bureau of the People's Republic of China, the 72-hour on-time rate of express delivery services in key regions was 82.09%, and the corresponding 72-hour on-time rate in the same period of 2023 was 81.12%. The overall delivery time limit of express delivery services in the first three quarters of 2024 was 55.03 hours, a reduction of 1.21 hours compared to the same period in 2023, indicating improved efficiency in the delivery process.

Multiple national policies have promoted the stable and healthy development of China's express delivery market. The government has issued multiple policies and reform measures to promote the healthy and orderly development of express delivery industry and create a favorable business environment. Relevant policies include the Plan for the Development of Modern Logistics during the "14th Five-Year Plan" (2021-2025), which aims to develop and improve both domestic and cross-border logistic network; the Outline of the Plan for the Strategy to Expand Domestic Demand (2022-2035), which aims to improve the logistics infrastructure network, coordinate national logistics hubs and increase cross-regional logistics service capacity; the Special Action Plan for the High-quality Development of Trade Logistics (2021-2025), which aims to build a smooth, efficient and collaborative modern commercial logistics system; the Three-Year Action Plan for Digital Commerce (2024-2026), which emphasizes the promotion of the digital development of logistics in the trade circulation field and the coordinated development of e-commerce and express logistics; and the Administrative Measures for the Express Delivery Market 2024 (《快遞市場管理辦法2024》), which aims to strengthen the supervision and management of the express delivery market and promote the healthy development of the express delivery industry.

(III) New Markets

1. Macro Environment and Consumer Trend in the New Markets

The growth of the GDP in the New Markets has slowed down in the short term, but the long-term high-growth prospects will remain unchanged. In 2024, the global economy continued to grow, but with the tightening of monetary policies, the economies of the New Markets also faced more complex challenges from 2024 to 2025 after the strong rebound from the pandemic, with a slowdown in economic growth. According to Frost & Sullivan, the total nominal GDP of the New Markets registered a year-on-year increase of 2.5% in 2024, reaching US$6.1 trillion, and the nominal GDP per capita reached US$12.2 thousand. Among them, the UAE and Saudi Arabia had the most prominent nominal GDP per capita, i.e., around US$50 thousand and around US$33 thousand, respectively. Currently, the total and per capita levels of the New Markets are significantly higher than those of SEA, bringing vast potential for the e-commerce and express delivery industries. It is estimated that the nominal GDP of the New Markets will increase from US$6.2 trillion in 2025 to US$7.7 trillion in 2029, representing a CAGR of 5.6% and thus maintaining a relatively high-growth trend in the future.

Consumption in the New Markets remains relatively stable, anticipating a recovery in the economic environment in the near future. Against the backdrop of tightened monetary policies, the inflation in the New Markets was gradually brought under control in 2024. According to the data from the World Economic Outlook published by the International Monetary Fund in October 2024, the inflation rates in the various countries among the New Markets slowed down. Meanwhile, the New Markets generally implemented expansionary fiscal policies. Specifically, Mexico, Egypt, and Saudi Arabia further expanded their government deficits in 2024, and Brazil also maintained a relatively high deficit ratio, which is conducive to sustaining consumer scale. Constrained by a complex macroeconomic policy environment, short-term adverse effects have been brought to consumer markets in New Markets. According to Frost & Sullivan, total retail sales in the New Markets reached US$762.14 billion in 2024, representing a year-on-year increase of 2.2%. Nevertheless, with effective inflation control and the recovery of the economic environment, the CAGR from 2025 to 2029 is expected to reach 4.2%, laying a solid foundation for the rapid growth of the e-commerce and express delivery markets.

2. E-Commerce Growth and Trends in New Markets

The continuous online transformation of the retail market has further increased the penetration rate of e-commerce. Economic development and increased internet penetration rate have promoted a shift in shopping habits of the consumers in New Markets from offline to online channels. According to Frost & Sullivan, the e-commerce retail transaction value in the New Markets totaled US$132.37 billion in 2024, representing a year-on-year increase of 20.4%, reflecting that the e-commerce retail industry has maintained an impressive growth rate and has continued to contribute to the increase in e-commerce penetration. Compared to China and SEA, the e-commerce penetration rate in the New Markets is 17.4%, which is still at a relatively low level. Total e-commerce retail sales in the New Markets is expected to grow at a CAGR of 19.1% from 2025 to 2029, and the e-commerce penetration rate is also expected to grow continuously to reach 35.1% in 2029.

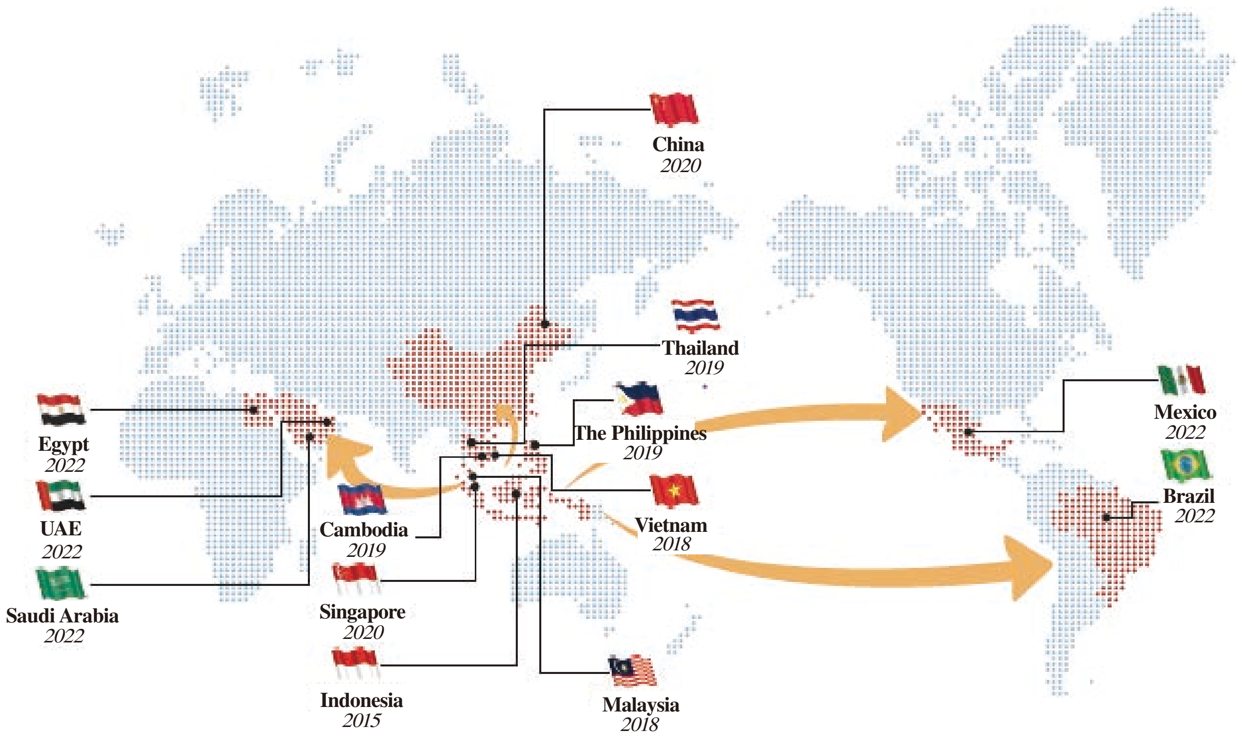
With the booming of cross-border e-commerce industry, cross-border e-commerce platforms continue to develop New Markets. Economic growth, rising consumption, increased e-commerce penetration rate and the convenience brought about by new e-commerce platforms have contributed to the growth in demand for global products among local consumers. Therefore, cross-border e-commerce continued to develop in 2024 and has become one of the key driving forces for e-commerce market development. Many global e-commerce platforms continue to invest in New Markets. For example, Temu and Kwai have entered the Brazilian market in 2024, and TikTok has entered the Mexican market in early 2025. At the same time, major e-commerce platforms are increasing their investment in the semi-custodial model and the local-to-local model. This has further propelled the cross-border e-commerce market in New Markets into a new stage and also raised the requirements for the local service capabilities of express delivery companies.

3. Development of the Express Delivery Industry in New Markets

The express delivery industry grows rapidly in the New Markets, and the value of third-party logistics as an independent enabler continues to increase within this expanding landscape. This growth in the express delivery industry is driven by the accelerated growth of the total retail market and the rapid development of the e-commerce retail market. According to Frost & Sullivan, the total parcel volume of the express delivery industry in the New Markets reached 4.59 billion parcels in 2024, representing a year-on-year increase of 18.6%, which is expected to grow at a CAGR of 17.4% from 2025 to 10.20 billion parcels in 2029. As more e-commerce platforms are deployed in the New Markets, third-party express delivery service providers, as independent enablers, make it possible for e-commerce platforms and merchants to quickly improve their local operation systems and continuously achieve lower costs. This role is becoming increasingly important.

II. BUSINESS DEVELOPMENT

(I) Global Network of the Company



The Company's express delivery business spans 13 countries, covering seven countries across SEA, including Indonesia, Vietnam, Malaysia, the Philippines, Thailand, Cambodia and Singapore, and China, as well as five countries of the New Markets, including Saudi Arabia, UAE, Mexico, Brazil and Egypt. In 2015, the Company started its first express delivery business in Indonesia, a massive archipelago country with more than 17,000 widespread and often remote islands. This presented significant challenges to initial logistics operations. After overcoming these challenges, the Company entered markets of Vietnam and Malaysia in 2018 and further expanded to the Philippines, Thailand and Cambodia in 2019 and Singapore in 2020. In March 2020, the Company entered the Chinese market. In 2022, the Company replicated its successful experience in other markets, expanding further into Saudi Arabia, UAE, Mexico, Brazil and Egypt.

In 2024, the Company handled a total of 24.65 billion parcels, representing an increase of 31.0% as compared to 18.81 billion parcels in 2023. The table below shows the growth of the Company's parcel volume in SEA, China and New Markets, as well as its market share in these regions in 2024:

	For the year ended 31 December				
	2024 In millions	2023 In millions	Year-on-year Change	**2024 Market share**	2023 Market share
SEA	**4,563.2**	3,240.0	40.8%	**28.6%**	25.4%
China	**19,801.2**	15,341.4	29.1%	**11.3%**	10.6%
New Markets	**281.2**	230.3	22.1%	**6.1%**	6.0%

Note: Market share is calculated based on parcel volume and is sourced from Frost & Sullivan.

As of 31 December 2024, the Company had approximately 19,100 outlets, and operated 238 sorting centers and more than 11,900 line-haul vehicles, including more than 6,600 self-owned line-haul vehicles.

(II) Southeast Asia (the "SEA")

1. Ranked Number One in SEA for 5 consecutive years

In SEA, the Company's leading market share, competitive pricing, high quality of service and healthy profitability are factors that have established its dominant position in the region. According to Frost & Sullivan, the Company has been the number one express delivery operator by parcel volume in SEA market since 2020. This leadership was sustained in 2024, with the Company holding a market share of 28.6% in SEA.

In 2024, some e-commerce platforms continued to develop their own in-house logistics capabilities, and the proportion of self-built logistics reached a relatively high level. The Company remains committed to being an independent e-commerce enabler, capable of integrating parcels of all e-commerce platforms and continuously expanding non-platform parcels. By leveraging economies of scale and replicating China's successful express delivery experience, the Company aims to reduce express delivery costs. This strategy not only assists e-commerce platforms in lowering their fulfillment costs but also helps to enhance the penetration of e-commerce in SEA.

The following chart shows top five express delivery operators (by parcel volume) in SEA in 2024:

Rank	Express Delivery Operators	Business Model	Introduction	Country Coverage	Parcel Volume (In billion)	Market Share
1	J&T	Regional Sponsor Model	An express delivery service provider, established in 2015	Indonesia, Thailand, Malaysia, Singapore, Vietnam, Cambodia and the Philippines	4.56	28.6%
2	Company A	Direct Operation Model	A self-built logistics company for an e-commerce platform, which was established in 2015	Indonesia, Thailand, Malaysia, Singapore, Vietnam and the Philippines	3.92	24.5%
3	Company B	Direct Operation Model	A self-built logistics for an e-commerce platform, which was established in 2012	Indonesia, Thailand, Malaysia, Singapore, Vietnam and the Philippines	1.10	6.9%
4	Company C	Direct Operation Model	An e-commerce express delivery service provider, established in Thailand in 2017	Thailand, Malaysia and the Philippines	1.00	6.2%
5	Company D	Direct Operation Model	A Thai state-owned enterprise providing postal services, established in 1883	Mainly Thailand	0.77	4.8%

2. Growth and Momentum of Parcel Volume

In 2024, the Company handled 4.56 billion parcels in SEA, representing a year-on-year increase of 40.8% as compared to 3.24 billion parcels handled in 2023. According to Frost & Sullivan, the Company was the number one express delivery operator in SEA by parcel volume in 2024, with a market share of 28.6%, representing an increase of 3.2 percentage points compared to 25.4% in 2023. This growth further consolidated the Company's leading position and competitive advantage in SEA. Looking ahead, the Company will further increase its market share by leveraging its first-mover advantage, high-quality services and competitive pricing, and establish an absolute leading competitive edge at the relatively early stage in the development of the express delivery market in SEA.

The Company's growth in parcel volume in SEA is primarily attributable to:

Always seizing the growth opportunities in the e-commerce market and actively exploring non e-commerce platform customers. With its full coverage of SEA, well-established logistics network, cost-effective services and strong customer relationships, the Company provides stable and efficient logistics services support for the development of the e-commerce industry, which will continue to empower the rapid development of e-commerce customers. The Company has always acted as an independent e-commerce enabler and remains as the primary express delivery service provider for a number of e-commerce platforms, thus always benefiting from the overall growth in e-commerce market and the emergence of social e-commerce. At the same time, the Company has diversified its customer structure and expanded its non e-commerce platform customers, including seller customers on social media, online business of chain stores, branded customers and individual parcels. The Company aims to provide cost-effective and quality express delivery services to all customers, grow together with them, thus promoting the prosperity of various industries in the local market.

Scale effects and empowerment derived from the China experience have resulted in continuous cost reductions, enabling the Company to offer more competitive pricing. Since entering the Chinese market in 2020, the Company has continued to learn from the advanced industry knowledge and management experience of China's express delivery industry and systematically empowered it to SEA to continue to reduce the cost per parcel in SEA. The year-on-year decrease of 14.9% in the cost per parcel in SEA in 2024 has attested to the effectiveness of this strategy. The Company has recognized the continuous cost-reduction potential resulted from scale effects and empowerment derived from China experience. It has the ability and confidence to continue to reduce costs of each process in SEA, which in turn will drive the Company to provide customers with competitive pricing. The Company develops pricing with e-commerce platforms that includes more volume discounts in order to obtain more parcels from the e-commerce platforms and to promote scale effects and further reduce the Company's costs. In addition, as a leading express delivery company in SEA, the reduction in the Company's costs will also benefit the industry as a whole and lower the fulfillment costs of e-commerce platforms, thereby increasing e-commerce penetration in the SEA market.

Continuous improvement of service quality is essential to meet the growing demand of consumers. The rapid development and growth of the express delivery market in SEA led to an increasing demand for high-quality express delivery services from consumers. The Company's consistent high quality of service is an important advantage in market competition. (i) The Company can provide stable and efficient capacity to customers. During the Double Twelve Shopping Festival in 2024, the Company processed more than 24.0 million parcels on a single day, which demonstrated the Company's strong express delivery network and capacity flexibility, enabling it to provide solid service guarantees for customers during peak seasons; (ii) In 2024, the Company's average delivery time for parcels in SEA was further reduced by 10.5% on a year-on-year basis as compared to that in 2023, and the lost parcel rate and damaged parcel rate continued to decline as well; (iii) based on the needs of local customers, the Company offers a wide range of cash on delivery (COD) services in SEA to address e-commerce settlement challenges. Meanwhile, the Company improves the service level of couriers through continuous training and assessment incentives, helps e-commerce platforms and sellers increase their product acceptance rates, and enhances the Company's customer mindset and competitiveness; (iv) the Company continues to localize China's more comprehensive customer service solutions in SEA, optimizes its information technology systems, provides more convenient order tracking, telephone customer service, artificial intelligence customer service and other services, and optimizes the service experience.

3. Continuing the Optimization of Operations in Each Process

The express delivery industry significantly demonstrates the economies of scale. In 2024, the Company's parcel volume in SEA increased by 40.8% year-on-year, with an average daily parcel volume of 12.5 million, which further improved the utilization efficiency of key infrastructure and resources, such as sorting centers, outlets and vehicles, and facilitated the scale effect. At the same time, the Company systematically empowered SEA with its experience in express delivery operations in China, and continued to optimize operational efficiency in all processes, and improved the quality of its operations across the network. In 2024, the Company's average cost per parcel in SEA continued to decline from US$0.67 in 2023 to US$0.57 in 2024. For specific Optimization of Operations, please see "Review of Financial Results – Economic Benefits per Parcel".

4. Maintaining a Healthy Level of Profitability

With successful business development and operation leverage, the Company continued to show an attractive combination of growth and profitability in SEA in 2024. The Company's adjusted EBIT in SEA was US$302.7 million in 2024, representing an increase of 48.9% as compared to US$203.3 million in 2023. The adjusted EBIT margin amounted to 9.4%, representing a year-on-year increase of 1.7 percentage points. In 2024, the adjusted EBITDA reached US$455.6 million, representing a year-on-year increase of 21.3%. The Company is an independent e-commerce enabler, providing cost-effective express delivery services to all e-commerce platforms and continuously expanding its non e-commerce platform customers, with continuous and rapid increase in parcel volume and market share. The Company steadily reduced cost per parcel by continuing to expand its existing economies of scale, as well as by empowering SEA with its express delivery experience in China. At the same time, the Company offers competitive prices to e-commerce platforms in order to capture more parcel volume and share. The dynamic balance between price and cost has enabled the Company to maintain a healthy and sustainable level of profitability in SEA.

(III) China

1. Continuing to Consolidate its Industry Position in China

Since entering the Chinese market in March 2020, the Company has continuously improved its express delivery network, enhanced service quality, and steadily increased its market share, thus consolidating its industry position in China. In 2024, in terms of parcel volume processed, the Company accounted for 11.3% of the market share in China, with 19.8 billion parcels. This represents an increase of 0.7 percentage points compared to its market share of 10.6% in 2023, calculated on a comparable basis. According to Frost & Sullivan, the Company ranks No. 6 among express delivery operators in China, and ranks No. 5 among express delivery operators in the network partner model in China.

The following chart shows top six express delivery operators (by parcel volume) in China in 2024:

Rank	Express Delivery Operators	Business Model	Introduction	Parcel Volume (In billion)	Market Share
1	Company E	Network Partner Model	Established in 2002	34.05	19.4%
2	Company F	Network Partner Model	Established in 2000	26.57	15.2%
3	Company G	Network Partner Model	Established in 1999	23.78	13.6%
4	Company H	Network Partner Model	Established in 1993	22.73	13.0%
5	Company I	Direct Operation Model	Established in 2019	20.08	11.5%
6	J&T	Regional Sponsor Model (supported by Network Partner Model)	Established in 2019	19.80	11.3%

Source: State Post Bureau of the PRC, Frost & Sullivan

2. Growth and Momentum of Parcel Volume

In 2024, the Company handled 19.80 billion parcels in China, representing a year-on-year increase of 29.1% compared to 15.34 billion parcels in 2023, higher than the growth rate of the industry.

The Company's growth in parcel volume in China is primarily attributable to:

With the rapid growth of China's express delivery industry, express delivery policies promote the healthy development of the industry. According to the data of the State Post Bureau, in 2024, the parcel volume of China's express delivery industry reached 175.08 billion parcels, representing a year-on-year increase of 21.5% on a comparable basis. While China's express delivery industry has shown rapid growth, new express delivery policies and regulations continue to be issued and implemented, ensuring the quality and safety of express delivery services and promoting the healthy development of the express delivery industry.

Continuous improvement of service quality, enhancement of customer mix and diversification of customer base. The Company is committed to continuously improving service quality of overall network, enhancing customers' satisfaction, shortening average delivery time of express delivery and increasing the proportion of same-day and next-day deliveries. The Company continued to improve its volume mix, and focused on the mutual development of business on multiple e-commerce platforms. At the same time, the Company diversified its customer base through various ways, such as establishing dedicated working group to develop branded customers, and promoting the growth of reverse logistic parcels and individual parcels through the development of service stations operated by the Company and its network partners (the "**service stations**") and a variety of marketing activities.

Deepen the rural coverage of express delivery network, and continue to expand into low-tier markets. Since entering the Chinese market in 2020, the Company continued to enhance the construction of express delivery network in rural areas. As of 31 December 2024, the Company's coverage rate of express delivery to villages has been increasing, ranking among the top in the industry. The Company continued to improve the e-commerce shopping and express delivery experience of rural consumers, and solved delivery difficulties of agricultural products in rural areas through a variety of projects to assist farmers at the same time to facilitate agricultural products go out of the rural areas. The Company also cooperated with a number of e-commerce platforms to undertake parcel aggregation business targeting at remote areas, which greatly reduced the cost of logistics and solved the e-commerce difficulties of "no shipping included" at remote areas in the past, and progressively expanded the coverage of parcel aggregation business at remote areas.

3. Continuing the Optimization of Operations in Each Process

The Company continued to carry out refined management and operation in China. With the combined effect of economies of scale and optimization of operations, the Company's cost per parcel declined from US$0.34 in 2023 to US$0.30 in 2024, continuing to reduce costs. Please see "Review of Financial Results – Economic Benefits per Parcel" for specific optimization of operations.

4. Adjusted EBIT Achieved a Turnaround from Loss to Profit

In 2024, the adjusted EBITDA of China's business was US$427.3 million, compared to US$30.7 million in 2023, with an adjusted EBITDA margin of 6.7% in 2024, representing a year-on-year increase of 6.1 percentage points as compared to that last year. The Company's profitability continued to enhance. At the same time, the adjusted EBIT for 2024 was US$147.2 million, while the adjusted EBIT recorded a loss of US$236.5 million for 2023. The adjusted EBIT of China's business achieved a turnaround from loss to profit, mainly due to achieving significant reduction in cost per parcel while maintaining the slight decrease in revenue per parcel:

The express delivery revenue per parcel slight decreased. The Company's revenue per parcel in 2024 was US$0.32, representing a slight decrease as compared to US$0.34 in 2023. In 2024, the express delivery industry still witnessed fierce competition and the price of express delivery continued to fall. The Company dynamically adjusted the price in different regions according to the industry trend to maintain its competitiveness, and at the same time, continued to improve its customer mix, attracted more high-quality customers through high cost-effective advantage and expanded the reverse logistic parcels and individual parcels business, providing a support for the Company's price.

The express delivery cost per parcel continued to reduce. The Company's cost reduction effect was significant, with cost per parcel decreasing to US$0.30 in 2024 from US$0.34 in 2023, mainly due to the scale effect arising from the growth of the Company's business volume and the continuous optimization in each operation process.

5. Introduction of Key Projects

Service Stations: In order to improve the quality of outlets delivery service and enhance delivery efficiency, the Company set up a special program for the promotion of service stations to incentive network partners to open new additional branded service stations or continue to enhance the operation of opened service stations by subsidies and other forms. Service stations can not only strengthen the control of outlets delivery, but also deepen the contact with individual customer, expanding the reverse logistic parcels and individual parcels business. As of 31 December 2024, the number of service stations of the Company was more than 32,000, demonstrating the significant effectiveness of the special program.

Investment of automated equipment in outlets: With the rapid growth of the Company's business volume across the network, the terminal processing capabilities of the network partners and outlets are critical to the efficient and stable operation of overall network. The Company encourages and assists network partners to invest in automated equipment in outlets through special incentive policies, unified procurement of equipment suppliers, assisting in equipment planning and customization and other means, to enhance its operation efficiency and reduce operation cost. In 2024, driven by the Company and network partners, the number of automated equipment in the Company's outlets increased by 80% on a year-on-year basis compared with 2023.

(IV) New Markets

1. Growth and Momentum of Parcel Volume

In 2024, the Company handled 281.2 million parcels in the New Markets, representing an increase of 22.1% as compared to 230.3 million parcels in 2023, and its market share increased from 6.0% in 2023 to 6.1%.

The Company's growth in parcel volume in the New Markets is primarily attributable to:

Capturing the growth opportunities of the e-commerce and express delivery industry, and improving the pickup and delivery capabilities of express delivery network. The rapid development of the e-commerce industry in the New Markets, especially the entry of cross-border e-commerce, has made the market experience a key change, which led to a simultaneous rise in corresponding demand for express delivery services. The Company seizes the rapid development opportunities of the e-commerce and express delivery industry and continues to invest in the construction of express delivery network with well-established pickup and delivery capability, which provides services for extensive customer base, ultimately achieving the rapid growth in parcel volume. However, at the same time, changes in cross-border policies in the New Markets have had a negative impact on the growth of cross-border e-commerce. For example, in June 2024, Brazil updated its tariff policy, increasing the tariff on goods under US$50 to 20%.

Continuously developing and deepening partnerships with cross-border and local customers. The Company has established close partnerships with international cross-border e-commerce and short video broadcasting platforms such as Shein, Temu, TikTok, Shopee, Aliexpress, Kwai, etc. in the New Markets, and helps cross-border e-commerce platforms to solve logistics and distribution problems through the Company's wide geographical coverage and perfect infrastructure. Meanwhile, the Company emphasizes cooperation with local e-commerce platforms, such as Noon, a local e-commerce platform in the Middle East, and Salla, a local e-commerce platform in Saudi Arabia.

2. Continuously investing in infrastructure development to enhance the capacity of local to local services

As of 31 December 2024, the Company operated 35 sorting centers, 220 line-haul vehicles and a large number of branch line vehicles, and approximately 2,300 outlets in the New Markets. The Company continued to invest in infrastructure in New Markets, building new outlets to increase network coverage density, and increasing investment in automated sorting machines in sorting centers to improve network carrying capacity and operational efficiency. In 2024, the Company built 900 new outlets in the New Markets, and put in place two sets of automated sorting machines in sorting centers.

In 2024, there were fluctuations in cross-border policies in the New Markets, which has led to changes in the business model of cross-border e-commerce platforms, prompting the need for express service operators to have a better local express network, with both pickup and delivery capabilities. The Company had a wide reach, and the Company was well equipped with pickup and delivery capabilities with 2,300 outlets to match the express delivery needs of e-commerce platform customers in any business model. In the future, the Company will continue to enhance local to local services capabilities to better provide express services to consumers and customers and to realize its business growth.

III. CORE COMPETITIVENESS OF THE COMPANY

An Independent and Open Global E-commerce Enabler

By virtue of its enormous logistics network, reliable services, advanced express delivery experience and cost control capability learned from China and insights into the local market, the Company provides cost-competitive logistics services to the local market, while promoting the rapid growth of the e-commerce market. In cooperation with e-commerce partners, the Company maintains a neutral attitude and actively establishes diversified cooperation with the platforms. The Company believes that the market demand for e-commerce express delivery services continues to exist, and third-party express delivery companies are more likely to obtain more unit volume growth by virtue of the integration of all e-commerce platform parcels and the expansion of non e-commerce platform parcels, so as to obtain greater technical and cost advantages, and always benefit from the growth of e-commerce express delivery market. In addition to cooperating with leading e-commerce platforms such as Shopee, Lazada, Pinduoduo, Taobao, Tmall, Shein, Noon and Temu, the Company has also established partnerships with short video and live streaming platforms using social e-commerce services such as TikTok, Douyin, Kwai, Kuaishou and Xiaohongshu. Meanwhile, we focus on developing technologies to further deepen the integration of our service processes with partners. For example, the Company has independently developed an order management system adapted to overseas social e-commerce scenarios to help social e-commerce vendors manage live streaming sales, order performance and logistics shipments, which is conducive to deepening our cooperation with e-commerce customers and facilitating the competitiveness of our logistics and express delivery services.

Our Regional Sponsor Model

The Company will choose a more efficient mode of operation, taking into account the local market conditions. In SEA and China, the Company mainly operates on regional sponsor model, under which, the national headquarters retains the leadership and management duties, and critical parts of the Company's business network (including sorting centers, line-haul transportation and pickup & delivery process) are operated by regional sponsors. Through years of collaborating with regional sponsors and successfully expanding throughout other regions, the Company has accumulated deep and systematic knowledge with respect to effective management of regional sponsors and network partners. The regional sponsors maintain long-term cooperation with the Company, develop local markets and share benefits with the Company.

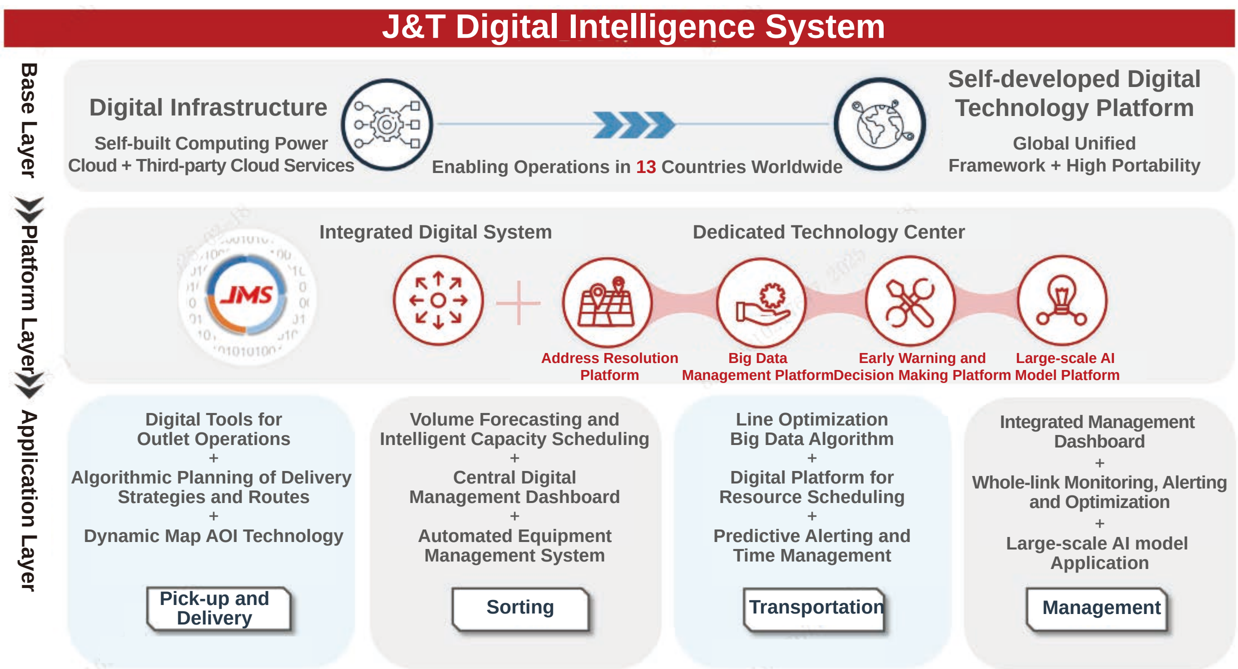
The Company's Regional Sponsor Model allows us to maintain effective management over our network. Regional sponsors can make decisions that promote the growth and success of the business based on their local knowledge and business experience in their respective regions to avoid unnecessary administrative hurdles. By collaborating with regional sponsors, the Company can leverage regional sponsors' resources and experience to expand the network and enter the New Markets rapidly and efficiently, while striving to reduce capital expenditures of the Company. Benefiting from the local knowledge and experience of regional sponsors, the Company can adjust its market strategies in a timely manner and provide high-standard services for customers. In addition, regional sponsors can help the Company supervise and manage the network partners, and require the pickup and delivery outlets follow unified service standards, ensuring the stability of service quality. Such regional sponsor business model can help the Company improve operational efficiency and achieve a leading market position in SEA and China.

An Adaptive Technology System Continuing to Empower Global Operations

In 2024, our R&D expenditures reached US$48.9 million, representing a year-on-year increase of 6.1%, accounting for 0.5% of our revenue. The Company achieved a systematic upgrade of its digital capabilities from outlets to the national headquarters, and "intelligent analysis + prediction + decision-making assistance" has been gradually implemented in various business segments. At the same time, through our own technology subsidiaries and equipment subsidiaries, we have further exported our technology systems overseas to achieve global synergies and improve efficiencies.

The Company has designed the JMS system, a universal technology framework that encompasses a broad range of critical functions, which can help build and continually upgrade the digital system in each market, build proprietary addressing platforms, allocate transportation and network resources, track and monitor the full lifecycle of parcels, ensure quality customer services, manage complex finance processes, and assist all network participants in enhancing efficiency with embracing emerging technologies. Over the years, through the seamless integration of this self-developed technology platform and our global customer mix, we have been promoting China's leading technology systems overseas, to empower local businesses. By consistently integrating with emerging technologies, we have driven the full digital intelligence transformation of logistics networks in each country, thereby building and solidifying our unique advantage as a global e-commerce enabler.

We continue to combine data + algorithms to build a powerful digital intelligence middle platform and develop application tools to meet the real needs of the business, so that solutions such as intelligent prediction and early warning, real-time planning and scheduling and optimization, and structured data dashboard can be gradually put into practice in all business segments, including receiving, transferring, transporting, and delivery. The Company's specialized address resolution middle platform can significantly improve the accuracy of address resolution in various markets, reduce misclassification and misdelivery, and improve timeliness. In SEA, our leading address digitization processing and algorithm analysis capabilities set us apart from our peers who rely on third-party address databases.



Introduction to J&T's Digitalization System

1. Pickup and Delivery

Comprehensively upgraded digital applications to enhance the operational efficiency of outlets. We continue to add and upgrade terminal digital applications to enhance the data access of outlets as the end of our digital ecosystem, and to provide better management tools for network partners. In 2024, we promoted the optimization of operational efficiency and experience enhancement of the system tools for courier pickup and delivery terminals, and focused on promoting the "Hello Boss" application in China and some SEA countries, which helps network partners, regional managers, and national headquarters to understand the current status of outlets in real time and improve the operational efficiency of outlets.

Taking "Hello Boss" as an example, in terms of operational efficiency, it can automatically calculate various indicators and data of network operation, which is beyond the simple data aggregation commonly seen in the industry. Based on efficient data insights, it covers comprehensive functions such as cost-profit model analysis and prediction, customer classification and forecasting and analysis of operational indicators to improve operational management efficiency.

In terms of data access, daily aggregation of data dimensions such as shipment, customer, finance, map address and distribution route, personnel and vehicle operation can be realized, thus strengthening the perception and judgment of the national headquarters and regional managers on the current state of operation and the direction of optimization. At present, the coverage rate of "Hello Boss" in China has exceeded 90%, and it has been gradually promoted to the SEA market, which is expected to significantly enhance the level of terminal digitization in the SEA region in the future, and to promote the improvement of the operational efficiency of the outlets.

The promotion of automated sorting machines and AI route-planning technology will expand the space for cost reduction of pickup and delivery. In 2024, on the one hand, we significantly encouraged and promoted the investment in automated sorting machines at outlets to enhance the per capita sorting efficiency of our outlets, and on the other hand, we explored the application of cutting-edge technologies such as unmanned vehicles and drones in the pickup and delivery. We also provided outlets with the Dynamic Digital Mapping (AOI, Area of Interest) function, which is based on the address resolution middle platform and dynamically aggregates regional addresses to optimize pickup and delivery routes, identify exceptions, and analyze the parcel volume and customer aggregation, thus providing momentum for improving the efficiency of pickup and delivery at outlets. At the same time, we have developed an intelligent planning tool, which can synthesize core information such as parcel volume, time efficiency, number of vehicles, vehicle type, and provide network staff in China with the shortest distance and the most cost-effective delivery routes, and it will also be gradually promoted to other countries. The combined use of these tools can help outlets reduce pickup and delivery costs and improve timeliness, as well as optimize staffing ratios, allowing couriers to spend more time and energy on customer development and improving service quality.

2. Sorting

We have been investing in the upgrading of automated sorting equipment to enhance sorting efficiency and continue to promote it overseas. Our equipment subsidiary integrates the upstream and downstream supply chain of the industry, and promotes the continuous and effective cost reduction of sorting centers through the substitution and upgrading of self-developed and self-produced equipment. Focusing on high-speed, automated and unmanned sorting equipment, we have overcome the difficulties in the industry in terms of equipment structure, system control and loading rate of irregular parcels. Through the continuous improvement of equipment such as high-speed measurement and scanning system (DWS), high-speed oscillating wheels and diamond chutes, we have promoted the efficiency of each segment of sorting, increased the per capita handling capacity and reduced sorting costs. At the same time, the Company continues to export China's advanced automated sorting machines and equipment management system to SEA and the New Markets through its equipment subsidiaries, and leverages China's experience to establish and continuously optimize equipment management and maintenance processes, helping countries to improve sorting efficiency and reduce sorting costs. As of 31 December 2024, we had 51, 226, and 2 sets of automated sorting equipment for sorting centers in SEA, China, and the New Markets, respectively, with an increase of 16, 27, and 2 sets compared to 2023.

Upgrading the digital capability of the sorting center to achieve "pre-event planning, in-event management, and post-event analysis". We provide technical application support to sorting center managers, offering accurate data analysis support and monitoring capabilities in the areas of inbound and outbound vehicle and cargo volume management and forecasting, equipment operation and labor management, as well as timeliness and financial measurement and forecasting. In the pre-event phase, through the combination of modules such as network cargo volume forecasting and intelligent planning of transportation capacity, we can arrange personnel and vehicles in advance according to the production capacity and time-period cargo volume, to improve per capita sorting efficiency and loading efficiency, and reduce the cost. During the event, in conjunction with the abnormality monitoring system, we can carry out real-time identification of abnormality problems and make intelligent decisions to deal with them, such as dynamic loading allocation, risk management, and solution to warehouse overflow, and carry out monitoring of non-compliant operations through machine vision technology. After the event, we conduct immediate reviews of planning, decision-making and other business strategies through the data Dashboard in real time, driving optimization and improvement initiatives. We are also promoting our rich and replicable experience in China globally, and promoting the all-round upgrading of the intelligence level of sorting centers in SEA and the New Markets, so as to realize cost reduction and efficiency improvement in sorting.

3. Transportation

We have established an intelligent route planning and resource control system to realize cost reduction and timeliness improvement. For route planning, we integrate the information such as routes, lines, frequency, and timeliness of each transportation segment, optimize and adjust transportation routes through algorithmic models, and continuously improve the routing planning of the whole network, so as to efficiently manage the fleet, reduce the use of temporary vehicles, and improve the loading rate. During the transportation process, real-time monitoring and algorithmic optimization of vehicle tracks across the network ensures stable and fast transportation of parcels, thus improving timeliness and fulfillment quality. In terms of operation management, the Company has established a forecasting system for transportation volume and capacity prices, reasonably deployed its own vehicles and those of third-party carriers, and pushed down procurement prices. The Company has also built a digital management application for vehicle and driver management, which combines the customer's timeliness assessment with the efficiency of the vehicles to reduce management difficulties and improve the punctuality rate. We have also unified our energy procurement and vehicle fuel consumption management systems to accurately manage vehicle fuel consumption levels online and reduce transportation costs.

4. Operational Support

We have built an intelligent address resolution middle platform to continuously optimize the efficiency of each segment and to achieve a fast and reliable implementation of the address system across global markets. We have built a proprietary address digitization platform based on structured address databases and advanced algorithmic models, which can significantly improve the accuracy of address resolution in various markets, reduce misclassification and misdelivery, and improve timeliness. Especially in SEA, our leading address digitization processing and algorithm analysis capabilities set us apart from our peers who rely on third-party address databases. In order to solve the problems such as diverse languages in various countries, scarce local map data sources and low accuracy, we have designed specific algorithms for address datasets of various countries and languages and formed a standardized model system, which enables us to rapidly realize market expansion in new languages and regions driven by waybill data.

We have integrated the information flow of the full chain with the algorithmic model, and applied it to the management of functional departments and forecasting alerts to improve the overall quality of service delivery. Taking the full chain anomaly early warning function as an example, the "Timeliness Complaint" module launched in 2024 monitors multi-dimensional data along the entire chain of parcel delivery and operation, enabling real-time judgment of complaint risk for each in-transit waybill and analysis of the abnormal reasons, so as to optimize logistics timeliness prediction and improve service quality. After the launch of Timeliness Complaint module, it effectively helps business segments to sense the risk in advance and intervene to handle it, thus reducing the complaint rate and improving delivery timeliness.

We also continue to improve our digital intelligence applications to achieve more powerful analysis and prediction, management optimization and integrated assistance services. For example, we are upgrading the "Management Dashboard" function to serve the management of the Company, realizing daily network-wide data aggregation, analysis and prediction, and real-time monitoring of operating results, so as to realize efficient and dynamic adjustments from the regional level to the overall management decisions of the Group. In addition, we have continuously enriched the application areas of our large-scale model AI assistants by building a professional knowledge base based on our own training, inference computing power, and standardized large-scale AI model middle platform, and developed various types of AI service assistants, such as compliance review, intelligent customer service, and map data annotation, to help improve efficiency.

Providing Superior Quality Services to Meet Customer Needs

The Company is committed to improving the level of service quality in every country and region around the world. Together with our regional sponsors and network partners, the Company strives to provide high-quality services. The Company actively manages and optimizes its network density to ensure reasonable capacity for transportation and distribution during peak and off seasons, and standardizes and controls the service quality throughout the network by streamlining the operation process and improving the management efficiency of each link in the chain, so as to reduce the delivery time and improve the fulfillment accuracy, thereby improving service efficiency and providing consistent, reliable and quality transportation experience to consumers and customers.

Providing differentiated and customized services and innovating upon its service standards based on local market demands. The Company's services cover 13 countries and regions around the world in a very short period of time, mainly due to its ability to meet the local market demands according to local conditions. Whenever we enter a new market, the Company will design products and standards to meet the differentiated needs of local markets based on the needs of local customers and consumers, taking into account the macro-environment, infrastructure and other factors. For example, the Company provides a wide range of cash-on-delivery services in SEA, which addresses the obstacle of low access to online payment channels of the local market and allows e-commerce partners to reach a wider range of consumers. The Company has provided express delivery services such as 365-day operation and 24-hour customer service in Indonesia and Malaysia. In western China, the Company has launched parcel aggregation business, and has joined hands with e-commerce platforms to reduce the cost of express delivery in remote areas, so as to solve the long-term problems faced by consumers in western China, such as the lack of express delivery, high costs, slow service, and difficulties in accessing delivery. With the promotion of parcel aggregation business, the Company has covered 99.6% of the villages in Xinjiang, essentially achieving full coverage in the region.

The Company continuously monitors and optimizes a series of key business and service quality indicators and improves the indicator system according to the actual situation. The Company continuously monitors a series of key service quality indicators such as average delivery time, lost parcel rate and complaint rate, and is committed to continuously optimizing such indicators. In SEA, the Company improves its service quality indicators through a variety of measures such as reducing the transit times, shortening the parcel transportation routes, increasing the frequency of daily deliveries and monitoring and handling abnormal parcels in real time. In 2024, the Company has won several honors such as the "Indonesia Original Brands Award (IOB Award) excellent" and the "TOP Brand Award" in Indonesia, and has received many awards such as the "Trusted Brands Gold Award for Airfreight/Courier Services" in the Philippines, reflecting the recognition of consumers and the local influence of the Company. In 2024, the Company was honored with a series of awards, including the "2023 Annual Development Award in the Express Industry (2023快遞年度發展獎)", the "International Development Award in the Express Industry (快遞國際發展獎)" and the "Intelligent Driving Best Scale Commercial Award in the Express Industry (快遞智能駕駛最佳規模商用獎)".

Entrepreneurial and Experienced Management Team and Regional Sponsors

Our founder, Mr. Jet Jie Li, a serial entrepreneur with over 20 years of sales and entrepreneurial experience, is highly supported by a professional management bench and extensive regional sponsor groups. Our regional sponsors also form a pool of rich entrepreneurial and industry experience, bringing local know-how to our business and helping us execute our customized market strategies. Bringing diverse perspectives and an international outlook, our regional sponsors work closely with our management team to implement key strategic initiatives in our regions of operations and help us manage the vast network.

Our management team is dedicated to cultivating employees and promoting leaders. The Company continues to invest in employee training and skills development to promote the corporate culture and develop leaders with in-depth knowledge of the Company, the industry, technology and local market needs. The Company also hires excellent talents to join the Group and our country-level management teams, who are responsible for day-to-day operations in each market. Our experienced and entrepreneurial management teams, dynamic regional sponsors and vibrant entrepreneurial culture will continue to drive the Company to achieve the commercial success in all markets.

IV. COMPANY OUTLOOK AND STRATEGY

Focusing on SEA and China Markets to Strengthen our Market Position

In SEA, the Company has been the number one express delivery company in SEA for five consecutive years. The Company will provide high-quality services and competitive prices to further increase market share and solidify our leading position. (i) The Company will deepen our cooperation with all platforms, further increase our market share on various platforms, and continue to serve as the leading express service provider for several e-commerce platforms; (ii) the Company continues to develop non e-commerce platform customers such as social media merchants, business parcels, personal parcels, and continues to optimize its customer structure; (iii) the Company continues to systematically empower SEA with its experience in China, with the aim of continuously reducing the costs of each operational procedure. The empowerment of China experience will help the Company consistently gain technological, experience and cost advantages in SEA and maintain a dominant position in the market competition.

In China, the Company's market share has been increasing since the establishment of its network in 2020, and the Company is currently ranked No. 6 in the industry, and ranks No. 5 among express delivery operators in the network partner model in China. The Company will not stop the pace of progress, and will continue to enhance and consolidate its market position. (i) The Company continues to optimize its operating network and reduce the cost per parcel, in particular, the transportation and sorting cost per parcel; (ii) the Company will reach more customers and gain more high-quality customers by improving service quality and brand image.

Steadily Increasing its Market Position in the Countries of the New Markets

In the New Markets, which the Company has been exploring since 2022, the Company has been upgrading its infrastructure for more than two years and improving the range and density of network coverage to ensure coverage in more areas and meet the growing logistics needs of customers. The Company hopes to further enhance its market position in the countries of the New Markets. (i) The Company will seize the historic opportunities for the development of e-commerce express delivery brought about by the globalization of e-commerce, and maintain good cooperative relationships with a number of globalized cross-border e-commerce platforms; (ii) the Company notes that globalized e-commerce platforms are increasing their investment in semi-custodial and local-to-local business models, the Company will continue to strengthen its pickup and delivery and delivery capabilities, and to provide solid service support for the transformation of its customers' business models by leveraging on its well-established network coverage capabilities; (iii) the Company has further enhanced its network capacity by increasing investment in equipment of sorting centers, increasing line-haul vehicles, and building new outlets to meet the growing market demand.

Continuing to Reduce Costs through Refined Management and Empowering Overseas Markets with its Experience in China

The Company continues to carry out refined management in the areas of picking-up, sorting, transportation and dispatching to improve operational efficiency and reduce costs. In particular, the Company systematically empowers SEA and the New Markets with its advanced and mature express delivery technology and experience in China, helping the countries to gain advantages in technology and experience and continuously reduce costs. (i) The Company will continue to cautiously and selectively purchase lands in key transportation hub areas to expand our sorting centers. This can continuously optimize the layout and routing plan of sorting centers, and improve overall operational efficiency; (ii) the Company plans to invest more automated sorting machines, continue to standardize the operating procedures and implement real-time monitoring and data analysis. This will significantly improve sorting efficiency and accuracy, reduce human errors, ensure the quick and accurate arrival of goods, and enhance overall service quality; (iii) the Company will continue to increase the proportion of its own vehicles and reduce transportation costs by integrating the resources of its self-owned vehicles and third-party carriers, optimizing line-haul route planning, and increasing loading rates; (iv) the Company adjusted the density and location of its outlets based on local operating conditions, optimized its delivery routes, enhanced its carrying capacity and operational efficiency of individual outlets, and continued to reduce the terminal pickup and delivery cost.

Capturing the New Changes in the Business Flow brought about by the E-Commerce Globalization

The trend of e-commerce globalization has been deepening in recent years, with TikTok, Temu, Shein, AliExpress and other e-commerce platforms continuing to expand their global e-commerce networks, leading to new changes in the business flow and bringing new opportunities to the e-commerce express delivery market. Our global network enables the Company to best serve the fast-growing cross-border e-commerce retail markets, helping connect merchants and consumers from different markets. With its well-established local network coverage and infrastructure in SEA and the New Markets, the Company provides cross-border e-commerce platforms with high-quality last-mile delivery services to help solve their challenges of how to effectively reach end consumers. Meanwhile, the Company has witnessed more cross-border e-commerce platforms exploring and vigorously expanding semi-custodial and local-to-local e-commerce businesses. The Company is optimistic about and supportive of this strategy. With its well-established coverage network, the Company can conduct efficient full-territory pick-up services, enabling e-commerce platforms to better reach scattered merchants and consumers, and support customers' new products and new strategies. The Company will leverage the advantages of its global network to further capitalize on the tremendous growth opportunities arising from the booming cross-border e-commerce.

Strengthening Brand and Continuing to Explore Non-platform Parcels to Enhance Profitability

In China, the Company believes that it is a "difficult but right" strategy to continue to enhance the brand awareness of its customers and optimize its customer structure. The Company continues to develop brand customers and small and medium-sized customers, who are more adhesive to express delivery companies and are willing to pay higher express delivery prices for better services. The Company has continued to train its network partners on customer development experience and has adopted a number of incentive policies to work with network partners in market development so as to enhance the quality of customers and profitability of both the Company and its network partners.

In SEA and the New Markets, the Company's major customers are e-commerce platforms, which provide the Company with large-scale parcels, supporting network-wide economies of scale and lowering unit costs. Meanwhile, the Company continues to explore non e-commerce platform customers, including social media merchants, enterprises and individuals, these customers are more affordable and profitable, which helps the Company to improve its profitability.

V. REVIEW OF FINANCIAL RESULTS

1. Consolidated Income Statement for the Year Ended 31 December 2024 and the Year Ended 31 December 2023

	For the year ended 31 December	
	2024	2023
	USD'000	USD'000
Revenue	**10,259,104**	8,849,251
Cost of revenue	**(9,180,889)**	(8,376,453)
Gross profit	**1,078,215**	472,798
Selling, general and administrative expenses	**(826,715)**	(2,157,413)
Research and development expenses	**(48,889)**	(46,091)
Net provision for impairment losses on financial assets	**(11,266)**	(26,928)
Other income	**10,227**	46,263
Other gains/(losses) – net	**8,971**	(55,179)
Operating profit/(loss)	**210,543**	(1,766,550)
Finance income	**40,671**	24,755
Finance costs	**(126,175)**	(105,089)
Finance costs – net	**(85,504)**	(80,334)
Fair value change of financial assets and liabilities at fair value through profit or loss	**4,463**	707,925
Share of results of associates	**(352)**	(237)
Profit/(loss) before income tax	**129,150**	(1,139,196)
Income tax expense	**(15,446)**	(17,182)
Profit/(loss) for the year	**113,704**	(1,156,378)
Non-IFRS measure:		
Adjusted net profit/(loss)	**200,333**	(432,277)
Adjusted EBIT	**301,283**	(334,761)
Adjusted EBITDA	**778,279**	146,694

2. Segment Information (Non-IFRS Measure)

The geographic segment information for the year ended 31 December 2024 and the year ended 31 December 2023 is presented below:

	For the year ended 31 December 2024					
	SEA USD'000	China USD'000	New Markets USD'000	Cross-border USD'000	Unallocated USD'000	Total USD'000
Segment revenue	**3,220,892**	**6,388,135**	**575,550**	**74,527**	**–**	**10,259,104**
Segment cost	**(2,587,661)**	**(5,965,746)**	**(545,886)**	**(81,596)**	**–**	**(9,180,889)**
Segment gross profit (loss)	**633,231**	**422,389**	**29,664**	**(7,069)**	**–**	**1,078,215**
Adjusted EBITDA	**455,630**	**427,290**	**(42,997)**	**(28,972)**	**(32,672)**	**778,279**
Adjusted EBIT	**302,744**	**147,199**	**(76,465)**	**(39,244)**	**(32,951)**	**301,283**

	For the year ended 31 December 2023					
	SEA USD'000	China USD'000	New Markets USD'000	Cross-border USD'000	Unallocated USD'000	Total USD'000
Segment revenue	2,633,417	5,229,255	326,802	659,777	–	8,849,251
Segment cost	(2,163,087)	(5,170,433)	(325,152)	(717,781)	–	(8,376,453)
Segment gross profit (loss)	470,330	58,822	1,650	(58,004)	–	472,798
Adjusted EBITDA	375,685	30,730	(81,662)	(106,961)	(71,098)	146,694
Adjusted EBIT	203,343	(236,488)	(111,331)	(118,968)	(71,317)	(334,761)

	For the six months ended 31 December 2024					
	SEA USD'000	**China USD'000**	**New Markets USD'000**	**Cross-border USD'000**	**Unallocated USD'000**	**Total USD'000**
Segment revenue	**1,700,905**	**3,389,875**	**283,958**	**22,670**	**–**	**5,397,408**
Segment cost	**(1,354,959)**	**(3,181,375)**	**(289,316)**	**(29,275)**	**–**	**(4,854,925)**
Segment gross profit (loss)	**345,946**	**208,500**	**(5,358)**	**(6,605)**	**–**	**542,483**
Adjusted EBITDA	**247,860**	**228,364**	**(35,156)**	**(21,739)**	**8,168**	**427,497**
Adjusted EBIT	**167,963**	**87,604**	**(53,955)**	**(26,553)**	**7,981**	**183,040**

	For the six months ended 31 December 2023					
	SEA USD'000	China USD'000	New Markets USD'000	Cross-border USD'000	Unallocated USD'000	Total USD'000
Segment revenue	1,387,341	3,026,185	194,045	211,241	–	4,818,812
Segment cost	(1,137,129)	(2,950,278)	(168,937)	(283,210)	–	(4,539,554)
Segment gross profit (loss)	250,212	75,907	25,108	(71,969)	–	279,258
Adjusted EBITDA	191,625	75,697	(26,490)	(95,702)	(37,605)	107,525
Adjusted EBIT	110,978	(53,354)	(38,898)	(102,954)	(37,721)	(121,949)

3. Revenue

3.1 Revenue by nature:

	For the year ended 31 December			
	2024 USD'000	**Percentage %**	2023 USD'000	Percentage %
Express delivery services	**9,980,319**	**97.3**	8,086,778	91.4
Cross-border services	**74,527**	**0.7**	659,777	7.5
Rental income	**71,178**	**0.7**	54,924	0.6
Sale of accessories	**64,048**	**0.6**	33,177	0.4
Others	**69,032**	**0.7**	14,595	0.1
Total	**10,259,104**	**100.0**	8,849,251	100.0

Revenue of the Group increased by 15.9% from US$8,849.3 million in 2023 to US$10,259.1 million in 2024, mainly due to the increase in e-commerce penetration rate while actively expanding into non e-commerce platform customers, contributing to continuous growth of revenue from express delivery services in 13 countries.

Revenue from express delivery services

Revenue from express delivery services increased by 23.4% from US$8,086.8 million in 2023 to US$9,980.3 million in 2024, primarily due to the increase in related service revenues from the growth in our express delivery business for our customers. The growth in revenue from express delivery services was primarily due to our total parcel volume in SEA, China and New Markets increased by 31.0% from 18.81 billion in 2023 to 24.65 billion in 2024.

Revenue from cross-border services

Revenue from cross-border services was US$659.8 million in 2023, while US$74.5 million in 2024. The decrease is consistent with our strategic restructuring of the business to focus on B2B. Cross-border services primarily engaged in port-to-port line-haul transportation, offering customers one-stop professional customized services.

Rental income

Rental income increased by 29.6% from US$54.9 million in 2023 to US$71.2 million in 2024, mainly attributable to the growth in rental income from recycling packages in China.

Revenue from sale of accessories

Revenue from sale of accessories increased by 93.0% from US$33.2 million in 2023 to US$64.0 million in 2024, mainly due to an increase in the sale of express-related materials.

Other income

Other income increased by 373.0% from US$14.6 million in 2023 to US$69.0 million in 2024, mainly due to the growth in transportation revenue and value-added services income from self-owned transportation platform.

3.2 Revenue by geographic segment:

The following table sets forth a breakdown of revenue by geographic segment, absolute amounts and as percentages of total revenue for the periods indicated:

	For the year ended 31 December			
	2024 USD'000	**Percentage %**	2023 USD'000	Percentage %
SEA	**3,220,892**	**31.4**	2,633,417	29.8
China	**6,388,135**	**62.3**	5,229,255	59.1
New Markets	**575,550**	**5.6**	326,802	3.7
Cross-border	**74,527**	**0.7**	659,777	7.4
Total	**10,259,104**	**100.0**	8,849,251	100.0

SEA: Revenue in SEA increased by 22.3% from US$2,633.4 million in 2023 to US$3,220.9 million in 2024, mainly due to our parcel volume in SEA increased by 40.8% from 3,240.0 million in 2023 to 4,563.2 million in 2024, with a market share of 28.6%. The growth in parcel volumes is attributable to our continued deepening of relationships with our e-commerce partners through the provision of high quality and competitively priced services, capitalizing on the rapid growth of the e-commerce market and the rise of social e-commerce.

China: Revenue in China increased by 22.2% from US$5,229.3 million in 2023 to US$6,388.1 million in 2024, primarily due to the rapid increase of our parcel volume in China. Our parcel volume in China increased by 29.1% from 15,341.4 million in 2023 to 19,801.2 million in 2024, and our market share in 2024 accounted for 11.3%. The increases in our parcel volume and market share were driven by (i) deepening our cooperation with existing e-commerce platforms and expanding our cooperation with other e-commerce platforms to diversify the sources of packages; and (ii) improved service quality and enhanced brand image that facilitated the client sourcing abilities of ours and our network partners.

New Markets: Revenue in New Markets increased by 76.1% from US$326.8 million in 2023 to US$575.6 million in 2024, mainly due to the rapid growth of our parcel volume in New Markets. Our parcel volume in New Markets increased by 22.1% from 230.3 million in 2023 to 281.2 million in 2024, and our market share in 2024 accounted for 6.1%. The growth in parcel volume is mainly attributable to our expanding and deepening cooperation with cross-border e-commerce platforms and local e-commerce platforms to capitalize on the new opportunities of the e-commerce market growth by leveraging on our increasing network capacity, while at the same time vigorously developing non e-commerce platforms for individual parcels.

Cross-border: Our revenue decreased by 88.7% from US$659.8 million in 2023 to US$74.5 million in 2024, mainly due to the transformation of the business, with a focus on port-to-port line-haul transportation services.

4. Economic Benefits per Parcel

SEA:

	For the year ended 31 December			
	2024	**Percentage**	2023	Percentage
	US$	**%**	US$	%
Revenue per parcel	**0.71**	**100.0**	0.81	100.0
Cost per parcel	**0.57**	**80.3**	0.67	82.7
Including: Pickup and delivery cost	**0.36**	**50.7**	0.40	49.4
Transportation cost	**0.15**	**21.1**	0.17	21.0
Sorting cost	**0.05**	**7.1**	0.09	11.1
Other cost	**0.01**	**1.4**	0.01	1.2

Revenue per parcel: Revenue per parcel in SEA was US$0.71 in 2024, compared to that of US$0.81 in 2023. The decrease in revenue per parcel was primarily due to (i) our promotional activities and strategic price adjustments to maintain our edge in the highly competitive SEA market; and (ii) our continued efforts to expand our e-commerce platform customers and increase our parcel volume, and expand our market share.

Cost per parcel: The overall cost per parcel in SEA decreased from US$0.67 in 2023 to US$0.57 in 2024, mainly due to the Company's systematic empowerment of its China express delivery operation experience to SEA and continued optimization in various segments.

Pickup and delivery: As of 31 December 2024, the Company had approximately 9,800 outlets in SEA and managed approximately 1,700 network partners. The Company adjusted the density and location of its outlets based on local operating conditions, and enhanced their operating efficiency. The Company focused on continuous optimization of the management system and structure to improve the efficiency of the staff in outlets, and through a rationalized remuneration structure, such as volume-related pay, it encouraged its couriers to be proactive in pickup and delivery and work together to provide customers with high-quality services. The Company's pickup and delivery cost per parcel decreased from US$0.40 in 2023 to US$0.36 in 2024.

Transportation: As of 31 December 2024, the Company operated approximately 4,600 line-haul vehicles in SEA, of which approximately 1,700 were self-owned line-haul vehicles, representing an increase of 400 self-owned vehicles as compared to that as of 31 December 2023. The Company constantly built a more efficient self-operated fleet, improved the number and utilization rate of its self-owned vehicles, and introduced more third-party carrier resources for price comparison in order to ensure vehicle demand during peak seasons and reduce transportation costs. The Company customized and improved transportation models according to the needs of different countries in order to comprehensively reduce procurement and maintenance costs of vehicles. The company combined China experience with local business conditions for operational optimization, helping to optimize line-haul route planning, increase vehicle utilization efficiency and loading rates, and continuously reduce transportation costs. The Company's transportation cost per parcel decreased from US$0.17 in 2023 to US$0.15 in 2024.

Sorting: As of 31 December 2024, the Company operated 120 sorting centers in SEA. The Company timely renovated and upgraded its sorting centers and invested in automated sorting equipment in key sorting centers to enhance sorting efficiency. As of 31 December 2024, the Company had 51 sets of automated sorting equipment in SEA, representing an increase of 16 sets as compared to that as of 31 December 2023. The company's equipment subsidiary operates globally, exporting China's advanced express delivery equipment and equipment system to SEA. At the same time, the Company will continue to upskill sorting personnel in conjunction with the use of the automated equipment, and provide digital management tools to support sorting centers managers, so as to enhance the per capita sorting efficiency and reduce the labor cost per parcel. The Company's sorting cost per parcel decreased from US$0.09 in 2023 to US$0.05 in 2024.

China:

	For the year ended 31 December			
	2024	**Percentage**	2023	Percentage
	US$	**%**	US$	%
Revenue per parcel	**0.32**	**100.0**	0.34	100.0
Cost per parcel	**0.30**	**93.8**	0.34	100.0
Including: Pickup and delivery cost	**0.19**	**59.4**	0.20	58.8
Transportation cost	**0.06**	**18.8**	0.07	20.6
Sorting cost	**0.05**	**15.6**	0.06	17.6
Other cost	**0.00**	**0.0**	0.01	3.0

Revenue per parcel: Revenue per parcel in China was US$0.32 in 2024, compared to US$0.34 in 2023. In 2024, the Chinese market was highly competitive. The Company appropriately adjusted its competitive strategy in light of changes in the competitive environment, and at the same time, proactively tapped into high-quality customers such as branded customers, reverse logistic parcels and individual parcels business through cost-effective services and optimized the customer structure, providing a support for the Company's price.

Cost per parcel: China's overall cost per parcel declined from US$0.34 in 2023 to US$0.30 in 2024. In 2024, the Company continued to carry out refined management and optimization of operations in each process in China.

Pickup and delivery: As of 31 December 2024, the Company had approximately 5,500 network partners and operated more than 7,000 outlets in China, representing a decrease as compared to that as of 31 December 2023. The Company has continued to consolidate and replace its network partner and outlets through comprehensive grading systems to enhance the overall express delivery network capacity and strengthen the healthy operation of individual network partner and outlet. With the rapid growth in the volume of parcels, the payout policy can be further improved by subdividing the payout for different kilogram segments in accordance with industry practice. Meanwhile, the Company has made efforts to promote the investment in automated sorting machines at outlets and the construction of service stations, to increase the efficiency and stability of outlets. The Company's pickup and delivery cost per parcel amounted to US$0.19 in 2024 and US$0.20 in 2023.

Transportation: As of 31 December 2024, the Company operated more than 7,100 line-haul vehicles in China, of which more than 4,900 were self-owned line-haul vehicles, representing an increase of more than 1,100 self-owned line-haul vehicles as compared to that as of 31 December 2023. The Company continued to increase the investment in its self-owned line-haul vehicles, flexibly adjusted the dispatching of self-owned vehicles and third-party carriers according to different routes to enhance the efficiency of vehicle management. The Company has increased the investment in self-developed technologies to optimize the configuration of different types of vehicles and reduce the use of temporary vehicles through real-time monitoring the parcel structure and route shipment situation, meanwhile, rapid growth in parcel volume allows the Company to use more high-capacity vehicles to increase the loading rate of the vehicles and reduce the overall cost of transportation. The transportation cost per parcel was US$0.06 in 2024, representing a decrease of US$0.01 as compared to US$0.07 in 2023.

Sorting: As of 31 December 2024, the Company operated 83 sorting centers in China, which are mainly leased. The Yangzhou's self-built sorting center of the Company has come into operation in the fourth quarter of 2024. In 2024, the Company invested in additional 27 sets of automated sorting machines in China and piloted new automated equipment in some of its sorting centers to effectively solve the problems of large floor area and poor flexibility of traditional sorting equipment, significantly enhancing the efficiency of goods sorting and reducing reliance on manpower. At the same time, the Company enhanced the overall sorting efficiency through improvement of the efficiency of the operators, speeding up of the equipment and other manners. Sorting cost per parcel was US$0.05 in 2024, compared to US$0.06 in 2023.

New Markets:

	For the year ended 31 December			
	2024 US$	**Percentage %**	2023 US$	Percentage %
Revenue per parcel	**2.05**	**100.0**	1.42	100.0
Cost per parcel	**1.94**	**94.6**	1.41	99.3
Including: Pickup and delivery cost	**1.20**	**58.5**	0.84	59.2
Transportation cost	**0.31**	**15.1**	0.26	18.3
Sorting cost	**0.33**	**16.1**	0.24	16.9
Other cost	**0.10**	**4.9**	0.07	4.9

Revenue per parcel: Revenue per parcel in New Markets was US$2.05 in 2024, compared to US$1.42 in 2023, primarily due to changes in the structure of parcel volumes in New Markets across countries and e-commerce platforms, as well as continued growth in the number of high-quality, non-platform customers.

Cost per parcel: Cost per parcel in New Markets was US$1.94 in 2024, compared to US$1.41 in 2023. Apart from the impact brought about by the change in parcel volume structure, the Company remains highly optimistic about the future development of the New Markets. Therefore, it has been continuously enhancing the infrastructure construction in the New Markets. In 2024, 900 new outlets were added, along with 2 sets of new automated sorting equipment, in preparation for the growing capacity needs of customers.

5. Cost of Revenue and Expenses

5.1 Costs and expenses by nature

	For the year ended 31 December	
	2024	2023
	USD'000	USD'000
Fulfilment costs	**5,069,992**	4,172,929
Line-haul costs	**1,841,330**	2,190,025
Employee benefit expenses	**1,385,283**	1,194,030
Other labour costs	**647,684**	513,922
Depreciation and amortization	**476,996**	481,455
Short-term leases	**194,693**	129,121
Materials	**115,892**	107,752
Advertising and marketing expenses	**13,810**	37,469
Auditors' remuneration	**2,650**	2,982
Share-based compensation expenses		
– related to regional sponsors	**–**	158,442
– related to equity transactions	**–**	1,258,131
Listing expenses	**–**	8,390
Others	**308,163**	325,309
Total	**10,056,493**	10,579,957

The Group's total cost of revenue and expenses remained relatively stable over the two years, totaling US$10,056.5 million in 2024 compared to US$10,580.0 million in 2023, primarily attributable to increases in our fulfillment costs in line with the increased parcel volume in 2024; and a significant decrease in the share-based payments and expenses in 2024.

Fulfillment costs: With the expansion of our network and the increase in parcel volume, our fulfillment costs increased by 21.5% from US$4,172.9 million in 2023 to US$5,070.0 million in 2024. Our fulfillment costs accounted for 47.2% and 49.4% of our revenue in 2023 and 2024, respectively.

Employee benefit expenses: Employee benefit expenses increased by 16.0% from US$1,194.0 million in 2023 to US$1,385.3 million in 2024. Employee benefit expenses as a percentage of our total revenue was 13.5% for both the year of 2023 and 2024.

Other labor costs: As the increase in our parcel volume, our other labor costs increased by 26.0% from US$513.9 million in 2023 to US$647.7 million in 2024. Other labor costs accounted for 5.8% and 6.3% of our revenue in 2023 and 2024, respectively.

Depreciation and amortization: Our depreciation and amortization costs decreased slightly by 0.9% from US$481.5 million in 2023 to US$477.0 million in 2024.

5.2 Cost by geographic segment

	For the year ended 31 December			
	2024 USD'000	**Percentage %**	2023 USD'000	Percentage %
SEA	**2,587,661**	**28.2**	2,163,087	25.8
China	**5,965,746**	**65.0**	5,170,433	61.7
New Markets	**545,886**	**5.9**	325,152	3.9
Cross-border	**81,596**	**0.9**	717,781	8.6
Total	**9,180,889**	**100.0**	8,376,453	100.0

SEA: Cost in SEA increased by 19.6% from US$2,163.1 million in 2023 to US$2,587.7 million in 2024, mainly due to the parcel volume in SEA increased by 40.8% from 3,240.0 million to 4,563.2 million during the same period, and fulfillment costs consequently increased as a result of the increase in parcel volume.

China: Cost in China increased by 15.4% from US$5,170.4 million in 2023 to US$5,965.7 million in 2024, mainly due to China's parcel volume increased by 29.1% from 15,341.4 million to 19,801.2 million during the same period, which was accompanied by an increase in express delivery fulfillment costs, transportation costs and distribution and transfer costs as a result of the increase in parcel volume.

New Markets: Cost in New Markets increased by 67.9% from US$325.2 million in 2023 to US$545.9 million in 2024. Parcel volume in New Markets increased by 22.1% from 230.3 million to 281.2 million during the same period, mainly due to the rapid development of infrastructure in New Markets, the self-built networks and sorting and transfer centers, the introduction of platform customers to satisfy diversified customer needs and to provide customers with better logistics service experience, and express delivery-related costs incurred in line with the expansion of the business and network coverage.

Cross-border: Cost in cross-border business decreased by 88.6% from US$717.8 million in 2023 to US$81.6 million in 2024, mainly due to the restructuring of the business to focus on B2B business from 2023 onwards, resulting in a reduction in costs. Cost in cross-border business mainly include the cross-border business palletization and customs clearance fees, etc.

6. Gross Profit and Gross Profit Margin

	For the year ended 31 December			
	2024 USD'000	Gross profit margin %	2023 USD'000	Gross profit margin %
SEA	**633,231**	**19.7**	470,330	17.9
China	**422,389**	**6.6**	58,822	1.1
New Markets	**29,664**	**5.2**	1,650	0.5
Cross-border	**(7,069)**	**(9.5)**	(58,004)	(8.8)
Total	**1,078,215**	**10.5**	472,798	5.3

The Group's gross profit margin increased from 5.3% in 2023 to 10.5% in 2024.

SEA: gross profit margin increased from 17.9% in 2023 to 19.7% in 2024.

China: gross profit margin increased from 1.1% in 2023 to 6.6% in 2024.

New Markets: gross profit margin increased from 0.5% in 2023 to 5.2% in 2024.

Cross-border: gross profit margin recorded a loss of 9.5% in 2024 and a loss of 8.8% for the same period in 2023.

7. Selling, General and Administrative Expenses

	For the year ended 31 December	
	2024 USD'000	2023 USD'000
Employee benefit expenses	**553,268**	524,341
Share-based payments related to equity transactions	**–**	1,258,131
Other share-based expenses	**–**	158,442
Office related expenses	**31,356**	30,401
Professional service fees	**39,649**	49,996
Promotion and marketing expenses	**13,701**	36,914
Depreciation and amortization	**61,064**	69,665
Others	**127,677**	29,523
Total	**826,715**	2,157,413

Our selling, general and administrative expenses primarily consist of (i) employee benefit expenses, including salaries, bonus, other compensation and share-based compensation expenses related to employee benefits to our staff, (ii) share-based payments related to equity transactions, (iii) other share-based expenses, (iv) office related expenses, (v) professional service fees including auditor's remuneration, listing-related service fees and fees for other consulting services, (vi) promotion and marketing expenses relating to branding initiatives and advertising activities, (vii) depreciation and amortization of our right-of-use assets in relation to the leases of our offices, and (viii) other selling, general and administrative expenses.

Selling, general and administrative expenses decreased by 61.7% from US$2,157.4 million in 2023 to US$826.7 million in 2024. This decrease was primarily due to our share-based payments and expenses totaling US$1,462.4 million in 2023 compared to share-based payments and expenses totaling US$86.6 million in 2024.

8. Adjusted EBITDA:

	For the year ended 31 December			
	2024 USD'000	**Adjusted EBITDA %**	2023 USD'000	Adjusted EBITDA %
SEA	**455,630**	**14.1**	375,685	14.3
China	**427,290**	**6.7**	30,730	0.6
New Markets	**(42,997)**	**(7.5)**	(81,662)	(25.0)
Cross-border	**(28,972)**	**(38.9)**	(106,961)	(16.2)
Unallocated	**(32,672)**	**N/A**	(71,098)	N/A
Total	**778,279**	**7.6**	146,694	1.7

The Company's overall adjusted EBITDA increased significantly by 430.5% from a profit of US$146.7 million in 2023 to a profit of US$778.3 million in 2024.

SEA: Adjusted EBITDA in 2024 was US$455.6 million, representing a year-on-year increase of 21.3% compared to US$375.7 million in 2023, and adjusted EBITDA margins in 2023 and 2024 were 14.3% and 14.1%, respectively, remaining relatively stable over the two years. With the increase of the Company's parcel volume, it maintains a healthy and sustainable profitability in SEA by continuing to expand its scale efficiency and replicating its experience in express delivery operations in China, while simultaneously improving its operational and management efficiency.

China: China's adjusted EBITDA in 2024 was US$427.3 million, an increase of 1,290.5% from US$30.7 million in 2023, primarily due to the Company's continued refinement of operations to reduce costs and expenses per parcel. The adjusted EBITDA margin in 2023 was 0.6%, while the adjusted EBITDA margin in 2024 was 6.7%.

New Markets: Adjusted EBITDA of New Markets recorded a loss of US$43.0 million in 2024, while the adjusted EBITDA recorded a loss of US$81.7 million in 2023. The adjusted EBITDA margin improved from negative 25.0% in 2023 to negative 7.5% in 2024, representing a significant narrowing of losses. In 2024, the newly opened markets continued to expand their cooperative relationships with cross-border and local customers. The rapid growth in parcel volume led to the emergence of economies of scale.

Cross-border: Adjusted EBITDA recorded a loss of US$29.0 million in 2024, representing a significant narrowing of losses from a loss of US$107.0 million in 2023. This was mainly due to the Company's strategic adjustments to shut down its cross-border B2C business and focus on port-to-port line-haul transportation.

Unallocated: Unallocated mainly consists of (i) general and administrative expenses, foreign exchange gains and losses and other expenses incurred by holding companies; (ii) fair value change on financial liabilities of the Group; and (iii) fair value change on financial assets of the Group. Adjusted EBITDA recorded a loss of US$32.7 million in 2024, compared to the adjusted EBITDA of a loss of US$71.1 million in 2023, primarily due to fair value change on financial liabilities of the Group.

9. Finance Costs – Net

	For the year ended 31 December	
	2024 USD'000	2023 USD'000
Interest income from bank deposits	**40,671**	24,755
Interest expenses on lease liabilities	**(31,330)**	(29,521)
Interest expenses on borrowings	**(94,845)**	(75,568)
Total	**(85,504)**	(80,334)

The financial cost in 2024 was US$85.5 million, a 6.4% increase compared to US$80.3 million in 2023, primarily interest expenses on borrowings.

10. Other Income

	For the year ended 31 December	
	2024 USD'000	2023 USD'000
Subsidy income	**4,748**	41,620
Interest income on loans to third parties	**5,479**	4,643
Total	**10,227**	46,263

Other income primarily consists of subsidy income and interest income on loans to third parties. Subsidy income was mainly related to (i) incentives in the PRC provided by local governments based on the amounts of current deductible input value-added tax, and (ii) subsidies provided by local governments for economic recovery plans in SEA countries. Other income was US$10.2 million and US$46.3 million in 2024 and 2023, respectively, with the year-over-year fluctuations primarily due to changes in policy.

11. Non-IFRS Measures

To supplement our consolidated results which are prepared and presented in accordance with IFRS, we use adjusted profit/(loss) (a non-IFRS measure), adjusted EBITDA (a non-IFRS measure) and adjusted EBIT (a non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures facilitate comparisons of results of operations from period to period and company to company by eliminating the potential impact of items, such as certain non-cash items, transactions and items associated with the listing. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, or superior to, our results of operations or financial conditions as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

12. Liquidity and Financial Resources

The Group is committed to establishing a scientific, standardized and efficient liquidity and financial resources management system and implementing unified financial policies and controls over its operating companies to ensure the safety, liquidity and value-added of the group funds, so as to support the Group's strategic development and safeguard the rights and interests of shareholders, creditors and other stakeholders.

The Group's functional currencies mainly consist of RMB, USD, HKD and IDR. As at 31 December 2024, approximately 78.0% of the Group's cash and cash equivalents were denominated in these four currencies; the remaining currencies include VND, PHP, THB, BRL, EUR and others.

The Group's cash generated from operating activities in 2024 amounted to US$807.4 million, while the cash generated from operating activities in 2023 was US$342.0 million. As of 31 December 2024, the Group had total cash and cash equivalents of US$1,596.9 million and the total borrowings under current liabilities of US$262.6 million. The Group continuously obtains quality financial credit in combination with the better financial environment in the location of the operating entity. As of 31 December 2024, the Group's unutilized financial credit amounts to US$79.9 million, and the Group's available capital is sufficient to maintain the Group's continuous and good operation.

As at 31 December 2024, the Group's gearing ratio (the percentage of total liabilities to total assets) was 65.4% (31 December 2023: 62.4%).

13. Foreign Exchange Risk

The Group's subsidiaries primarily operate in the PRC, Indonesia, the Philippines, Malaysia, Thailand, Vietnam and other countries. The transactions of those subsidiaries were generally settled in local currencies. Therefore, foreign exchange risk primarily arises from recognized assets and liabilities in the Group's subsidiaries in the abovementioned countries when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to overseas business partners.

For the Group's subsidiaries whose functional currency is RMB, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, the profit before income tax for the years ended 31 December 2024 and 2023, would have been approximately USD 4,260,000 lower/higher and USD4,055,000 higher/lower respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

For the Group's subsidiaries whose functional currency is IDR, if IDR had strengthened/weakened by 5% against USD with all other variables held constant, the profit before income tax for the years ended 31 December 2024 and 2023 would have been approximately USD 7,708,000 higher/lower and USD2,185,000 higher/lower respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

For the Group's subsidiaries whose functional currency is THB, if THB had strengthened/weakened by 5% against USD with all other variables held constant, the loss before income tax for the years ended 31 December 2024 and 2023 would have been approximately USD 22,687,000 lower/higher and USD185,000 higher/lower respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

For the Group's subsidiaries whose functional currency is VND, if VND had strengthened/weakened by 5% against USD with all other variables held constant, the profit before income tax for the years ended 31 December 2024 and 2023 would have been approximately USD 9,986,000 higher/lower and USD351,000 higher/lower, as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

For the Group's subsidiaries whose functional currency is MYR, if MYR had strengthened/weakened by 5% against USD with all other variables held constant, the profit before income tax for the year ended 31 December 2024 and loss before income tax for the year ended 31 December 2023 would have been approximately USD5,509,000 higher/lower and USD 451,000 lower/higher as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

For the Group's subsidiaries whose functional currency is SGD, if SGD had strengthened/weakened by 5% against USD with all other variables held constant, the loss before income tax for the years ended 31 December 2024 and 2023 would have been approximately USD 1,715,000 lower/higher and USD35,000 higher/lower respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

For the Group's subsidiaries whose functional currency is PHP, if PHP had strengthened/weakened by 5% against USD with all other variables held constant, the profit before income tax for the years ended 31 December 2024 and 2023 would have been approximately USD 5,260,000 higher/lower and USD4,454,000 lower/higher respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

14. Capital Expenditure

Our capital expenditures include our investments in property, plant and equipment, investment properties and intangible assets. Our total capital expenditures were US$555.3 million and US$474.6 million in 2024 and 2023 respectively.

15. Capital Commitment

Capital expenditures contracted for as at 31 December 2024 and 31 December 2023 but not yet incurred are as follows:

	As at 31 December	
	2024 USD'000	2023 USD'000
Buildings	**52,469**	117,311
Right-of-use assets	**4,039**	11,465
Vehicles	**24,892**	6,170
Total	**81,400**	134,946

16. Material Acquisitions and Disposals of Subsidiaries and Associates

In July 2024, Jet Global Express Limited, a subsidiary of the Group, issued 12,162,913 convertible notes to acquire the regional operating entity of the Mexican regional sponsors (the "**Mexican acquiree**").

With the assistance from an external valuer appointed by the Group, the Group applied the discounted cash flow method to determine the underlying equity value of Mexican acquiree. Accordingly, relevant goodwill totaling US$127,917,000 was recognised.

Save as disclosed above, the Group had no other material acquisitions or disposals of subsidiaries, associates and joint ventures in FY2024.

17. Employee and Remuneration Policy

The Group had 156,851 full-time employees as of 31 December 2024.

We offered our employees competitive compensation packages. We determine employee remuneration based on factors such as qualifications, expertise and years of relevant experience. In accordance with applicable laws and regulations, we currently participate in social insurance contribution plan organized by the relevant local governments, including but not limited to, pension insurance plan, medical insurance plan, unemployment insurance plan, a work-related injury insurance plan, maternity insurance plan and housing provident fund. We regularly provide our employees with training on ethics, work processes, internal policies, management, technical skills and other areas that are relevant to their daily work. We are constantly improving our training framework to empower and develop the careers of the various participants in our value chain.

18. Pledge of Assets

As of 31 December 2024, we pledged restricted deposits of US$29.5 million, as compared to US$32.6 million as of 31 December 2023. We had also pledged certain equipment and land use rights to secure borrowings, details of which are set out in Note 28 to the consolidated financial statements.

19. Significant Investments Held

Investments with fair value/market value of not less than 5% of the Group's total assets are significant investments of the Group. As of 31 December 2024, the Group held convertible bonds issued by Yimi with fair value of approximately US$476.4 million, which was included in the Group's financial assets at fair value through profit or loss. In 2024, the Group recognized a loss of approximately US$7.1 million from changes in the fair value of such investments.

Yimi Global Limited is a limited company incorporated in the Cayman Islands. Yimi and its subsidiaries are principally engaged in the industry of freight less-than truckload delivery business, covering transportation and loading, unloading and handling services. While stabilizing the Chinese domestic market, Yimi will continue to expand into overseas markets. In addition to the existing markets in Indonesia, Malaysia, and the Philippines, it will gradually enter Southeast Asian, European and American markets such as Vietnam, Thailand, and Mexico. In view of Yimi's promising development prospects, the Group believes that there are no indications that the convertible bonds issued by Yimi to the Group will default.

20. Future Plans for Material Investments and Capital Assets

As of 31 December 2024, the Group did not have plans for material investments or capital assets.

21. Contingent Liabilities

As of 31 December 2024, the Group did not have any material contingent liabilities.

V. Directors and Senior Management

PROFILE OF DIRECTORS

Executive Director

Mr. Jet Jie Li (李傑) ("Mr. Li"), aged 50, joined the Group in June 2015, is our founder, executive Director, Chief Executive Officer and chairman of the Board. Mr. Li is responsible for setting the strategic vision, direction and goals of our Group. Mr. Li has been a Director of Jumping Summit Limited (which is a controlling shareholder of the Company) since January 2022.

Mr. Li founded the J&T brand in Indonesia in June 2015 and has since leveraged on the Group's success to expand globally. Mr. Li used his extensive sales and entrepreneurial experience to drive our Group's rapid growth. Currently, our Group's core operations span 13 countries, including China, Indonesia, Vietnam, Malaysia, the Philippines, Thailand, Cambodia, Singapore, Saudi Arabia, UAE, Mexico, Brazil and Egypt.

Prior to founding our Group, Mr. Li spent more than 15 years of his career with OPPO, a Chinese consumer electronics and mobile communications company, where he was responsible for leading its global expansion efforts into Indonesia as well as other Asian markets such as Singapore, Malaysia and Japan. He served as the founder and chief executive officer of OPPO's first overseas exclusive sales agent, PT. Indonesia OPPO Electronics from February 2013 to June 2015. Previously, Mr. Li also served as general manager of Nanjing Baisheng Oppo Communication Equipment Co., Ltd. (南京百勝歐珀通訊設備有限公司) from February 2008 to February 2013, where he was responsible for the distribution of OPPO products in the Jiangsu and Anhui provinces; and as department manager at Jiangsu Baisheng Electronic Co., Ltd (江蘇百勝電子有限公司) from January 1999 to February 2008, where he was responsible for the sales of audiovisual products. In recognition of Mr. Li's significant contribution, the OPPO headquarters established the "Jet Lee" award in honor of Mr. Li to reward top salespeople in the global sales agencies.

Mr. Li obtained his bachelor's degree in marketing from the University of Science and Technology Beijing, the PRC, in 1998.

Non-executive Directors

Ms. Alice Yu-fen Cheng (鄭玉芬) ("Ms. Cheng"), aged 63, joined the Group in May 2020, is our non-executive Director. She is primarily responsible for providing strategic advice to the Board.

Previously, Ms. Cheng held various positions with Acer Inc., a Taiwanese computer manufacturer, culminating in the position of financial controller, from August 1988 to December 2002. From December 2002 to May 2005, Ms. Cheng served as a financial controller of Wistron Corporation, a Taiwanese original design manufacturer of notebook computers and other electronics. From May 2005 to July 2021, Ms. Cheng served as the chief financial officer of Guangdong BBK Electronics Industry Co., Ltd. (廣東步步高電子工業有限公司), a PRC-based manufacturer of audio-visual equipment, telephones and learning machines.

Ms. Cheng has been serving as an independent director of NetEase, Inc. (NASDAQ: NTES; HKEX: 9999) since June 2007 and is currently a member of the Audit Committee, Remuneration Committee, Nomination Committee, and the Chairman of Environmental, Social and Governance Committee.

Ms. Cheng obtained a bachelor's degree in Accounting from the Chinese Culture University in Taiwan in June 1983 and a master's degree in Business Administration in International Management from Thunderbird, the American Graduate School of International Management in December 2003. Ms. Cheng also received her license as a certified public accountant in Taiwan and the mainland of China in August 1993 and December 1994, respectively.

Ms. Qinghua Liao (廖清華) ("Ms. Liao"), aged 54, joined the Group in March 2022, is our non-executive Director. She is primarily responsible for providing strategic advice to the Board.

Prior to joining our Group, Ms. Liao held various positions in Zhongshan Xiaobawang Electronic Industry Co., Ltd. (中山小霸王電子工業有限公司), including development officer and assistant general manager, from April 1994 to July 1995. Ms. Liao then joined Guangdong BBK Electronics Industry Co., Ltd. (廣東步步高電子工業有限公司), where she spent more than 10 years of her career from August 1995 to October 2005, in different roles including the head of the human resources department, head of the adjustment and planning department, general manager, assistant factory director for the electronic gaming branch and head of the total quality management department for the electronic gaming branch, where she oversaw the operations and quality control processes within the company. She then joined BBK Education Electronics Co., Ltd. (步步高教育電子有限公司), where she served as head of the systems management department from November 2005 to July 2015 and chief information officer from July 2015 to March 2020. Ms. Liao has served as the operations manager of Guangdong Xiaotiancai Technology Co., Ltd. (廣東小天才科技有限公司) since March 2020.

Ms. Liao obtained her bachelor's degree in Information Management from Central China Normal University, the PRC in July 1992.

Mr. Yuan Zhang (張源) ("Mr. Zhang"), aged 56, joined the Group in May 2020, is our non-executive Director. He is primarily responsible for providing strategic advice to the Board.

Mr. Zhang served as the general manager of the Nanjing Branch of Zhongshan Xiaobawang Electronic Industry Co., Ltd. (中山市小霸王電子工業有限公司南京分公司) from December 1991 to December 1996. He has served as the founder, chairman and general manager of Jiangsu Baisheng Electronic Co., Ltd (江蘇百勝電子有限公司) since January 1997.

Mr. Zhang obtained a bachelor's degree in electronic engineering where he majored in radio technology, from Shanghai Jiao Tong University, the PRC, in July 1990.

Independent Non-executive Directors

Mr. Erh Fei Liu (劉二飛) ("Mr. Liu"), aged 66, joined the Group on 27 October 2023, is an independent non-executive Director of our Company. He is primarily responsible for supervising and providing independent judgement to the Board and serving as chairman and members of certain committees of the Board.

Mr. Liu is currently chief executive officer and founding partner of Asia Investment Capital (the manager of Asia Investment Fund). He was previously a co-founder of Cindat Capital Management Limited ("**Cindat**"), a global real estate investment platform. Prior to founding Cindat, Mr. Liu had a successful career as an investment banker. Mr. Liu worked as senior management in various financial institutions such as the head of investment banking for China at Goldman Sachs Group, Inc., the Managing Director of Merrill Lynch (Asia Pacific) Limited and the chairman of China region of Merrill Lynch Group. He was awarded the Asian Banker Skills-based Achievements Award in investment banking in 2006 by The Asian Banker.

Mr. Liu has been an independent non-executive Director of Qingling Motors Co. Ltd (HKEX: 1122) and VNET Group, Inc. (formerly known as 21Vianet Group, Inc., NASDAQ: VNET) since May 2015; and Frontage Holdings Corporation (HKEX: 1521) since April 2018. Mr. Erh Fei Liu was an independent non-executive director of Fortunet e-Commerce Group Limited (now known as Changyou Alliance Group Limited, HKEX: 1039), from March 2015 to April 2017; and Jiangxi Copper Company Limited (HKEX: 0358 and SSE: 600362) from July 2016 to October 2022.

Mr. Liu graduated from Harvard Business School, the United States, in June 1987 with a master's degree in business administration.

Mr. Peng Shen (沈鵬) ("Mr. Shen"), aged 37, joined the Group on 27 October 2023, is an independent non-executive Director of our Company. He is primarily responsible for supervising and providing independent judgement to the Board and serving as chairman and members of certain committees of the Board.

Mr. Shen is the founder and currently serves as the chairman of board of directors and chief executive officer of Waterdrop Inc. (NYSE: WDH). Prior to founding Waterdrop in 2016, in January 2010, Mr. Shen joined Meituan (HKSE: 03690), a leading e-commerce platform in China, at its early stage. He was also one of the founding team members of Meituan Waimai, which provides food delivery services. Mr. Shen participated in the operations of Meituan Waimai from September 2013 to April 2016, where he was responsible for different matters including internet R&D, formulating operational rules, and establishing and managing the business systems. In honor of his contributions to China's insurtech industry, digital clinical trial solutions business and other fields, as well as the establishment and operation of Waterdrop, Mr. Shen was named to Fortune China's list of the "2020 40 under 40 in China" and World Economic Forum's list of "2022 Young Global Leaders".

Mr. Shen received a master's degree in retail management from NEOMA Business School, France, in October 2013, an EMBA from Tsinghua University School of Economics and Management, PRC, in July 2019 and the degree of Doctor of Hotel and Tourism Management from the Hong Kong Polytechnic University in September 2022.

Mr. Peter Lai Hock Meng (賴學明) ("Mr. Lai"), aged 69, is an independent non-executive Director. Mr. Lai has been appointed as an independent non-executive Director since 18 May 2024.

Mr. Lai is currently a panel member of the Inquiry Committee of the Law Society of Singapore, the chief advisor and chairman of HML Consulting Group Pte Ltd, the independent director and deputy chairman of the investment committee of Char Yong (Dabu) Foundation Limited. Mr. Lai has served as the chairman and independent non-executive director, the chairman of nominating committee and the member of the audit committee and remuneration committee of CASA Holdings Limited (SGX-ST: C04) since March 2022, the independent non-executive director and the member of the audit committee, nominating committee and remuneration committee of DARCO Water Technologies Limited (SGX-ST: BLR) since July 2023, and the independent non-executive director of mm2 Asia Ltd. (SGX-ST: 1B0) since August 2024.

Prior to joining the Group, Mr. Lai had served as the managing director of Morgan Grenfell Asia & Partners Securities, the managing director of SocGen-Grosby Securities, and the regional market manager and vice president of private banking in OCBC Singapore. Mr. Lai had hold positions in the board of directors of several companies listed on securities markets in Singapore, Hong Kong and the United Kingdom, including Delong Holdings Limited (SGX-ST: BQO, delisted from the SGX-ST in September 2019), Success Dragon International Holdings Limited (the Stock Exchange: 1182), PureCircle Ltd (LSE: PURE, delisted from the London Stock Exchange in July 2020), etc.

Mr. Lai obtained a bachelor degree in arts major in economics from University of Cambridge in the United Kingdom in June 1980, and was conferred a master degree from University of Cambridge in the United Kingdom in February 1984. Mr. Lai is a chartered financial analyst with the CFA Institute in the United States of America since September 1992.

PROFILES OF SENIOR MANAGEMENT

Mr. Jet Jie Li, is our founder, executive Director, chairman of the Board and Chief Executive Officer. For details of Mr. Li's biography, please see "Executive Director" above.

Mr. Steven Suzhou Fan (樊蘇洲) ("Mr. Fan"), aged 39, is our Executive President and is responsible for the overall strategic planning, organizational development and overseeing the business operations of our Group.

Mr. Fan joined our Group in June 2015, and served as the regional sponsor in Bandung of West Java, Indonesia from June 2015 to September 2019, where he was responsible for coordinating the express delivery business in that region. Mr. Fan has served as our Executive President since January 2019.

Prior to joining our Group, Mr. Fan was a business supervisor at Nanjing Baisheng Oppo Communication Equipment Co., Ltd. (南京百勝歐珀通訊設備有限公司) from January 2009 to March 2013, where he was responsible for the distribution of OPPO's products in the Jiangsu province. He served as general manager of West Java at PT. Indonesia OPPO Electronics from February 2013 to June 2015.

Mr. Fan obtained a bachelor's degree in marketing from Henan Normal University, the PRC, in July 2008.

Mr. Charles Junyi Hou (后軍儀) ("Mr. Hou"), aged 56, is our Vice President. Mr. Hou joined our Group in October 2019 as Vice President and is responsible for the overall strategic planning, general management and execution of the business operations of our Group.

Mr. Hou has extensive experience in the logistics and international and domestic express delivery industries. He spent more than 15 years of his career with DHL – Sinotrans Ltd. ("**DHL Express**"), where he held various roles across multiple business units spanning information technology, gateway operations and ground operations before culminating in the position of Greater China Area Senior Adviser.

Mr. Hou then joined Shunfeng Express (Group) Limited (順豐速運(集團)有限公司), where he served as operations director from October 2010 to October 2013. He then served as senior operations director of YTO Express (Logistics) Co., Ltd (圓通速遞有限公司) from April 2014 to September 2015. Mr. Hou then expanded his career experience as an independent management consultant before serving as the co-founder and vice president of Shanghai Baisong Internet of Things Technology Co., Ltd. (上海佰頌物聯網科技有限公司) from April 2017 to July 2018. From July 2018 to October 2019, he served as deputy general manager of On Time Promise (承諾達特快) business unit in the YTO Group (圓通蛟龍集團).

Mr. Hou obtained his bachelor's degree in computer science from Shanghai Science and Technology University (currently known as Shanghai University), the PRC, in July 1989. He further obtained a master's degree of business administration from the joint MBA program between Webster University, the United States and Shanghai University of Finance and Economics, in December 2009.

Mr. Dylan Say Keong Tey (鄭世強) ("Mr. Tey"), aged 47, joined our Group in August 2021 as chief financial officer of the Company. He is responsible for overseeing our Group's finance, legal, investments and capital market activities. He has more than 20 years of financial and industry-related experience.

Mr. Tey started his career with Ernst & Young, Malaysia in January 1999 to October 2004, and last held the position of audit manager. He joined PricewaterhouseCoopers ZhongTian LLP ("**PwC China**") in November 2004 as audit manager, and was admitted to partnership in July 2011. From July 2011 to March 2018, Mr. Tey served as an audit partner in PwC China with focusing on the technology industry, while also managing the firm's relationship with a number of venture capital firms, and was a member of its private equity leadership team. He was the chief financial officer of We Doctor Holdings Limited, an online healthcare services company in China, from April 2018 to April 2019. Mr. Tey was the co-chief financial officer and senior vice president of Hello Inc. from May 2019 to August 2021, responsible for its finance and legal functions.

Mr. Tey received his bachelor's degree with a double major in accounting and finance from University of New South Wales, Australia in December 1998. He has been a member of the Chartered Accountants Australia & New Zealand and member of Malaysian Institute of Accountants since June 2002 and July 2002, respectively. Mr. Tey became a Certified Public Accountant in Hong Kong in January 2012 and he was admitted as a Fellow of Chartered Accountants Australia & New Zealand in November 2017.

JOINT COMPANY SECRETARIES

Ms. Quanxi Shang (尚泉汐) ("Ms. Shang"), has been appointed as the joint company secretary of the Company since 19 August 2024.

Ms. Shang joined the Group in October 2021 and currently serves as the director of legal and compliance of the Company, primarily responsible for overseeing the legal and compliance affairs of the Group, providing legal advice and support for the Group's investment and financing projects, and assisting with the Company's information disclosure.

Before joining the Company, Ms. Shang worked successively as a senior investment manager and a vice president at China Financial Services Holdings Limited (中國金融投資管理有限公司) (a company listed on the Stock Exchange, stock code: 605) from September 2018 to June 2021. From July 2017 to September 2018, she was a Senior Investment Manager at China Shun Ke Long Holdings Limited (中國順客隆控股有限公司) (a company listed on the Stock Exchange, stock code: 974). Between November 2016 and June 2017, Ms. Shang worked as a Corporate Finance Manager at Hong Kong International Capital Management Limited (香港國際資本管理有限公司). Prior to that, she served as Assistant to the Senior Partner at W K TO & CO SOLICITORS (杜偉強律師事務所) from July 2013 to October 2016.

Ms. Shang obtained her double bachelor's degrees in international politics and laws from Nanjing University in 2011 and her master of laws degree in international economic law from The Chinese University of Hong Kong in 2012.

Mr. Ching Kit Cheng (鄭程傑) ("Mr. Cheng"), has been appointed as the joint company secretary of the Company since 19 August 2024.

Mr. Cheng is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specialising in corporate services, and has over 12 years of experience in corporate secretarial field. He is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. In addition, he holds a bachelor of commerce degree in finance from the University of Queensland, Australia and a master of laws degree in Chinese law from the University of Hong Kong.

VI. Directors' Report

The Board is pleased to present this report together with the audited consolidated financial statements of the Group for the Reporting Period.

PRIMARY BUSINESS

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 24 October 2019, and its Shares were listed on the Main Board of the Stock Exchange on 27 October 2023. The Company is the holding company of the Group with businesses conducted through its subsidiaries and Consolidated Affiliated Entities controlled by the Company via the Contractual Arrangements. The Group is a global logistics service provider.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2024 is set out in the section headed "Management Discussion and Analysis" in this annual report. The main risks and uncertainties with which the Group may be faced are set out in the section headed "Directors' Report – main risks and uncertainties" in this annual report.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2024 are set out in the consolidated income statement on page 212 of this annual report.

The Board does not recommend the payment of a final dividend in respect of the year ended 31 December 2024. During the Reporting Period, none of the Shareholders waived or agreed to waive any dividends.

SHARE CAPITAL

Details of the Company's Shares issued during the Reporting Period are set out in Note 25 to the consolidated financial statements in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group for the year ended 31 December 2024 are set out in Note 15 to the consolidated financial statements in this annual report.

FINANCIAL SUMMARY

A summary of the condensed consolidated statement of comprehensive income, and condensed consolidated balance sheets of the Group is set out in the section headed "Financial Summary" in this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

To the knowledge of the Board, the Group was in all material respects in compliance with the laws and regulations that have a significant impact on the business and operation of the Group during the Reporting Period.

ENVIRONMENTAL POLICIES AND PERFORMANCE

For details of the Company's environmental protection, social responsibility, employee benefit and development, please refer to the section headed "Environmental, Social and Governance Report" in this annual report.

CHARITABLE AND OTHER DONATIONS

During the Reporting Period, the Group made a total donation of approximately US$1.9 million.

PRIMARY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Employees

We offer our employees competitive compensation packages and a merit-based work environment that encourages initiative, and as a result, we have generally been able to attract and retain qualified personnel and maintain a stable core management team. In addition, as required by applicable regulations, we participate in various government statutory employee benefit plans.

Customers

For our express delivery services, our customers include our network partners, e-commerce platforms, certain enterprise and individual customers, as well as our unconsolidated regional operating entities. For our cross-border services, our customers also include freight forwarders who place orders on behalf of their end customers. Our direct customers are primarily our network partners, e-commerce platforms, unconsolidated regional operating entities and other enterprise customers and individuals which require customized express delivery services.

Suppliers

Our suppliers primarily include service providers of third-party transportation services, human resources services and express delivery services, including our network partners and unconsolidated regional operating entities.

MAIN RISKS AND UNCERTAINTIES

The following list summarizes certain main risks and uncertainties with which the Group are faced:

- Our business and growth are highly dependent on the development of the e-commerce industry in the markets where we operate. Future developments of the e-commerce industry, to a significant extent, would depend on improvements in transportation and logistics infrastructure, developments of electronic payment system, government policies that govern the e-commerce industry including the social e-commerce sector, and other factors that are beyond our control;

- We face risks and challenges in managing global operations, entering into and expanding across a number of countries, which are caused by distance, cultural differences, underdeveloped infrastructure, industry competition and other factors;

- During the Reporting Period, we generated a majority of our parcels from or through e-commerce platforms. If we are unable to retain our status as a preferred service provider for e-commerce platforms and the merchants on these e-commerce platforms, our business volume may decrease significantly, which could adversely affect our business and results of operations;

- The behaviors of our regional sponsors, unconsolidated regional operating entities, network partners, and their employees and personnel could adversely affect our customer satisfaction, reputation, operations and financial performance;

- Possible impairment losses related to intangible assets, trade receivables, prepayments, other receivables and other assets may adversely affect our financial condition;

- The intense competition we face may adversely affect our operating results and market share;

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

- Telecommunications failures, errors encountered during system upgrades or system expansions, computer viruses, hacking or other attempts to disrupt our technology systems may materially and adversely affect our business, reputation, financial condition and results of operations;

- Illegal acts or misconduct by our third-party service providers could materially and adversely affect our reputation, brand image, business and financial condition;

- The impact of seasonal patterns and other events peculiar to the jurisdictions where we operate may cause our results of operations to fluctuate from time to time due to seasonality;

- Certain lease properties may not be renewed upon the expiration of the current term, and if we are unable to relocate the affected operations, our business and operations may be adversely affected;

- Labor unrest may affect general labor market conditions or result in changes to labor laws, which in turn could materially and adversely affect our business, financial condition and results of operations; and

- Changes in the economic, political or social conditions or government policies of the geographic markets in which we operate could have a material adverse effect on our business and operations.

LISTING ON THE HONG KONG STOCK EXCHANGE

On 27 October 2023, the Company was listed on the Main Board of the Hong Kong Stock Exchange. The Company issued a total of 326,550,400 Class B Shares with par value of US$0.000002 each to Hong Kong and overseas investors at the offer price of HK$12.00 per Share in the Global Offering, comprising 32,655,200 Hong Kong offer shares and 293,895,200 international offer shares. The closing market price on the Listing Date was HK$12.00 per Share. The Overall Coordinator (on behalf of the International Underwriters) did not exercise the Over-Allotment Option during the stabilizing period.

USE OF PROCEEDS

Based on the offer price of HK$12.00 per offer Share, the net proceeds of the Global Offering received by the Company (after deducting the underwriting fees, commission charges and estimated expenses payable by the Company in relation to the Global Offering) amounted to HK$3,553.50 million, which will be used according to the purposes of the proceeds from the Global Offering disclosed in the prospectus. The use purposes are set out below:

- approximately 30%, or HK$1,066.05 million, will be used to expand our logistics networks, improve our infrastructure, and strengthen our sorting and warehouse capacity and capabilities in Southeast Asia and other existing markets;

- approximately 30%, or HK$1,066.05 million, will be used to expand in new markets and diverse our service offering;

- approximately 30%, or HK$1,066.05 million, will be used for research and development and technology innovations; and

- approximately 10%, or HK$355.35 million, will be used for general corporate purposes and working capital needs.

Since the Listing Date and up to the date of this annual report, there has been no change in the intended use of the net proceeds and the expected timetable disclosed in the prospectus.

As of 31 December 2024, the utilization of the net proceeds from the Global Offering are as follows:

Purposes	Percentage of net proceeds (%)	Net proceeds (US$ million)	Unutilized amount as of 1 January 2024 (US$ million)	Utilized amount during the Reporting Period (US$ million)	Amount utilized for the year ended 31 December 2024 (US$ million)	Unutilized amount as of 31 December 2024 (US$ million)	Expected timetable of full utilization of the remaining net proceeds
Expanding our logistics networks	30%	136.3	58.0	20.9	99.2	37.1	By the end of 2027
Expanding the Company's service scope	30%	136.3	83.0	35.6	88.9	47.4	By the end of 2027
Research and development and technology innovations	30%	136.3	129.0	45.0	52.3	84.0	By the end of 2027
General corporate purposes and working capital needs	10%	45.4	16.5	4.4	33.3	12.1	By the end of 2027
Total	100%	454.3	286.5	105.9	273.7	180.6	

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2024, the Company repurchased a total of 27,070,600 Class B Shares (the "**Repurchased Shares**") on the Stock Exchange at an aggregate consideration of HK$162,229,087.16 (excluding expenses). The repurchase was effected for the enhancement of shareholder value in the long term. Details of the Repurchased Shares are set out below:

Month of Repurchase	No. of Shares Repurchased	No. of Shares Repurchased and Held as Treasury Shares	The Highest Price Paid per Share (HK$)	The Lowest Price Paid per Share (HK$)	Aggregate Consideration (HK$'000)
October 2024	3,476,600	3,476,600	6.18	5.94	20,926
November 2024	12,327,400	12,327,400	6.34	5.63	73,620
December 2024	11,266,600	11,266,600	6.28	5.69	67,684
Total	**27,070,600**	**27,070,600**			**162,229**

Note: The inconsistency between the sum of the numbers in the above table is due to rounding.

Following the aforesaid share repurchase, Mr. Jet Jie Li, as the beneficial owner of different voting rights, converted 1,574,170 Class A Shares carrying different voting rights into Class B Shares on a one-for-one basis as required under Rule 8A.21 of the Listing Rules. Accordingly, there will be no increase in the proportion of different voting shares as required under Rules 8A.13 and 8A.15 of the Listing Rules.

As of 31 December 2024, 27,070,600 Repurchased Shares were not cancelled and were held by the Company as treasury shares (as defined in the Listing Rules). They were intended to be used in accordance with the applicable rules and regulations, including but not limited to resale for cash, transfer to satisfy share grants and cancellations under the Share Scheme. During the Reporting Period, the Company did not sell or transfer any treasury shares.

Save as disclosed above, during the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including the sale of treasury shares (as defined in the Listing Rules)).

DEBENTURE ISSUED

The Group did not issue any debenture during the Reporting Period.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, no equity-linked agreements were entered into or existing during the Reporting Period.

DIRECTORS

During the Reporting Period, the Board comprised:

Executive Director

Mr. Jet Jie Li (Chairman and Chief Executive Officer)

Non-executive Directors

Ms. Alice Yu-fen Cheng
Ms. Qinghua Liao
Mr. Yuan Zhang

Independent Non-executive Directors

Mr. Erh Fei Liu
Mr. Peng Shen
Mr. Peter Lai Hock Meng[1] *(appointed on 18 May 2024)*
Mr. Charles Zhaoxuan Yang[2] *(resigned on 18 May 2024)*

Notes:

1. Mr. Peter Lai Hock Meng has obtained legal advice referred to in Rule 3.09D of the Listing Rules on 18 May 2024, and has confirmed his understanding of the provisions as a Director of the Company.

2. Mr. Charles Zhaoxuan Yang resigned as an independent non-executive Director to focus on other professional work, effective from 18 May 2024.

Pursuant to Article 119 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term and independent non-executive Directors, shall be subject to retirement by rotation at least once every three years. Ms. Qinghua Liao, Mr. Peng Shen and Mr. Erh Fei Liu will retire by rotation at the forthcoming annual general meeting and will be eligible for re-election.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with Rule 3.13 of the Listing Rules. According to the guidelines in the Listing Rules, the Company considers that all the independent non-executive Directors are independent.

DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management of the Company are set out in the section headed "Directors and Senior Management" in this annual report.

DIRECTORS' SERVICE CONTRACTS

The executive Director has entered into a service contract with the Company. Under the contract, he or she agrees to serve as the executive Director, and his or her initial term of service shall be three years commencing from the Listing Date to the third annual general meeting of the Company after the Listing Date, whichever is earlier. Either party shall have the right to terminate the contract by giving not less than one month's written notice.

Each of the non-executive Directors and the independent non-executive Directors has entered into an appointment letter with the Company, pursuant to which, his or her initial term of service shall be three years commencing from the Listing Date or until the third annual general meeting of the Company after the Listing Date, whichever is earlier, unless it is terminated according to the terms and conditions of the appointment letter or by one party giving the other party not less than one month's prior notice in writing.

The above appointments shall be subject to the provisions of the Articles of Association in relation to the retirement and rotation of Directors.

None of the Directors entered into any service contract with the Company or any member of the Group which would not be terminated within one year without payment of compensation other than statutory compensation.

CHANGES IN DIRECTORS' INFORMATION

During the Reporting Period, save as disclosed in this annual report, there are no other changes in the Directors' and senior management's information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

None of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

MANAGEMENT CONTRACT

During the year ended 31 December 2024, no significant contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed.

PERMITTED INDEMNITY

According to the Articles of Association and subject to applicable laws and regulations, every Director shall be indemnified and secured harmless out of the Company's assets from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their or his/her office(s).

The provisions relating to permitted indemnity came into effect during the year ended 31 December 2024. The Company has purchased liability insurance to provide appropriate safeguards for the Directors.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, during the Reporting Period, none of the Company or any of its subsidiaries was a party to any arrangement that would enable the Directors or their spouses or children under the age of 18 to acquire benefits by means of acquisition of the shares or debentures of the Company or any other body corporate, and none of the Directors or their spouses or children under the age of 18 was granted any right to subscribe for the share equity or debentures of the Company or any other body corporate, or had exercised any such right.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2024, apart from the business of the Group, none of our Directors have any interest in a business which competes or is likely to compete, directly or indirectly, with our business that is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

Reference is made to the announcement of the Company dated 9 September 2024. On 9 September 2024, Winner Star Holdings Limited (the "**Borrower**"), a wholly-owned subsidiary of the Company, and the Company and certain members of the Group (as guarantors) entered into the facility agreement ("**Facility Agreement**") with, among others, certain banks and financial institutions (the "**Original Lenders**"). Pursuant to the Facility Agreement, the Original Lenders agreed to provide term loan facilities to the Borrower, which comprise (i) USD facility of up to USD674,000,000; (ii) HKD facility of up to HKD1,362,000,000; and (iii) CNH and CNY facilities of up to RMB2,871,350,000, for a term of 36 months commencing from the date on which the first loan is to be made.

Pursuant to the Facility Agreement, if Mr. Li, the controlling shareholder of the Company, (i) ceases to, directly or indirectly, exercise or control the exercise of the single largest percentage of the voting rights that might be exercised at the general meeting of the Company; or (ii) ceases to have the power to give directions with respect to the operating, management and financial policies of the Company, the loan facilities available under the Facility Agreement will be immediately cancelled, each such facility will immediately cease to be available for further utilisation, and all loans, accrued interest and other amounts will become immediately due and payable if so required by majority lenders under the Facility Agreement by no less than 10 business days' notice.

Save as disclosed above, the Directors are not aware of any circumstances which would give rise to a disclosure obligation pursuant to the requirements under Rule 13.18 of the Listing Rules as at 31 December 2024 and as at the date of this annual report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of 31 December 2024, so far as our Directors are aware, the interests or short positions of our Directors and the chief executive in any Shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which have been taken or deemed to have been taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code, will be as follows:

Name of Director	Capacity/ Nature of interest[1]	Number and class of securities	Approximate % shareholding interest in each class of Shares as of 31 December 2024	Approximate % of the Company's issued share capital as of 31 December 2024
Mr. Jet Jie Li[2]	Interest in a controlled corporation	977,759,240 Class A Shares	**100%**	**10.99%**
		1,574,170 Class B Shares	**0.02%**	**0.02%**
Ms. Alice Yu-fen Cheng[3]	Interest in a controlled corporation	40,008,020 Class B Shares	**0.51%**	**0.45%**
Mr. Yuan Zhang[4]	Interest in a controlled corporation	331,831,635 Class B Shares	**4.19%**	**3.73%**

Notes:

(1) All interests stated are long position.

(2) This includes the 977,759,240 Class A Shares and 1,574,170 Class B Shares held by Jumping Summit Limited; Topping Summit Limited, an entity wholly-owned by Mr. Jet Jie Li, owns 5% equity interest of Jumping Summit Limited; Exceeding Summit Holding Limited, which is held by Vistra Trust (Singapore) Pte. Limited as a trustee for a trust established by Mr. Jet Jie Li for the benefit of Mr. Jet Jie Li and his family members, owns the remaining 95% equity interest in Jumping Summit Limited. Accordingly, Mr. Jet Jie Li is deemed to be interested in the 977,759,240 Class A Shares and 1,574,170 Class B Shares held by Jumping Summit Limited under the SFO.

(3) This includes the 40,008,020 Class B Shares held by Robust Idea Limited, which is wholly-owned by Ms. Alice Yu-fen Cheng. Accordingly, Ms. Alice Yu-fen Cheng is deemed to be interested in the 40,008,020 Class B Shares held by Robust Idea Limited.

(4) This includes the 327,712,070 Class B Shares held by LONG ORIGIN LIMITED and 4,119,565 Class B Shares held by Blink Field Limited. Both of LONG ORIGIN LIMITED and Blink Field Limited are wholly-owned by Mr. Yuan Zhang. Accordingly, Mr. Yuan Zhang is deemed to be interested in the 327,712,070 Class B Shares held by LONG ORIGIN LIMITED and 4,119,565 Class B Shares held by Blink Field Limited.

Save as disclosed above, as of 31 December 2024, so far as are known to any Director or chief executive of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be disclosed under Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As of 31 December 2024, so far as are known to any Director, the following persons (not being Directors or the chief executive of the Company) or corporation had interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/ Nature of interest[1]	Number and class of securities	Approximate percentage of shareholding in the relevant class of Shares of the Company as of 31 December 2024	Approximate percentage of the Company's issued shares as of 31 December 2024
Jumping Summit Limited[2]	Beneficial owner	977,759,240 Class A Shares	100.00%	10.99%
		1,574,170 Class B Shares	0.02%	0.02%
Exceeding Summit Holding Limited[2]	Interest in controlled corporation	977,759,240 Class A Shares	100.00%	10.99%
		1,574,170 Class B Shares	0.02%	0.02%
Topping Summit Limited[2]	Interest in controlled corporation	977,759,240 Class A Shares	100.00%	10.99%
		1,574,170 Class B Shares	0.02%	0.02%
Vistra Trust (Singapore) Pte. Limited[2]	Trustee	977,759,240 Class A Shares	100.00%	10.99%
		1,574,170 Class B Shares	0.02%	0.02%
Mr. Chen Mingyong[3]	Interest in controlled corporation/ Interest of spouse	700,887,980 Class B Shares	8.85%	7.88%
Ms. Liang Xiaojing[3]	Interest in controlled corporation/ Interest of spouse	700,887,980 Class B Shares	8.85%	7.88%
Tencent Holdings Limited[4]	Interest in controlled corporation	533,278,240 Class B Shares	6.73%	5.99%
Boyu Capital Fund IV, L.P.[5]	Interest in controlled corporation	458,589,225 Class B Shares	5.79%	5.15%
Boyu Capital General Partner IV, Ltd[5]	Interest in controlled corporation	458,589,225 Class B Shares	5.79%	5.15%
Boyu Capital Group Holdings Ltd[5]	Interest in controlled corporation	465,095,425 Class B Shares	5.87%	5.23%
Boyu Group, LLC[5]	Interest in controlled corporation	465,095,425 Class B Shares	5.87%	5.23%
XYXY Holdings Ltd.[5]	Interest in controlled corporation	465,095,425 Class B Shares	5.87%	5.23%
Mr. Tong Xiaomeng[5]	Interest in controlled corporation	465,095,425 Class B Shares	5.87%	5.23%

Notes:

(1) All interests stated are long position.

(2) Topping Summit Limited, an entity wholly-owned by Mr. Jet Jie Li, an executive Director, owns 5% equity interest of Jumping Summit Limited; Exceeding Summit Holding Limited, which is held by Vistra Trust (Singapore) Pte. Limited as a trustee for a trust established by Mr. Jet Jie Li for the benefit of Mr. Jet Jie Li and his family members, owns the remaining 95% equity interest in Jumping Summit Limited. Accordingly, Mr. Jet Jie Li is deemed to be interested in the 977,759,240 Class A Shares and 1,574,170 Class B Shares held by Jumping Summit Limited under the SFO.

(3) This includes the 373,175,910 Class B Shares and 327,712,070 Class B Shares held by Team Spirit Group Limited and Starlight Hero Limited, respectively. Team Spirit Group Limited is wholly-owned by Sky Royal Trading Limited, which is wholly-owned by Guangdong OPlus Holdings Co., Ltd. Guangdong OPlus Holdings Co., Ltd is 64.52% held by the Labor Union Committee of Guangdong OPlus Holdings Co., Ltd, and the Labor Union Committee of Guangdong OPlus Holdings Co., Ltd is controlled by Mr. Chen Mingyong. Accordingly, Mr. Chen Mingyong is deemed to be interested in the 373,175,910 Class B Shares held by Team Spirit Group Limited under the SFO.

Ms. Liang Xiaojing does not hold any legal or beneficial interest in the share capital of Team Spirit Group Limited; however, solely pursuant to Part XV of the SFO, Ms. Liang Xiaojing is deemed to be interested in the 373,175,910 Class B Shares held by her spouse, Mr. Chen Mingyong, although she does not personally hold such shares as a direct shareholder.

Starlight Hero Limited is wholly-owned by Ms. Liang Xiaojing.

Mr. Chen Mingyong does not hold any legal or beneficial interest in the share capital of Starlight Hero Limited; however, solely pursuant to Part XV of the SFO, Mr. Chen Mingyong is deemed to be interested in the 327,712,070 Class B Shares held by his spouse, Ms. Liang Xiaojing, although he does not personally hold such shares as a direct shareholder.

(4) This includes the 382,316,440 Class B Shares, 107,829,815 Class B Shares and 43,131,985 Class B Shares held by Huang River Investment Limited, Eternal Earn Holding Limited, and Parallel Cluster Investment Limited, respectively. Huang River Investment Limited is a wholly-owned subsidiary of Tencent Holdings Limited, a company listed on the Stock Exchange (HKEX: 700, "**Tencent**"). Eternal Earn Holding Limited is a wholly-owned subsidiary of TPP Fund II, L.P., whose general partner is TPP GP II, Ltd, which is ultimately indirectly controlled by Tencent through Nasturtium Investment Limited. Parallel Cluster Investment Limited is a wholly-owned subsidiary of Parallel Cluster Investment L.P., whose general partner is Parallel Cluster GP Limited, is a wholly-owned subsidiary of Tencent. Accordingly, Tencent is deemed to be interested in the total of 533,278,240 Class B Shares held by Huang River Investment Limited, Eternal Earn Holding Limited and Parallel Cluster Investment Limited under the SFO.

(5) This includes the 112,944,580 Class B Shares, 285,259,927 Class B Shares and 60,384,718 Class B Shares held by Joyous Tempinis Limited, Jaunty Global Limited, and Jallion Global Limited, respectively. This also includes the 6,506,200 class B shares held by Boyu Capital Opportunities Master Fund. Joyous Tempinis Limited, Jaunty Global Limited, and Jallion Global Limited are directly or indirectly controlled by Boyu Capital Fund IV, L.P., whose general partner is Boyu Capital General Partner IV, Ltd. Boyu Capital General Partner IV, Ltd is wholly-owned by Boyu Capital Group Holdings Ltd. All voting rights of Boyu Capital Opportunities Master Fund are held by Boyu Capital Investment Management Limited which is the wholly-owned subsidiary of Boyu Capital Group Holdings Ltd. Boyu Capital Group Holdings Ltd. is the wholly-owned by Boyu Group, LLC. Boyu Group, LLC is controlled by XYXY Holdings Ltd., which is wholly-owned by Mr. Tong Xiaomeng. Accordingly, Boyu Capital Fund IV, L.P., Boyu Capital General Partner IV, Ltd are deemed to be interested in the total of 458,589,225 Class B Shares held by Jaunty Global Limited, Joyous Tempinis Limited and Jallion Global Limited under the SFO. Boyu Capital Group Holdings Ltd, Boyu Group, LLC, XYXY Holdings Ltd. and Mr. Tong Xiaomeng are deemed to be interested in the total of 465,095,425 Class B Shares held by Jaunty Global Limited, Joyous Tempinis Limited, Jallion Global Limited and Boyu Capital Opportunities Master Fund under the SFO.

Save as disclosed above, as of 31 December 2024, to the knowledge of our Directors, none of any other persons (other than Directors or chief executive of the Company) have interests or short positions in the Shares or underlying shares of the Company, which were required to be disclosed in accordance with Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or which were required to be kept in the register under the requirements in Section 336 of the SFO or which were required to be notified to the Company and the Stock Exchange.

REMUNERATION POLICY AND DIRECTORS' REMUNERATION

The Company has established a Remuneration Committee in accordance with the CG Code, which shall be responsible for formulating remuneration policies and determining and recommending the remuneration of Directors and senior management. Details of the remuneration of Directors, senior management and five individuals with the highest emoluments during the Reporting Period are set out in Note 39 to the consolidated financial statements.

For the year ended 31 December 2024, (i) no emoluments were paid by the Company to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office; and (ii) none of the Directors waived or agreed to waive any emoluments.

SHARE INCENTIVE PLAN

Pre-IPO Equity Incentive Plan

In order to align the interests of the Company's network partners and regional sponsors with those of the Company's Shareholders, the Network Partner Equity Incentive Plan was initially approved by the Shareholders on 26 February 2022, and further amended by the Board on 31 May 2023. As disclosed in the prospectus, the terms of the Network Partner Equity Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules.

The maximum number of shares that may be issued under the Pre-IPO Share Incentive Plan is 38,000,000 Class A ordinary shares (or 190,000,000 Class B Shares, following completion of the reclassification, redesignation and share subdivision). Prior to the Listing, the Company issued 38,000,000 Class A ordinary shares of the Company on 28 September 2022 to NP Investment Platform Limited at par value to facilitate the administration of the Pre-IPO Share Incentive Plan. All outstanding restricted share units under the Pre-IPO Share Incentive Plan were granted before Listing. No further Shares will be issued by our Company under the Pre-IPO Share Incentive Plan upon the Listing Date.

Details of our Pre-IPO Network Partner Equity Incentive Plan are set forth in the "Statutory and General information – 4. Pre-IPO Share Incentive Plan" in Appendix V to the prospectus and in Note 26 to the consolidated financial statements of this annual report.

2024 Share Incentive Scheme

The 2024 Share Incentive Scheme was approved and adopted by all the then Shareholders of the Company on 18 June 2024. The 2024 Share Incentive Scheme shall be valid and effective for a period of ten years commencing on 18 June 2024. The terms of the 2024 Share Incentive Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

Summary of the 2024 Share Incentive Scheme

Purpose of the 2024 Share Incentive Scheme

The purpose of the 2024 Share Incentive Scheme includes:

(a) recognize and reward Eligible Participants for their contribution to the Group;

(b) attract and retain best available personnel, and provide them with the opportunity to acquire proprietary interests in the Company; and

(c) encourage Eligible Participants to work towards enhancing the value of the Company and its shares, align the interests of these Eligible Participants with those of the Group and further promote the success of the Group's business.

The 2024 Share Incentive Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensation and/or providing benefits to Eligible Participants.

Participants in the 2024 Share Incentive Scheme

The Eligible Participants who may be selected to become a Grantee of the 2024 Share Incentive Scheme are any individuals or corporate entities (where applicable) being an Employee Participant, a Related Entity Participant or a Service Provider.

The eligibility of any of the Eligible Participants shall be determined by the Board or its delegate(s) from time to time on the basis of the Board's or its delegate(s)' opinion as to the Eligible Participants' contribution to the development and growth of the Group. In assessing whether Awards are to be granted to any Eligible Participants, the Board or its delegate(s) shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participants to the Group, the special skills or technical knowledge possessed by such Eligible Participants which is beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought to the Group's business and development and whether granting Award to such Eligible Participant is an appropriate incentive to motivate, retain and attract such Eligible Participants to continue to contribute towards the betterment of the Group.

As at the date of this annual report, the Company has not formulated any concrete plan or intention to grant any Awards to the independent non-executive Directors under the 2024 Share Incentive Scheme. However, having considered that (i) equity-based remuneration continues to be an important means of ensuring alignment between the interests of Shareholders and all Board members, including the independent non-executive Directors; (ii) it is common to include independent non-executive Directors as eligible persons of share incentive schemes among public companies; and (iii) independent non-executive Directors may provide crucial contributions to the Group's development and business in providing valuable insight and advice to the Company with their deep industry knowledge and professional background, as well as their vital role in maintaining a sound corporate governance framework and supervising the internal control system within the Group, the Board believes the inclusion of independent non-executive Directors as Employee Participants and the flexibility to grant Awards to the independent non-executive Directors in addition to cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

The Company is of the view that the independence and impartiality of the independent non-executive Directors will not be impaired by any potential grant of the Awards under the 2024 Share Incentive Scheme for the following reasons: (i) the independent non-executive Directors will continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (ii) approval by independent Shareholders will be required if any Awards is to be granted to independent non-executive Directors or any of their respective associates would result in the total number of Shares issued and to be issued upon exercise of all the Awards granted and to be granted to such person in the period of 12 months up to and including the date of the grant representing in aggregate over 0.1% of the Shares in issue; and (iii) the Board will be mindful of the recommended best practice E.1.9 of the corporate governance code set out in Part 2 of Appendix C1 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors when considering any future grants of Awards to the independent non-executive Directors.

In assessing the eligibility of Employee Participant(s), the Board or its delegate(s) will consider all relevant factors as appropriate, including the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group and the individual contribution or potential contribution the Employee Participant(s) made or is likely to make to the development and growth of the Group.

In assessing the eligibility of Related Entity Participant(s), the Board or its delegate(s) will consider all relevant factors as appropriate, including the experience of the Related Entity Participant(s) on the Group's business, the actual degree of involvement in and/or cooperation with the Group, the length of engagement with the Group, the amount of support, assistance, guidance, advice, efforts and contributions the Related Entity Participant(s) gave or is likely to give or make towards the success of the Group in the future.

In assessing the eligibility of Service Provider(s), the Board or its delegate(s) will consider all relevant factors as appropriate, including the individual performance of relevant Service Provider(s), the length of business relationship with the Group, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Provider(s).

Total Number of Shares Available for Issue under the 2024 Share Incentive Scheme and Percentage of Issued Share (Excluding Treasury Shares)

As of 31 December 2024, 795,222,566 class B shares are available for future grants under the scheme mandate limit under the 2024 Share Incentive Scheme, representing approximately 10.07% of the total issued shares of the same class of the Company. As of 31 December 2024, the service provider sublimit under the 2024 Share Incentive Scheme has not been utilized.

Maximum Entitlement of Each Participant in the 2024 Share Incentive Scheme

Where any grant of Awards to an Eligible Participant would result in the Shares issued and to be issued in respect of all Awards granted to such person (excluding any Awards lapsed or clawed back in accordance with the terms of the 2024 Share Incentive Scheme) in the 12-month period up to and including the Grant Date representing in aggregate over 1% of the total number of shares of the Company (including the Class A Shares and Class B Shares) in issue (excluding the Treasury Shares, if any), such grant must be separately approved by the Shareholders in general meeting in accordance with the Listing Rules, with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting.

Any grant of Awards to a Director, chief executive of the Company or Substantial Shareholder (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Awards) and shall otherwise be subject to compliance with the requirements of the Listing Rules.

The corporate governance committee of the Board must make a recommendation on any grants of Awards to a Director who is a beneficiary of weighted voting rights under 8A.30(4) of the Listing Rules.

Where any grant of Awards to a Director (other than an independent non-executive Director) or chief executive (or any of their respective associates) would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed or clawed back in accordance with the terms of the 2024 Share Incentive Scheme) to such person in the 12 month period up to and including the Grant Date representing in aggregate over 0.1% of the total number of shares of the Company (including the Class A Shares and Class B Shares) in issue (excluding the Treasury Shares, if any), such further grant of Awards must be separately approved by the Shareholders in general meeting in accordance with the Listing Rules, with such Grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting.

Where any grant of Awards to an independent non-executive Director or a Substantial Shareholder (or any of their respective associates) would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed or clawed back in accordance with the terms of the 2024 Share Incentive Scheme) to such person in the 12-month period up to and including the Grant Date representing in aggregate over 0.1% of the total number of shares of the Company (including the Class A Shares and Class B Shares (excluding the Treasury Shares, if any)) in issue, such further grant of Awards must be separately approved by the Shareholders in general meeting in accordance with the Listing Rules, with such Grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour at such general meeting.

Exercise Period for Options Granted and Vesting Period for Options or Awards Granted under the 2024 Share Incentive Scheme

In respect of any particular Option, the period during which the Grantee may exercise such Option will be determined by the Board or its delegate(s) and may commence on a day after the Grant Date and in any event shall end not later than 10 years from the Grant Date but subject to the provisions for early termination set out in the 2024 Share Incentive Scheme.

The Board or its delegate(s) may from time to time while the 2024 Share Incentive Scheme is in force and subject to all applicable laws, determine such vesting period, vesting criteria and conditions or periods for the Award to be vested hereunder, provided however that the vesting period for Awards shall not be less than 12 months, unless the Board or its delegate(s) determines that the Awards granted to Employee Participants may be subject to a vesting period of less than 12 months in the following circumstances:

(a) grants of "make whole" Awards to new employees to replace the awards or options such employees forfeited when leaving their previous employers;

(b) grants to an Eligible Participant whose employment is terminated due to death or Disability or occurrence of any out of control event;

(c) grants of Awards with performance-based vesting conditions in lieu of time-based vesting criteria;

(d) grants of Awards that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Awards would have been granted;

(e) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; or

(f) grants of Awards with a total vesting and holding period of more than 12 months.

Subject to the provisions of the 2024 Share Incentive Scheme, the Board or its delegate(s) may grant the Awards with a shorter vesting period to the extent set forth in the terms of the Award Letter or otherwise.

Basis for Determining the Exercise Price of the Options Granted or Purchase Price (if any) of the Shares Granted

The Purchase Price, if any, will be set out in the Award Letter and will be determined by the Board or its delegate(s) in its absolute discretion, taking into account the purpose of the 2024 Share Incentive Scheme, the interests of the Company, the individual circumstances of the Eligible Participant, the practices of comparable companies and the effectiveness of the 2024 Share Incentive Scheme in attracting talents and motivating the Award holder to contribute to the long term development of the Group. The Company reserving the discretion to determine the Purchase Price, if any, on an individual basis taking into account the nature and degree of value benefiting the Group from granting Awards to such Grantee, which is aligned with the purpose of the 2024 Share Incentive Scheme.

There is no amount payable on application or acceptance of option or award, nor the period of payment or notice of payment and the period of repayment of the option loan applied for.

Remaining Life of the 2024 Share Incentive Scheme

The remaining life of the 2024 Share Incentive Scheme is about nine years and six months as of 31 December 2024.

Total Number of Shares Available for Grants under the 2024 Share Incentive Scheme

As of 31 December 2024, 795,222,566 shares are available for grants under the mandate limit under the 2024 Share Incentive Scheme, and 176,243,324 shares are available for grants under the service provider sublimit under the 2024 Share Incentive Scheme. During the period from the Adoption Date to 31 December 2024, the Company granted Awards underlying a total of 85,994,057 Class B Shares to 251 Grantees, which are employees of the Group, under the 2024 Share Incentive Scheme.

Set out below are details of the movements of Award grants authorized under the 2024 Share Incentive Scheme during the Reporting Period:

Name/Type	Awards unvested as of 1 January 2024	Grant date	Fair value of Awards at the date of grant	Number of Awards granted during the Reporting Period	Awards cancelled during the Reporting Period	Awards lapsed during the Reporting Period	Vesting period	Purchase price	Number of Awards vested during the Reporting Period	Weighted average closing price of award prior to vesting date	Number of Awards unvested as of 31 December 2024
Employee	Nil	20 August 2024	HK$6.80	85,994,057	0	0	0-54 months	Nil	14,508,141	HK$7.23	71,485,916

Notes:

1. The Award not granted as of 1 January 2024 was nil because the 2024 Share Incentive Scheme has not be adopted until 18 June 2024.

2. The closing price of the shares immediately before the Award grant date was HK$7.23.

3. At the beginning and end of 2024, the number of Awards available for grant under the scheme mandate of the 2024 Share Incentive Scheme was nil and 795,222,566 Class B Shares, respectively. At the beginning and end of 2024, the number of Awards available for grant under the service provider was nil and 176,243,324 Class B Shares, respectively.

4. In 2024, the number of shares that may be issued in respect of the Awards granted under all schemes of the issuer, divided by the weighted average number of issued shares of the relevant class (excluding treasury shares) in 2024 was nil.

5. Details of the valuation of the Awards under the 2024 Share Incentive Scheme during the year ended 31 December 2024 are set out in Note 26 (ii) to the consolidated financial statements of this annual report. The accounting standards and policies adopted were the International Financial Reporting Standards issued by the International Accounting Standards Board.

6. In respect of certain Grantees whose Awards are subject to a vesting period of less than 12 months, performance based vesting conditions had been imposed on the individual Grantee with respect to such Awards. Such performance targets comprise a mixture of attaining satisfactory key performance indicators (including business performance and financial performance of the Group, management of the relevant division or department to which the Grantee is responsible, and/or individual performance based on the regular performance appraisal conducted by the Group).

CONTINUING CONNECTED TRANSACTIONS

Details of the related party transactions ("**related party transactions**") for the year ended 31 December 2024 are set out in Note 37 to the consolidated financial statements in this annual report. None of such related party transactions constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

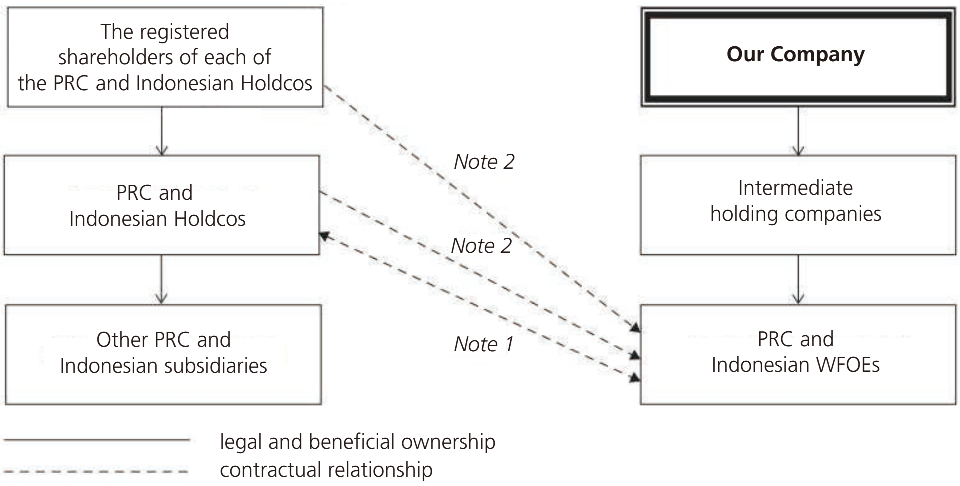
As disclosed in the prospectus, the following transactions of the Group for the year ended 31 December 2024 constitute continuing connected transactions.

CONTRACTUAL ARRANGEMENTS

As disclosed in the prospectus, the PRC and Indonesia have imposed regulatory restrictions on foreign ownership. In order to comply with such laws and regulations, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entities through the PRC Contractual Arrangements entered into on 18 January 2023 and the Indonesian Contractual Arrangements entered into on 29 March 2022 (the "**Contractual Arrangements**"). We do not directly own any equity interest in our Consolidated Affiliated Entities. Pursuant to the Contractual Arrangements, we have effective control over the financial and operational policies of our Consolidated Affiliated Entities and are entitled to all the economic benefits derived from the Consolidated Affiliated Entities' operations.

As disclosed above and in the section headed "Contractual Arrangements" in the prospectus, the Contractual Arrangements entered into between the PRC and Indonesia are strictly prepared to minimize potential conflicts with the relevant laws and regulations in the PRC and Indonesia. The Directors believe that it is fair and reasonable for the Company to control the Consolidated Affiliated Entities by Contractual Arrangements and to be entitled to all the economic benefits derived from the Consolidated Affiliated Entities.

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



Notes:

(1) The PRC WFOE entered into the Exclusive Business Cooperation Agreement, providing technical support, business support and relevant consulting services in exchange for service fees from the PRC Holdco. The Indonesian WFOE entered into Exclusive Technical Service Agreement, providing comprehensive management consulting services to the Indonesian Holdco in exchange for service fees.

(2) The registered shareholders of the PRC Holdco executed the Exclusive Option Agreement in favor of the PRC WFOE for the acquisition of all or part of the equity interests and all or part of the assets in the PRC Holdco; the Shareholder Rights Proxy Agreement in favor of the PRC WFOE for the exercise of all the shareholders' rights in the PRC Holdco; and granted security interests in favor of the PRC WFOE, over the entire equity interests in the PRC Holdco. The Indonesian Individual and Corporate Registered Shareholders executed a number of agreements in favor of the Indonesian WFOE to allow the Indonesian WFOE to consolidate control over the Indonesian Holdco and derive the full economic benefits from the Indonesian Holdco.

As of 31 December 2024, the annual revenue of the PRC Holdco[1], the Indonesian Opco[2] and their respective consolidated subsidiaries controlled under the contractual arrangements amounted to US$1,750.7 million, the absolute number of which represents approximately 17.1% of the total revenue for the year of the Group. As of 31 December 2024, the total assets of the PRC Holdco, the Indonesian Opco and their respective consolidated subsidiaries controlled under the contractual arrangements amounted to US$5,496.8 million, representing approximately 75.4% of the total assets for the year of the Group.

Notes:

(1) as defined below

(2) as defined below

Risks Relating to Contractual Arrangements

We consider the following risks to be related to Contractual Arrangements. Details of these risks are set out on pages 74 to 82 of the prospectus.

- Our Contractual Arrangements may not be as effective in providing operational control as direct ownership;

- Any failure by our consolidated affiliated entities in the PRC or Indonesia or their shareholders to perform their obligations under our Contractual Arrangements with them would have a material and adverse effect on our business;

- The interests of the direct or indirect shareholders of our consolidated affiliated entities in the PRC and Indonesia may have actual or potential conflicts with our interests;

- If we exercise the exclusive right to acquire equity ownership of PRC Holdco, the ownership transfer may subject us to certain limitations and substantial costs;

- There are restrictions for us to exercise our rights to transfer the shareholding in the Indonesian Holdco under our Indonesian Contractual Arrangements;

- We may lose the ability to use and enjoy assets held by our PRC or Indonesian consolidated affiliated entities that are critical to the operation of our business if our consolidated affiliated entities declare bankruptcy or become subject to a dissolution or liquidation proceeding;

- Our current corporate structure and business operations in the PRC may be substantially affected by the PRC Foreign Investment Law and the Implementation Rules to the Foreign Investment Law;

- The Contractual Arrangements we have entered into with our consolidated affiliated entities may be subject to scrutiny by the tax authorities. A finding that we owe additional taxes could negatively affect our financial condition and the value of Shareholder's investment; and

- Certain terms of the PRC Contractual Arrangements may not be enforceable under PRC laws.

To mitigate the risks relating to the Contractual Arrangements, the Board will conduct an annual review on the implementation of and compliance with the Contractual Arrangements and the Group will work closely with the PRC Registered Shareholders, the Indonesia Registered Shareholders and external legal advisers to monitor the regulatory environment and development of PRC and Indonesian laws and regulations to mitigate the risks relating to the Contractual Arrangements.

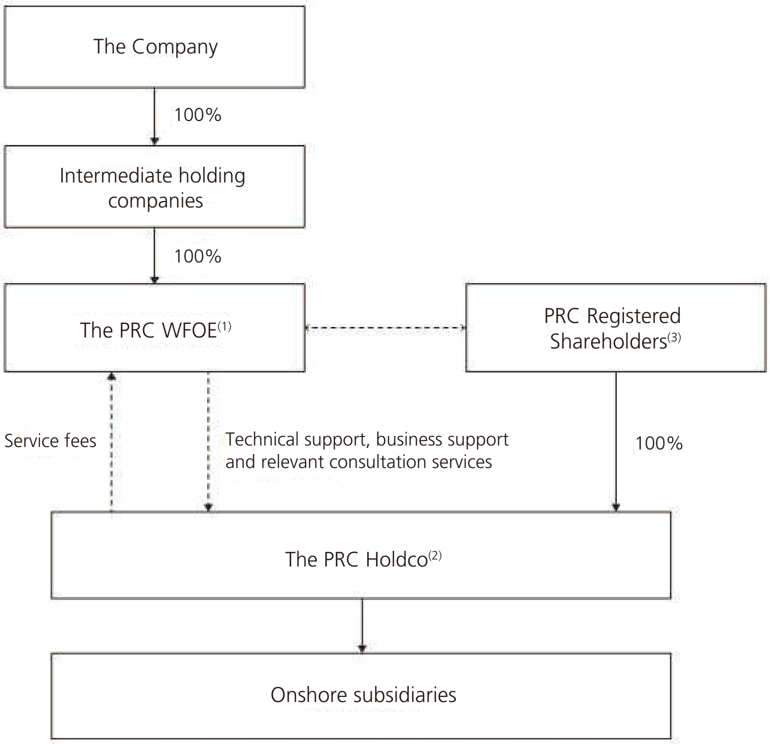
Summary of Major Terms of Contractual Arrangements

A description of the Contractual Arrangements and each of the specific agreements under the Contractual Arrangements implemented during the Reporting Period is set out below.

THE PRC CONTRACTUAL ARRANGEMENTS

Overview

J&T Express China is currently holding a cross-provincial Express Delivery Service Operation Permit. J&T Express China is a wholly-owned subsidiary of Shanghai Yishangshiye, which is a Consolidated Affiliated Entity of the Company. Shanghai Yishangshiye is held by Wu Rongmei (吳蓉眉) as to 99% and Liu Wei (劉偉) as to 1%. Wu Rongmei (吳蓉眉) is the office director of J&T Express China and the director of J&T Express (Shanghai) Acme Supply Chain Management Co., Ltd. (上海極兔極致供應鏈管理有限公司) and J&T Express China and Liu Wei (劉偉) is the supervisor of J&T Express (Shanghai) Acme Supply Chain Management Co., Ltd. (上海極兔極致供應鏈管理有限公司) and J&T Express China. Both Wu Rongmei (吳蓉眉) and Liu Wei (劉偉) have been the Group's PRC regional senior managers since the Group entered the China market. Considering their rich industry experience, their long time commitment to and in-depth understanding of the Group, the Company considers that they are suitable to be the PRC Registered Shareholders.



Notes:

(1) The PRC WFOE provides technical support, business support and relevant consultation services in exchange for service fees from Shanghai Yishangshiye.

(2) The PRC Holdco refers to Shanghai Yishangshiye, which is owned as to 99% by Wu Rongmei (吳蓉眉) and 1% by Liu Wei (劉偉) (the "**PRC Registered Shareholders**"), respectively.

(3) The PRC Registered Shareholders executed an Exclusive Option Agreement in favor of the PRC WFOE for the acquisition of all or part of the equity interests and all or part of the assets of Shanghai Yishangshiye. The PRC Registered Shareholders executed shareholder rights proxy agreements in favor of the PRC WFOE, for the exercise of all shareholders' rights in Shanghai Yishangshiye. The PRC Registered Shareholders granted security interests in favor of the PRC WFOE, over the entire equity interests in Shanghai Yishangshiye.

(4) "——►" denotes beneficial ownership in the equity interest. The PRC WFOE is an indirect wholly-owned subsidiary of the Company.

(5) "-------►" denotes contractual relationship.

(6) "◄----►" denotes the control by the PRC WFOE over the PRC Registered Shareholders and Shanghai Yishangshiye through (i) proxy agreement to exercise all shareholders' rights in Shanghai Yishangshiye, (ii) exclusive options to acquire all or part of the equity interests and assets of Shanghai Yishangshiye and (iii) equity pledges over the equity interests in Shanghai Yishangshiye.

Circumstances under which we will unwind the PRC Contractual Arrangements

Our Group will unwind and terminate the PRC Contractual Arrangements as soon as practicable in respect of the operation of our supply chain solutions and logistics services business to the extent permissible and we will directly hold the maximum percentage of ownership interests permissible under relevant PRC laws and regulations in the event that PRC regulatory restrictions on foreign ownership of the relevant business cease to exist or allow the relevant business to be held by sino-foreign equity joint ventures or wholly-owned foreign investment entities.

Exclusive Business Cooperation Agreement

Shanghai Yishangshiye entered into the exclusive business cooperation agreement (the "**Exclusive Business Cooperation Agreement**") with the PRC WFOE, pursuant to which, Shanghai Yishangshiye agreed to engage the PRC WFOE as its exclusive provider of the following technical support, business support and relevant consultation services, and to pay service fees to the PRC WFOE:

- the license of relevant software and technologies to Shanghai Yishangshiye which are legitimately owned by the PRC WFOE and required by Shanghai Yishangshiye's businesses;

- the development, maintenance and updates of relevant software required by Shanghai Yishangshiye's businesses;

- the design, installation, daily management, maintenance and updating of computer and network systems, hardware equipment and database;

- the development and testing of new products;

- the technical support and professional trainings for Shanghai Yishangshiye's staff;

- the assistance for Shanghai Yishangshiye in consultations, collections and surveys of technical and market information (other than those market surveys which are prohibited from being conducted by a wholly foreign-owned entity according to PRC laws);

- providing enterprise management consultation for Shanghai Yishangshiye;

- leasing of equipment and assets; and

- other relevant technical services and consultation services as required by Shanghai Yishangshiye from time to time to the extent permitted by PRC laws.

The service fees shall consist the total profit of Shanghai Yishangshiye and its subsidiaries in any given financial year, after the deduction of any accumulated deficit of Shanghai Yishangshiye and its subsidiaries in respect of the preceding financial year(s), operating costs, expenses, taxes and other statutory contributions required in any given financial year. Notwithstanding the foregoing, the PRC WFOE may adjust the scope and amount of service fees in accordance with PRC tax law principles and tax practices, and with reference to the working capital needs of Shanghai Yishangshiye and its subsidiaries, and Shanghai Yishangshiye will accept any such adjustment. The PRC WFOE may adjust the sharing ratio, payment amount, calculation of service fees and payment method with a written notice.

The PRC WFOE and Shanghai Yishangshiye, during the term of the Exclusive Business Cooperation Agreement and where necessary, may enter into further technical service agreement and/or consultation service agreement between Shanghai Yishangshiye and the PRC WFOE or its designated person, which shall provide the specific contents, methods, personnel, and fees for the specific services.

In addition, absent the prior written consent of the PRC WFOE, during the term of the Exclusive Business Cooperation Agreement, with respect to the services subject to the Exclusive Business Cooperation Agreement, Shanghai Yishangshiye shall not accept the same or any similar consultation or services provided by any third party and shall not establish similar cooperation relationships with any third party. The PRC WFOE has the right to appoint any third party to provide services specified under the Exclusive Business Cooperation Agreement.

Shanghai Yishangshiye grants the PRC WFOE an irrevocable and exclusive purchase option right to, at the sole discretion of the PRC WFOE and to the extent permitted by PRC laws, purchase all or any part of assets of Shanghai Yishangshiye and its subsidiaries at the lowest price permitted by PRC laws. To secure Shanghai Yishangshiye's performance of the Exclusive Business Cooperation Agreement, Shanghai Yishangshiye agrees to provide the PRC WFOE a guarantee with its receivables arising from daily operation and all of its assets.

The Exclusive Business Cooperation Agreement also provides that the PRC WFOE has the exclusive proprietary rights and interests in any and all intellectual property rights developed or created by Shanghai Yishangshiye and its subsidiaries during the performance of the Exclusive Business Cooperation Agreement. Shanghai Yishangshiye may register certain intellectual property rights designated by the PRC WFOE under the name of Shanghai Yishangshiye and its subsidiaries as required by businesses of Shanghai Yishangshiye, but Shanghai Yishangshiye shall, and shall procure its subsidiaries to, transfer such intellectual property rights to the PRC WFOE upon request by the PRC WFOE for free or at the lowest price permitted by law. The Exclusive Business Cooperation Agreement shall remain effective unless terminated (a) in accordance with the provisions of the Exclusive Business Cooperation Agreement or mandatory provisions of PRC laws; (b) in writing by the PRC WFOE; (c) renewal of the expired business period of either the PRC WFOE or Shanghai Yishangshiye is declined or rejected by relevant government authorities, at which time the Exclusive Business Cooperation Agreement will terminate upon termination of that business period; or (d) in the event that the PRC WFOE or their subsidiaries are able to conduct the Relevant Businesses directly as a result of being permitted to do so under the then-applicable PRC laws, and the entire equity interests of Shanghai Yishangshiye or all of Shanghai Yishangshiye and its subsidiaries' assets have been transferred to the PRC WFOE or its appointee(s).

Exclusive Option Agreement

The PRC Registered Shareholders entered into the exclusive option agreement (the "**Exclusive Option Agreement**") with Shanghai Yishangshiye and the PRC WFOE. Pursuant to the Exclusive Option Agreement, the PRC WFOE has the exclusive, irrevocable and unconditional right to purchase, or to designate one or more persons/entities to purchase, from the PRC Registered Shareholders all or any part of its equity interests in Shanghai Yishangshiye and from Shanghai Yishangshiye all or any part of the assets of Shanghai Yishangshiye and its subsidiaries at any time in the PRC WFOE's absolute discretion in accordance with the provisions of the Exclusive Option Agreement and to the extent permitted by the PRC laws. The consideration in relation to purchasing shares from the PRC Registered Shareholders of Shanghai Yishangshiye shall be the amount of contributed registered capital made by the PRC Registered Shareholders corresponding to the shares to be purchased, or the lowest price as permitted by the applicable PRC laws, whichever is lower. The consideration in relation to purchasing assets from Shanghai Yishangshiye shall be the lowest price as permitted under the applicable PRC laws. The aforesaid consideration shall be paid within seven (7) days upon transfer.

Each of Shanghai Yishangshiye and the PRC Registered Shareholders has covenanted that, as applicable, among other things:

- without the prior written consent of the PRC WFOE, it shall not in any manner supplement, change or amend the constitutional documents of Shanghai Yishangshiye, increase or decrease its registered capital, or change the structure of its shareholding in other manner;

- it shall maintain Shanghai Yishangshiye's corporate existence in accordance with good financial and business standards and practices, and prudently and effectively operate its business and handle its affairs;

- without the prior written consent of the PRC WFOE, it shall refrain from any action/omission that may adversely affect Shanghai Yishangshiye's assets, businesses or liabilities; without the prior written consent of the PRC WFOE, it shall not at any time following the signing of the Exclusive Option Agreement sell, transfer, pledge or dispose of in any manner any legal or beneficial interest in the assets, business or revenues of Shanghai Yishangshiye, or allow the encumbrance thereon of any security interest;

- without the prior written consent of the PRC WFOE, Shanghai Yishangshiye shall not incur, inherit, guarantee or assume any debt, except for (i) debts incurred in the ordinary course of business other than payables incurred by a loan, and (ii) debts already disclosed to the PRC WFOE and for which written approval has already been obtained from the PRC WFOE;

- Shanghai Yishangshiye shall always operate all of its businesses during the ordinary course of business to maintain its asset value and refrain from any action/omission that may adversely affect Shanghai Yishangshiye's operating status and asset value;

- without the prior written consent of the PRC WFOE, Shanghai Yishangshiye shall not execute any material contracts (for the purpose hereof, a contract with a value above RMB10,000,000), except for contracts executed in the ordinary course of business;

- without the prior written consent of the PRC WFOE, Shanghai Yishangshiye shall not provide any person with any loan or guarantee;

- it shall provide the PRC WFOE with information on Shanghai Yishangshiye's business operations and financial condition at the request of the PRC WFOE;

- without the prior written consent of the PRC WFOE, it shall not cause or permit Shanghai Yishangshiye to merge, consolidate with, acquire or invest in any person;

- it shall immediately notify the PRC WFOE of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Shanghai Yishangshiye's assets, businesses or revenues;

- to maintain the ownership by Shanghai Yishangshiye of all of its assets, it shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate claims or complaints or raise necessary and appropriate defences against all claims;

- without the prior written consent of the PRC WFOE, Shanghai Yishangshiye shall not in any manner distribute dividends, provided that upon the written request of the PRC WFOE, Shanghai Yishangshiye shall immediately distribute all distributable profits to their shareholders;

- without the prior written consent of the PRC WFOE, Shanghai Yishangshiye shall not proceed with dissolution or liquidation;

- once PRC laws permits foreign invested enterprises to operate the businesses which Shanghai Yishangshiye is engaged in, the PRC Registered Shareholders shall transfer all of its equity interests in Shanghai Yishangshiye to the PRC WFOE or a person appointed by the PRC WFOE, and/or Shanghai Yishangshiye shall transfer all of the assets of Shanghai Yishangshiye and its subsidiaries to the PRC WFOE or a person appointed by the PRC WFOE; and

- to the extent permitted by PRC laws, the PRC WFOE shall have the right to exercise the exclusive option right against the PRC Registered Shareholders or the legitimate successors or representatives of the PRC Registered Shareholders pursuant to the terms and conditions of the Exclusive Option Agreement in the event of death, divorce, incapacity, bankruptcy of the PRC Registered Shareholders or other circumstances which causes his/her inability to exercise his/her rights as a shareholder of Shanghai Yishangshiye.

The aforementioned covenants shall also apply to all the subsidiaries of Shanghai Yishangshiye.

In addition, each of the PRC Registered Shareholders has covenanted that:

- upon a request by the PRC WFOE, it shall consent and appoint the persons appointed by the PRC WFOE to act in the positions of director, general management and other senior management, change such appointment at any time as required by the PRC WFOE, and proactively cooperate to proceed with such appointment and change of appointment, including without limitation, executing necessary documents and making filings with the corresponding administration for market regulation with respect to such appointment or change of appointment;

- to the extent permitted by PRC laws, upon the request by the PRC WFOE, it shall transfer all or any part of its equity interests in Shanghai Yishangshiye to the PRC WFOE or a person appointed by the PRC WFOE immediately and unconditionally at any time, and relinquish the right of first refusal it is entitled to in relation to any equity interests to be transferred by any other existing shareholder of Shanghai Yishangshiye. It shall proactively cooperate to proceed with such equity transfer, including without limitation, executing necessary documents and filing with the corresponding administration for market regulation with respect to such equity transfer; in addition, it shall pay to the PRC WFOE or its designated persons all consideration received in connection such transfer in accordance with Exclusive Option Agreement;

- it will immediately gift any profits or dividends received from Shanghai Yishangshiye in accordance with the written consent by the PRC WFOE to the PRC WFOE or a representative appointed by the PRC WFOE to the extent permitted by the PRC laws;

- it shall strictly abide by the provisions of the Exclusive Option Agreement and other agreements entered into with Shanghai Yishangshiye and the PRC WFOE, perform the obligations under these agreements in a practical manner, and refrain from any action/omission which would affect the validity and enforceability of such agreements; and

- it will gift any liquidation proceeds received from Shanghai Yishangshiye (if any) due to any liquidation of Shanghai Yishangshiye caused by any reason (including bankruptcy) to the PRC WFOE or a representative appointed by the PRC WFOE to the extent permitted by the PRC laws.

The aforementioned covenants shall also apply to all the subsidiaries of Shanghai Yishangshiye.

The Exclusive Option Agreement shall remain effective unless terminated (i) in the event that the entire equity interests held by the PRC Registered Shareholders in Shanghai Yishangshiye or all of Shanghai Yishangshiye and its subsidiaries' assets have been transferred to the PRC WFOE or its appointee(s); or (ii) in writing by the PRC WFOE.

Loan Agreement

The PRC WFOE and the PRC Registered Shareholders have executed a loan agreement (the "**Loan Agreement**"). Pursuant to the Loan Agreement, the PRC WFOE enjoys the right of the creditor against the PRC Registered Shareholders in an aggregate amount of RMB10.00 million (the "**Loans**"), and such loans have been used for contribution to paid-in capital of Shanghai Yishangshiye. Pursuant to the Loan Agreement, the PRC Registered Shareholders can only repay the Loans by the transfer of all their equity interest in Shanghai Yishangshiye or all of the assets of Shanghai Yishangshiye and its subsidiaries to the PRC WFOE or its designated third party upon the exercise by the PRC WFOE of the exclusive option right pursuant to the terms and conditions of the Exclusive Option Agreement, and the PRC Registered Shareholders shall pay all of the proceeds from transfer of such equity interests or assets (to the extent permitted under PRC law) to the PRC WFOE for such repayment. In the event that the PRC Registered Shareholders transfer their equity interests or assets to the PRC WFOE or its designated person with a price equivalent to or less than the amount of the principal, the Loans will be deemed as interest free. If the price is higher than the amount of the principal, the excess amount will be paid to the PRC WFOE as the loan interest. The term of the Loans shall terminate when the PRC WFOE exercises the exclusive option right pursuant to the terms and conditions of the Exclusive Option Agreement. The Loans must be repaid immediately under certain circumstances, including, among others, (i) upon the expiration of 30 days after the PRC WFOE sends a written notice requesting repayment of the Loans; (ii) in the event of death, divorce, incapacity, bankruptcy of the PRC Registered Shareholders or other circumstances which causes his/her inability to exercise his/her rights as a shareholder of Shanghai Yishangshiye; (iii) if the PRC Registered Shareholders engage in criminal acts or are involved in criminal activities; or (iv) if a foreign investor is permitted to invest in PRC in form of holding majority or 100% equity interest for principal business currently conducted by Shanghai Yishangshiye and its subsidiaries and branches according to applicable PRC law, relevant PRC authorities begin to approve such business, and the PRC WFOE elects to exercise its exclusive purchase option pursuant to the Exclusive Option Agreement.

Shareholder Rights Proxy Agreement

Each of the PRC Registered Shareholders has executed the shareholder rights proxy agreement (the "**Proxy Agreement**"). Under the Proxy Agreement, the PRC Registered Shareholders irrevocably appointed the PRC WFOE and its designated persons (including but not limited to the directors of the parent company of the PRC WFOE and their successors and the liquidators replacing such directors or successors) as its exclusive agent to exercise on its behalf, any and all rights that it has in respect of its equity interests in Shanghai Yishangshiye, including without limitation: (i) to propose, convene and attend shareholder's meetings of Shanghai Yishangshiye according to its Articles of Association, and to exercise the rights of voting and making decisions on behalf of the PRC Registered Shareholders on all matters required to be resolved by shareholders; (ii) to exercise any shareholder rights it is entitled to as shareholder of Shanghai Yishangshiye according to its Articles of Association, including but not limited to any right to dividends and right to sell, transfer, pledge or dispose of all or any part of the PRC Registered Shareholders' equity interests in Shanghai Yishangshiye; (iii) to transfer the equity interest or approve to transfer the assets of Shanghai Yishangshiye, decrease registered capital of Shanghai Yishangshiye, accept capital increases to Shanghai Yishangshiye by the PRC WFOE or its designated person, execute relevant equity transfer agreements, asset transfer agreements (if applicable), capital decrease agreements, capital increase agreements, shareholder resolutions, meeting minutes and other relevant documents on behalf of the PRC Registered Shareholders, proceed with necessary approvals, registrations, filings or submissions with governmental authorities and companies registry for the aforesaid matters; (iv) to bring litigation or take other legal actions against the legal representative, director(s), supervisor(s), general manager or other members of senior management of Shanghai Yishangshiye if any conduct of the aforesaid has damaged the interests of the PRC WFOE or its shareholder(s); and (v) to exercise all other shareholders' rights under Shanghai Yishangshiye's Articles of Association and other applicable PRC laws and regulations.

The Proxy Agreement is irrevocable and shall remain effective, and may only be terminated in the event that (i) it is terminated in accordance with mandatory provisions of PRC laws; (ii) in writing by the PRC WFOE; (iii) the business period of any party to the Proxy Agreement expires; or (iv) the PRC Registered Shareholder has transferred all of its equity interests in Shanghai Yishangshiye pursuant to the prior written consent by the PRC WFOE, or has decreased the registered capital of Shanghai Yishangshiye to the extent it does not own any equity interests in Shanghai Yishangshiye, and has completed the relevant government procedures.

The Proxy Agreement also provides that, in order to avoid potential conflicts of interest where the PRC Registered Shareholders, are officers or directors of the Group, any exercise of the rights under the Proxy Agreement shall be in favor of our Company.

Equity Pledge Agreement

The PRC Registered Shareholders have entered into the equity pledge agreement (the "**Equity Pledge Agreement**") with Shanghai Yishangshiye and the PRC WFOE. Pursuant to the Equity Pledge Agreement, the PRC Registered Shareholders agree to pledge all its equity interests in Shanghai Yishangshiye, including any interest or dividend paid for the shares, to the PRC WFOE as a security interest to guarantee the performance of contractual obligations under the relevant PRC Contractual Arrangements.

The equity pledges under the Equity Pledge Agreement comes into effect upon completion of registration with the relevant administration for market regulation and shall remain valid until after all the contractual obligations of the PRC Registered Shareholders and Shanghai Yishangshiye under the relevant PRC Contractual Arrangements have been fully performed. Pursuant to the Equity Pledge Agreement, the PRC Registered Shareholders and Shanghai Yishangshiye agree that, without prior written consent from the PRC WFOE, the PRC Registered Shareholders shall not transfer the pledged equity interests or create or allow any third party to create any encumbrance on the pledged equity interests.

Upon the occurrence and during the continuance of an event of default (as defined in the Equity Pledge Agreement), the PRC WFOE shall have the right to exercise all such rights as a secured party under the Equity Pledge Agreement and any applicable PRC laws, including without limitations, being paid in priority with the equity interests based on the monetary valuation that such equity interests are converted into or from the proceeds from auction or sale of the equity interest upon written notice to the PRC Registered Shareholders.

The registrations of the Equity Pledge Agreement in relation to PRC Registered Shareholders had been completed in January 2023.

Spouse Undertakings

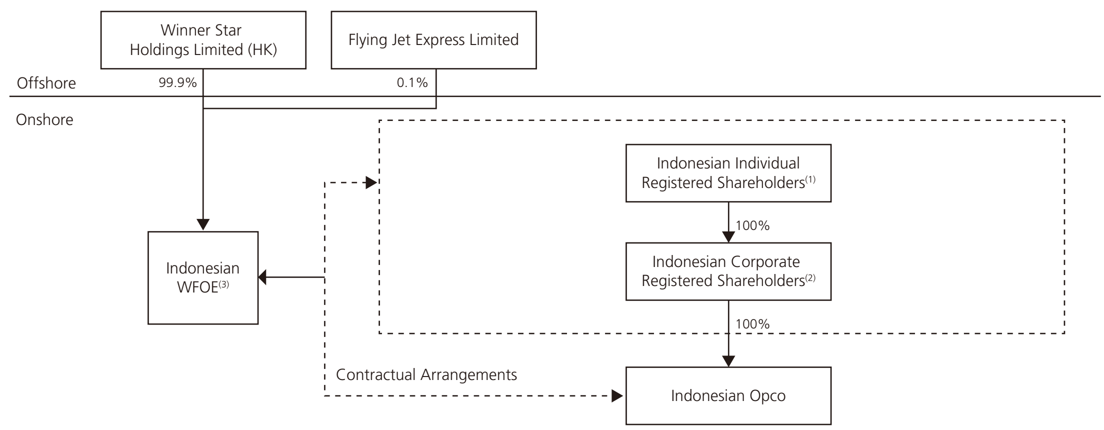
The spouse of each of the relevant PRC Registered Shareholders, where applicable, has signed undertakings to the effect that (i) he/she has no right to or control over such interests of the respective PRC Registered Shareholder and will not have any claim on such interests, or exert influence on the day-to-day management or voting matters of Shanghai Yishangshiye; (ii) confirms that the respective spouse may further amend or terminate the PRC Contractual Arrangements without the need for authorization or consent by him/her; (iii) the respective spouse's interests in Shanghai Yishangshiye (together with any interests therein) do not fall within the scope of communal property; and (iv) if he/she is transferred any shares of Shanghai Yishangshiye for any reason, he/she will be bound by the PRC Contractual Arrangements and will observe obligations contained in such agreements, and will sign all necessary documents and to take all necessary actions to ensure the PRC Contractual Arrangements are properly preformed.

INDONESIAN CONTRACTUAL ARRANGEMENTS

Overview

Due to the restrictions on foreign ownership for companies engaged in Postal Services, we currently hold 100% of our equity interests in the Indonesian Opco through PT Cakrawala Lintas Benua and PT Sukses Indo Investama (collectively, the "**Indonesian Corporate Registered Shareholders**"). To consolidate control over and derive the economic benefits from the Indonesian Opco to our Group, we have entered into the following contractual arrangements with the Indonesian Individual and Indonesian Corporate Registered Shareholders.

The following diagram illustrates the structure of the Indonesian Contractual Arrangements:



Notes:

(1) The Indonesian Opco refers to PT Global Jet Express, which is wholly-owned by the Indonesian Corporate Registered Shareholders, which are in turn wholly-owned by our affiliates, Mr. Effendy and Mr. Robin Lo (the "**Indonesian Individual Registered Shareholders**"), namely as to 50% by Mr. Effendy and 50% by Mr. Robin Lo. Mr. Robin Lo is the chief executive officer of PT Global Jet Express and Mr. Effendy is the assistant to chief executive officer of PT Global Jet Express. Both Robin Lo and Effendy have been the Group's Indonesia regional senior managers since the Group entered the Indonesia market. Considering their deep understanding of the Indonesia market, their long-term commitment to and in-depth understanding of the Group, the Company considers that they are suitable to be the Indonesian Individual Registered Shareholders.

(2) The Indonesian Corporate Registered Shareholders executed a number of agreements in favor of the Indonesian WFOE to allow the Indonesian WFOE to consolidate control over the Indonesian Opco and derive the full economic benefits from the Indonesian Opco.

(3) The Indonesian WFOE refers to PT Cahaya Global Berjaya, an indirect wholly-owned subsidiary of the Company. It provides technical support, business support and relevant consulting services in exchange for service fees from the Indonesian Opco.

Under the Law No. 38 of 2009 regarding Post, as amended by the Job Creation Law (the "**Indonesian Postal Law**") and the Law No. 25 of 2007 on Investments as partially amended by the Job Creation Law (the "**Investment Law**"), if these conditions are met, foreign ownership in an Indonesian joint venture with a courier business classified under Indonesia Standard Industrial Classification (Klasikasi Baku Lapangan Usaha Indonesia) ("**KBLI**") 53201 may be held up to 49% direct foreign shares. Other than KBLI 53201 (Courier business) which is subject to foreign ownership restrictions under the Indonesian Postal Law and Investment Law, the Indonesian Opco also rents its vacant properties that are still within the lease period and reserved for future office use to other third parties, which is business activity under KBLI 68111 (Privately Owned or Rented Real Estates), a business activity currently not subject to Indonesian foreign investment restrictions. The revenue contribution of the KBLI 68111 business maintained at less than 5% as at date of this annual report.

We will continue to monitor the status and developments of relevant Indonesian laws, rules and regulations. If there are any regulatory or policy changes that would allow the Group to restructure or terminate the Indonesian Contractual Arrangements to directly hold equity interest in the Indonesian Opco, we will adjust the shareholding structure or terminate the Indonesian Contractual Arrangements in accordance with applicable laws and regulations.

Loan Agreement

Pursuant to a loan agreement entered into between the Indonesian WFOE and the Indonesian Opco on 29 March 2022 (the "**Loan Agreement**"), the Indonesian WFOE extended a loan in the principal amount of Rp. 3,000,000,000.00 (three billion Indonesian Rupiah) to the Indonesian Opco (the "**Loan**"). The Loan Agreement has a term of ten years and will be renewed automatically at the end of such terms for another ten years unless the lender delivers a written notice of termination. The Loan bears an interest of 9.00% per annum and was secured by the Guarantee Agreement, Share Pledge Agreements, the Power of Attorneys and the Exclusive Call Option Agreements (collectively, the "**Security Documents**").

The Loan can only be repaid or settled by Indonesian Opco by transferring or selling the shares registered under the name of the Indonesian Individual Registered Shareholders and the Indonesian Corporate Registered Shareholders to the Indonesian WFOE or a party designated by the Indonesian WFOE.

If an event of default occurs under the Loan Agreements (including the Indonesian Opco fails to perform or otherwise violates the Loan Agreement or the Security Documents, the Pledgors (as defined below) fail to be the registered shareholders of the Indonesian Opco or the Indonesian Corporate Registered Shareholders, occurrence of an event of default under the Exclusive Technical Service Agreement, or the Indonesian Opco or any parties to the Securities Documents is declared bankrupt or insolvent), the Indonesian WFOE may (i) declare the Loan to be immediately due and payable; and (ii) immediately enforce all of its rights under the Loan Agreements and the Security Documents (to the extent permitting the Indonesian WFOE to (a) transfer the shares of Indonesian Opco to any qualified party, (b) deal with the assets of Indonesian Opco, and (c) manage the business and right to revenue of Indonesian Opco).

Guarantee Agreement

Pursuant to the guarantee agreements entered by (i) the Indonesian Corporate Registered Shareholders and the Indonesia WFOE, and (ii) the Indonesian Individual Registered Shareholders and the Indonesian WFOE, both on 29 March 2022 (the "**Guarantee Agreements**"), the Indonesian Individual Registered Shareholders and Indonesian Corporate Registered Shareholders (together, the "**Pledgors**") unconditionally and irrevocably guaranteed to the Indonesian WFOE the payment obligation by Indonesian Opco under the Loan Agreement and the Exclusive Technical Service Agreement. The Guarantee Agreements remain effective until the earlier of (i) the full repayment of amounts outstanding (including the Loans, any outstanding service fees and any outstanding amounts from time to time) under the Loan Agreement and the Exclusive Technical Service Agreement or (ii) the exercise of the call option rights pursuant to the Exclusive Call Option Agreements.

In the event of defaults under the Loan Agreement or the Exclusive Technical Service Agreement, the Indonesian WFOE shall be entitled to seek the Indonesian Individual Registered Shareholders and Indonesian Corporate Registered Shareholders to perform their obligations under the Security Documents. For more details, see "Exclusive Call Option Agreement" below.

Exclusive Call Option Agreement

Pursuant to the call option agreements entered into between the Indonesian WFOE, the Indonesian Individual Registered Shareholders and the Indonesian Corporate Registered Shareholders on 29 March 2022 (the "**Exclusive Call Option Agreement**"), the Indonesian WFOE has the exclusive right to (i) require the Indonesian Corporate Registered Shareholders to transfer all shares in Indonesian Opco, (ii) require the Indonesian Individual Registered Shareholders to transfer all shares in the Indonesian Corporate Registered Shareholders, or (iii) require the Indonesian Corporate Registered Shareholders to transfer all assets in Indonesian Opco, in each case to the Indonesian WFOE or a third party designated by the Indonesian WFOE (as the case may be and in accordance with Indonesian Laws). The transfer price will be equal to the amount of par value of such transferred shares or such price set forth in an equity transfer agreement to be executed among relevant parties, as applicable. The Exclusive Call Option Agreements remain effective until the full payment of Indonesian Opco's obligations under the Loan Agreement. The Indonesian Individual Registered Shareholders and the Indonesian Corporate Registered Shareholders agree to return to the Indonesian WFOE (or the entity designated by the Indonesian WFOE) any consideration they receive in the event that any of the options under the Exclusive Call Option Agreements is exercised.

To the extent permitted by Indonesian laws, the Indonesian WFOE shall have the right to exercise the exclusive option right against the Indonesian Individual and Indonesian Corporate Registered Shareholders or the legitimate successors or representatives of the Indonesian Individual and Indonesian Corporate Registered Shareholders pursuant to the terms and conditions of the Exclusive Call Option Agreement in the event of death, incapacity, bankruptcy of the Indonesian Individual and Indonesian Corporate Registered Shareholders or other circumstances which causes his inability to exercise his rights as a shareholder of the Indonesian Opco.

Share Pledge Agreements

Pursuant to the share pledge agreements entered into between the Indonesian WFOE, the Indonesian Individual Registered Shareholders and the Indonesian Corporate Registered Shareholders on 29 March 2022 (the "**Share Pledge Agreements**"), the Share Pledge Agreements have the following terms:

- the Indonesian Individual Registered Shareholders pledged all of the shares in Indonesian Corporate Registered Shareholders to the Indonesian WFOE, and

- the Indonesian Corporate Registered Shareholders pledged all the shares in the Indonesian Opco to the Indonesian WFOE,

to guarantee the performance of obligations by the Indonesian Individual Registered Shareholders and Indonesian Corporate Registered Shareholders under the Guarantee Agreements, as well as the performance of obligations by Indonesian Opco under the Loan Agreement.

Pursuant to the Share Pledge Agreements, Pledgors are required deliver to Indonesian WFOE all share certificates and other evidence of ownership in relation to the shares in Indonesian Individual Registered Shareholders and Indonesian Opco. Each of the Pledgors undertook that during the term of the Share Pledge Agreements, they shall not, among others, sell, dispose of, assign, transfer, pledge or encumber the pledged shares, or allow any other pledge or encumbrance to be created with respect to the pledged shares.

The Share Pledge Agreements remain effective until the full payment of Indonesian Opco's obligations under the Loan Agreement.

Exclusive Technical Service Agreement

Pursuant to the exclusive technical service agreement entered into between the Indonesian WFOE and the Indonesian Opco on 29 March 2022 (the "**Exclusive Technical Service Agreement**"), in exchange for service fees, the Indonesian Opco agreed to engage the Indonesian WFOE as its exclusive provider to provide advice, guidance on business operations and other organizational and management issues, and pay the service fees, such as (i) strategic and organizational planning; (ii) decisions related to finance; (iii) marketing objectives and policies; (iv) human resource planning, practices and policies; (v) planning scheduling and controlling production, advisory assistance, guidance and operation of various management functions; (vi) design of accounting methods and procedures, cost accounting programs, budget monitoring procedures; and (vii) advice and assistance for business and community services.

Under the Exclusive Technical Service Agreement, the service fee payable to the Indonesian WFOE will be equal to the consolidated net profits of the Indonesian Opco and its subsidiaries (revenue deducted by turnover taxes, total expenses and retained profits), subject to adjustments at the Indonesian WFOE's discretion.

Without the Indonesian WFOE's prior written consent, during the term of the Exclusive Technical Service Agreement, the Indonesian Opco will not, directly or indirectly, accept services pertaining to the Exclusive Technical Service Agreement provided by any third party.

Unless terminated in accordance with the provisions of the Exclusive Technical Service Agreement, the Exclusive Technical Service Agreement shall remain effective perpetually. Pursuant to the Exclusive Technical Service Agreement, all invention, modification, creation, or design created or developed by the Indonesian WFOE during its performance of the Exclusive Technical Service Agreement, and all related copyrights, trademarks, patents and all other intellectual property rights shall be owned by the Indonesian WFOE. Where such ownership is precluded due to the laws of the Republic of Indonesia, Indonesian Opco shall sign any documents and take, or cause to be taken, any other action necessary, to effect the complete and irrevocable assignment of the said ownership rights to the Indonesian WFOE.

Power of Attorney

Pursuant to the powers of attorney to vote and powers of attorney to sell by and among the Indonesian WFOE, the Indonesian Corporate Registered Shareholders and Indonesian Opco executed on 29 March 2022, each Indonesian Corporate Registered Shareholder irrevocably appointed the Indonesian WFOE as its attorney to do and perform, among others, the following actions:

- to exercise all applicable shareholders' voting and related rights with respect to such shareholder's equity interest, including to exercise the voting rights on behalf of the Indonesian Corporate Registered Shareholders,

- to sign meeting minutes and other relevant documents on behalf of the Indonesian Registered Shareholders, and

- to proceed with necessary approvals, registrations, filings or submissions with governmental authorities.

The power of attorney will be irrevocable and remain continuously effective and valid until the full payment of Indonesian Opco's obligations under the Loan Agreement.

Spousal Consent and Undertakings

The spouse of each of the relevant Indonesian Individual Registered Shareholders, where applicable, has signed undertakings to the effect that she (i) consents to her spouse entering into the Indonesian Contractual Arrangements; (ii) acknowledges that the Indonesian Contractual Arrangements entered into by her spouse will also be binding against her; (iii) has no right to or control over any interests in the Indonesian Corporate Registered Shareholders and will not have any claim on such interests; and (iv) will sign all necessary documents and take all necessary actions to ensure the Indonesian Contractual Arrangements are properly performed.

THE PROVISIONS THAT THE CONTRACTUAL ARRANGEMENTS ARE SUBJECT TO OTHER THAN FOREIGN OWNERSHIP RESTRICTIONS

All Contractual Arrangements are subject to the restrictions set out on pages 292 to 295 of the prospectus. During the period from the Listing Date to 31 December 2024, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted, and none of the Contractual Arrangements had been unwound as the regulatory restrictions that led to their adoptions were not lifted during the period from the Listing Date to 31 December 2024.

LISTING RULES IMPLICATIONS AND WAIVERS FROM THE STOCK EXCHANGE

For the purpose of Chapter 14A of the Listing Rules, our Consolidated Affiliated Entities will be treated as our Company's subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and its associates will be treated as connected persons of our Company as applicable under the Listing Rules (excluding for this purpose, the Consolidated Affiliated Entities themselves). Therefore, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of our Company under the Listing Rules.

Our Directors (including independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated thereunder are fundamental to our Group's legal structure and business, that such transactions have been and will be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable and in the interests of our Company and the Shareholders as a whole, and it is normal business practice for the Contractual Arrangements to be of a term greater than three years. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, the Directors consider that, given that our Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company if such transactions are subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules.

In respect of the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with (i) the announcement, circular and independent Shareholders' approval requirements under Rule 14A.105 of the Listing Rules, (ii) the requirement to set a term of three years or less under Rule 14A.52 of the Listing Rules, and (iii) the requirement of setting annual caps for the transaction under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, for so long as our Class B Shares are listed on the Stock Exchange, subject, however, to the following conditions:

(a) No change without independent non-executive Directors' approval;

(b) No change without independent Shareholders' approval;

(c) The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities;

(d) The Contractual Arrangements may be renewed and/or reproduced on substantially the same terms and conditions as the existing contractual arrangements upon expiry; and

(e) We will disclose details relating to the Contractual Arrangements on an on-going basis.

CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that (i) the transactions carried out during the year ended 31 December 2024 were entered into in accordance with the relevant provisions of the Contractual Arrangements; (ii) during the year ended 31 December 2024, no dividends or other distributions have been made by our Consolidated Affiliated Entities to their holders of equity which are not otherwise subsequently assigned or transferred to our Group; (iii) as to the Group, any new contracts entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities during the year ended 31 December 2024 are fair and reasonable or advantageous to our Shareholders, and in the interests of the Company and Shareholders as a whole.

CONFIRMATION FROM THE COMPANY'S INDEPENDENT AUDITOR

Pursuant to Rule 14A.56 of the Listing Rules, the Board received a letter from the auditor confirming that:

(a) no disclosed continuing connected transactions have been identified that have not been approved by the Board of the Company;

(b) no material aspects of the transactions were found to have been carried out in a manner not in accordance with the relevant agreements governing their transactions; and

(c) no circumstances have been identified where dividends or other distributions have been paid by Consolidated Affiliated Entities to their holders of equity which have not been subsequently transferred or assigned to the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Companies Act, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

TAX RELIEF

The Directors are not aware of any tax relief or exemption available to the Shareholders of the Company by reason of their holding of the Company's securities.

AUDITOR

The consolidated financial statements for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers will retire at the forthcoming annual general meeting of the Company and, being eligible, will offer themselves for reappointment. A resolution for the re-appointment of PricewaterhouseCoopers as the auditor of the Company will be proposed at the 2024 annual general meeting.

There has been no change in auditor of the Company in the last three years.

PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, the Company has maintained sufficient public float as required under the Listing Rules as at date of this annual report.

DISTRIBUTABLE RESERVES

As at the end of the Reporting Period, the Company has no distributable reserves.

MAJOR CUSTOMERS AND SUPPLIERS

In 2024, the Group's five largest customers contributed to 30.9% of the Group's total revenue, the Group's largest customer contributed to 18.5% of the revenue from the sale of goods or the provision of services. The Group's five largest suppliers accounted for 5.5% of the Group's total purchases.

For the year ended 31 December 2024, none of the Directors, their respective associates or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued Shares) has any interest in the Group's five largest customers.

MATERIAL LITIGATIONS

During the Reporting Period, the Company was not involved in any material litigations or arbitrations.

WEIGHTED VOTING RIGHTS

The Company has adopted the WVR Structure. Under this structure, the Company's share capital will comprise Class A Shares and Class B Shares. Each Class A Share shall entitle its holder to ten votes, and each Class B Share shall entitle its holder to one vote, on each resolution subject to a vote at the Company's general meetings on a poll, except for resolutions with respect to the Reserved Matters, in relation to which each Class A Share and each Class B Share shall entitle its holder to one vote on a poll at a general meeting. The Company has adopted the WVR Structure to enable the WVR Beneficiary to exercise voting control over the Company. This will enable the Company to benefit from the continuing vision and leadership of the WVR Beneficiary who will control the Company with a view to its long-term prospects and strategy.

Shareholders and prospective investors are advised to be aware of the potential risks of investing in companies with weighed voting rights structures, in particular that interests of the WVR Beneficiary may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiary will be in a position to exert significant influence over the affairs of our Company and the outcome of shareholders' resolutions, irrespective of how other shareholders vote. Prospective investors should make the decision to invest in the Company only after due and careful consideration.

As of 31 December 2024, the WVR Beneficiary is Mr. Jet Jie Li. Mr. Jet Jie Li beneficially owns 977,759,240 Class A Shares and 1,574,170 Class B Shares, representing approximately 55.34% of the total voting rights in the Company with respect to shareholder resolutions relating to matters other than the Reserved Matters. The Class A Shares beneficially owned by Mr. Jet Jie Li are held by Jumping Summit Limited, a company jointly owned by Topping Summit Limited and Exceeding Summit Holding Limited. Topping Summit Limited, wholly-owned by Mr. Jet Jie Li, holds 5% of the equity interest in Jumping Summit Limited. Exceeding Summit Holding Limited, the entire equity interest of which is held by Vistra Trust (Singapore) Pte. Limited as trustee for the family trust established by Mr. Jet Jie Li for the benefit of himself and his family, holds the remaining 95% equity interest in Jumping Summit Limited.

Class A Shares may be converted into Class B Shares on a one to one ratio. As of 31 December 2024, upon conversion of all the outstanding Class A Shares to Class B Shares, the Company will issue 977,759,240 Class B Shares, representing approximately 12.34% of the total number of outstanding Class B Shares or 10.99% of the issued share capital of the Company.

The weighted voting rights attached to our Class A Shares will cease when the WVR Beneficiary ceases to have beneficial ownership of any of our Class A Shares, in accordance with Rule 8A.22 of the Listing Rules. This may occur:

(i) upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Listing Rules, in particular where the WVR Beneficiary is: (1) deceased; (2) no longer a member of our Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing his duties as a director; or (4) deemed by the Stock Exchange to no longer meet the requirements of a director set out in the Listing Rules;

(ii) when the holders of Class A Shares have transferred to another person the beneficial ownership of, or economic interest in, all of the Class A Shares or the voting rights attached to them, other than in the circumstances permitted by Rule 8A.18 of the Listing Rules;

(iii) where a vehicle holding Class A Shares on behalf of a WVR Beneficiary no longer complies with Rule 8A.18(2) of the Listing Rules; or

(iv) when all of the Class A Shares have been converted to Class B Shares.

SUBSEQUENT EVENTS

Subsequent to 31 December 2024 and up to the date of this annual report, there were no other material events that affected the Company materially and adversely.

REVIEW AND APPROVAL OF ANNUAL REPORT

The Audit Committee of the Company comprises one non-executive Director, Ms. Alice Yu-fen Cheng, and two independent non-executive Directors, Mr. Peter Lai Hock Meng (the chairman) and Mr. Erh Fei Liu. The Audit Committee of the Company has reviewed the consolidated financial statements and annual report of the Company for the year ended 31 December 2024. The consolidated financial statements and annual report of the Group for the year ended 31 December 2024 were approved and authorized for issuance by the Board of Directors on 5 March 2025.

On behalf of the Board
Jet Jie Li
Chairman and Chief Executive Officer
Hong Kong, 5 March 2025

VII. Corporate Governance Report

The Board is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2024.

CORPORATE CULTURE

The Group integrates its corporate culture into its daily operations and adopts the values of "benfen, sharing and responsibility" to guide the conduct and behavior of its employees. The Board is committed to ensuring that the Group's long-term strategies are aligned with the mission and vision of the corporate culture to ensure satisfactory and sustainable returns to Shareholders, the delivery of high-quality services to the customers and maintain high standards of ethics.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to promote the long-term development of the Company and safeguard the interests of the shareholders. To this end, the Company has adopted the Corporate Governance Code and, save for the deviation from code provision C.2.1 in Part 2 of the Corporate Governance Code as disclosed in the section headed "Chairman and Chief Executive Officer" below, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules during the Reporting Period. The Board also continually evaluates and improves the Company's corporate governance methods by reviewing and updating our policies and procedures regularly to constantly improve management quality and efficiency, so as to respond to the changing market and regulatory environment.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has formulated and adopted its internal code of conduct ("**Code of Conduct**") for the trading of securities by its Directors and members of senior management of the Company on terms that are no less exacting than the required standard set out in the Model Code.

Having made a specific enquiry to all Directors and members of senior management, all Directors and members of senior management have confirmed that they have complied with the required standard set out in the Model Code and the Code of Conduct of the Company during the Reporting Period. The Company continues and will continue to ensure compliance with the corresponding provisions set out in the Model Code and the Code of Conduct of the Company.

BOARD OF DIRECTORS

Board Composition

During the Reporting Period and up to the date of this annual report, the Board comprised:

Executive Director

Mr. Jet Jie Li (Chairman and Chief Executive Officer)

Non-executive Directors

Ms. Alice Yu-fen Cheng
Ms. Qinghua Liao
Mr. Yuan Zhang

Independent non-executive Directors

Mr. Erh Fei Liu
Mr. Peng Shen
Mr. Peter Lai Hock Meng *(appointed on 18 May 2024)*
Mr. Charles Zhaoxuan Yang *(resigned on 18 May 2024)*

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" of this annual report.

None of the members of the Board have financial, business, family or other material/relevant relationships with one another.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

According to code provision C.2.1 of the CG Code, the roles of the chairman of the Board and the chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman of the Board and the chief executive officer should be clearly established and set out in writing. The Company does not separate the roles of the chairman of the Board and the Chief Executive Officer, and Mr. Jet Jie Li currently takes up both roles. Given that Mr. Jet Jie Li is the founder of the Group and has extensive experience in the Group's business operation and management, the Board believes that Mr. Jet Jie Li serves as the chairman of the Board and the Chief Executive Officer is conducive to consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Such structure will enable the Company to make and implement decisions promptly and efficiently. The Board believes that the arrangement will not impair the balance of power and authority. In addition, all major decisions are made in consultation with members of the Board (including the relevant Board committees and the three independent non-executive Directors). From time to time, the Board will reassess the division of the roles of the chairman from that of the Chief Executive Officer, and may recommend separating the two roles into different individuals in the future, taking into account the circumstances of the Group as a whole.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Board has been in compliance with the requirements of Rule 3.10(1) and (2) and Rule 3.10A of the Listing Rules, i.e. the Board shall appoint at least three independent non-executive directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. The independent non-executive Directors bring independent opinions on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct, and make contributions with their skills, expertise and various backgrounds and qualifications.

The Company has received an annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent during the Reporting Period.

TERM OF SERVICE OF NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors and the independent non-executive Directors has entered into an appointment letter with the Company, pursuant to which, his or her initial term of service shall be three years commencing from the Listing Date or until the third annual general meeting of the Company after the Listing Date, whichever is earlier. Such appointments shall be subject to the provisions of the Articles of Association in relation to the retirement and rotation of Directors.

Pursuant to the provisions of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director, including those appointed for a specific term and the independent non-executive Directors, shall be subject to retirement by rotation at least once every three years.

Ms. Qinghua Liao, Mr. Erh Fei Liu and Mr. Peng Shen are subject to retirement at the forthcoming annual general meeting in accordance with the Articles and, being eligible, shall offer themselves for re-election at the forthcoming annual general meeting. The Nomination Committee and the Board recommend their re-election.

RESPONSIBILITIES OF THE BOARD AND THE MANAGEMENT

The Board and the management of the Company shall assume their respective responsibilities and work together to maintain and enhance the corporate governance standard of the Company.

The Board shall undertake the ultimate responsibility for corporate governance. It shall be responsible for setting the strategic direction of the Company, supervising the management's execution effectiveness, ensuring compliance with relevant laws and regulations and the Listing Rules by the Company, and monitoring the Company's risk management and internal control system.

The Board may from time to time entrust to and confer senior management all or any of the powers of the Board that it may think fit. Senior management shall be responsible for the overall strategic planning, and overseeing and implementing the business operations of the Group.

The Company has maintained appropriate liability insurance for the Directors and senior management of the Company in respect of the performance of their duties.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

In accordance with code provision C.1.4 in Part 2 of the CG Code, all Directors shall engage in continuous professional development to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal and comprehensive induction on the first occasion of his/her appointment to ensure an appropriate understanding of the business and operations of the Company and full awareness of the Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate professional development to learn and refresh their knowledge and skills. The Company will provide written materials on relevant topics for Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expense.

The continuous professional training that has been received by the Directors during the Reporting Period is recorded as follows:

Name of Director	Participation in Continuing Professional Training[1]
Mr. Jet Jie Li	✓
Ms. Alice Yu-fen Cheng	✓
Ms. Qinghua Liao	✓
Mr. Yuan Zhang	✓
Mr. Erh Fei Liu	✓
Mr. Peng Shen	✓
Mr. Peter Lai Hock Meng *(appointed on 18 May 2024)*	✓
Mr. Charles Zhaoxuan Yang *(resigned on 18 May 2024)*	✓

Note:

1. Attended training/seminar/conference arranged by the Company or other external parties or read materials related to (including) Directors' duties and responsibilities, corporate governance and provisions of the Listing Rules.

BOARD ACTIVITY

During the Reporting Period, the Company held five Board meetings, three Audit Committee meetings, two Remuneration Committee meetings, two Nomination Committee meetings and two Corporate Governance Committee meetings. The attendance of each director at Board and Committee meetings of the Company, whether in person or by means of electronic communication, is detailed in the table below:

	Number of Attendance/Number of Meetings				
Name of Director	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Corporate Governance Committee**
Mr. Jet Jie Li	5/5	–	2/2	2/2	–
Ms. Alice Yu-fen Cheng	5/5	3/3	–	–	–
Ms. Qinghua Liao	5/5	–	–	–	–
Mr. Yuan Zhang	5/5	–	–	–	–
Mr. Erh Fei Liu	5/5	3/3	2/2	2/2	2/2
Mr. Peng Shen	5/5	–	2/2	2/2	2/2
Mr. Charles Zhaoxuan Yang *(resigned on 18 May 2024)*	3/5	1/3	–	–	1/2
Mr. Peter Lai Hock Meng *(appointed on 18 May 2024)*	2/5	2/3	–	–	1/2

At the Board meetings held during the Reporting Period, the Board discussed a wide range of matters, including the Company's financial and operational performances, approved interim and annual results of the Company, business prospects and other significant matters.

In addition to the aforementioned meetings, the chairman of the Board held one meeting with the independent non-executive Directors during the Reporting Period.

On 18 June 2024, the Company held its annual general meeting to consider and approve (i) the proposed grant of a general mandate for the repurchase of shares and the issuance of new shares; (ii) the proposed re-election of retiring Directors; (iii) the proposed adoption of the 2024 Share Incentive Scheme; (iv) the authorization of the Board of Directors of the Company to fix the remuneration of the Directors of the Company; and (v) the re-appointment of PricewaterhouseCoopers as the auditor and the authorization of the Board to fix their remuneration. All proposed resolutions to the annual general meeting were taken by poll, and the poll results were set out in the Company's announcement dated 18 June 2024. The chairman of the Board, other members of the Board and senior management attended the annual general meeting and engaged in discussions with shareholders.

BOARD COMMITTEES

According to the CG Code, as well as the relevant laws and regulations, the Company has established four Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Corporate Governance Committee. All Board committees of the Company are established with specific written terms of reference.

AUDIT COMMITTEE

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. During the Reporting Period, the Audit Committee consists of one non-executive Director, namely, Ms. Alice Yu-fen Cheng, and two independent non-executive Directors, namely, Mr. Peter Lai Hock Meng and Mr. Erh Fei Liu. Mr. Peter Lai Hock Meng is the chairman of the Audit Committee and has appropriate accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The main duties of the Audit Committee include but are not limited to:

- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and solving any questions of its resignation or dismissal;

- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

- monitoring the integrity of the Company's financial statements, annual reports, accounts, interim reports and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them;

- reviewing the Company's financial controls, risk management and internal control systems;

- reviewing the Company and its subsidiaries' financial and accounting policies and practices; and

- reviewing and monitoring the Company's environmental, social and governance policies and practices to ensure compliance with legal and regulatory requirements.

According to code provision D.3.3(e)(i) in the Part 2 of the CG Code, the Audit Committee must meet with the Company's auditor at least twice a year. During the Reporting Period, the Audit Committee held three meetings and held two meetings with the external auditors in the absence of executive Directors to review the Company's financial reports and accounts.

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee in compliance with Rule 3.25 of the Listing Rules and the CG Code. During the Reporting Period, the Remuneration Committee consists of one executive Director, namely, Mr. Jet Jie Li, and two independent non-executive Directors, namely, Mr. Erh Fei Liu and Mr. Peng Shen. Mr. Erh Fei Liu is the chairman of the Remuneration Committee.

The main duties of the Remuneration Committee include but are not limited to:

- making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration;

- making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;

- making recommendations to the Board on the remuneration of non-executive Directors; and

- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules, including any grants of options or awards to Directors and senior management.

During the Reporting Period, the Remuneration Committee held two meetings to review the policy and structure for Directors' and senior management's remuneration, as well as to review the adoption of the 2024 Share Incentive Scheme, and to make recommendations to the Board on the above matters.

POLICY ON DIRECTORS' REMUNERATIONS

The Company has adopted a policy on Directors' remuneration. The remunerations of our Directors are paid in the form of salaries, allowances, benefits in kind, pension scheme contributions and share-based compensation. Remuneration is recommended and determined on the basis of the qualifications and responsibilities of each Director and the performance of the Group. Details of the remunerations of Directors for the year ended 31 December 2024 are set out in Note 39 to the consolidated financial statements.

For the year ended 31 December 2024, the remuneration of the members of the Company's senior management (including the members of the senior management who are also executive Directors) by the level of remuneration is set out in Note 40 to the consolidated financial statements.

NOMINATION COMMITTEE

The Company has established a Nomination Committee in compliance with the CG Code and Rule 3.27A and Rule 8A.27 of the Listing Rules. During the Reporting Period, the Nomination Committee consists of one executive Director, namely, Mr. Jet Jie Li, and two independent non-executive Directors, namely, Mr. Erh Fei Liu and Mr. Peng Shen. Mr. Erh Fei Liu is the chairman of the Nomination Committee.

The main duties of the Nomination Committee include but are not limited to:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

- identifying individuals who are suitably qualified to become a member of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;

- assessing the independence of independent non-executive Directors;

- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; and

- developing a policy concerning diversity of Board members.

During the Reporting Period, the Company held two meetings of Nomination Committee to review the structure, size and composition of the Board, the diversity policy of Board members and the independence of the independent non-executive Directors, to make nominations of independent non-executive Directors to the Board, and to make recommendations to the Board on the re-election of Directors at the annual general meeting.

Board Diversity Policy

The Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a Director of the Company, the Nomination Committee will consider a number of factors, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry experience. Pursuant to the board diversity policy, in deciding the Board's composition, Board diversity shall be considered from the above-mentioned aspects. All appointments of the Board will be based on meritocracy, where the Company focuses on evaluating what skills, experience, and diverse viewpoints and perspectives that candidates can bring to the Board, and how they can make contributions to the Board. The final decision will be based on the strengths of candidates and the contributions they can make to the Board. The Company confirms that as of the end of the Reporting Period, the Board includes professionals with different professional backgrounds such as marketing, electronic engineering, finance, accounting and management, genders and ages, among whom female Directors account for 28.6% of the total number of Directors. The composition of the Board conforms to the provisions of the Listing Rules on Board diversity (including gender diversity) and the diversity policy formulated by the Company. The Company pays attention to the importance and benefits of gender diversity of Board members, and the Board diversity policy of the Company can ensure that the Board will have alternate potential successors to maintain the existing gender diversity of the Board.

The Nomination Committee has evaluated the implementation of the Board diversity policy during the Reporting Period to ensure its continuous effectiveness. Our Board currently consists of seven Directors, including two female Directors. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company. We will also ensure that there is gender diversity when recruiting staff at mid to senior level, as well as engage more resources in training more female staff with the aim of providing a pipeline of female senior management and potential successors to our Board going forward.

Workforce diversity

As of 31 December 2024, the Group had 156,851 full-time employees (including senior management), of whom 79.04% were male employees and 20.96% were female employees. In order to promote gender diversity of employees, the Company plans to provide a full range of training, including but not limited to business operations, management, accounting and finance, and legal compliance, to employees who we believe have the appropriate experience, skills and knowledge in operations and business.

Director Nomination Policy

The Company has adopted a director nomination policy in compliance with the CG Code, which sets out the procedures and process for the nomination and appointment of directors of the Company. The Nomination Committee may refer to certain selection criteria, including but not limited to integrity, professional qualifications and skills, time commitment and diversity in all respects, in terms of appointing suitable proposed candidates and potential contribution to the Board.

If the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting shall set out the reasons for the election of such individual and the relevant information of the candidate shall be disclosed in accordance with the Listing Rules, the Articles of Association and/or the applicable laws and regulations.

If a shareholder (other than the individual to be proposed) is duly qualified to attend and vote at a general meeting convened wishes to propose a person other than a retiring Director for election as a Director at any general meeting, he/she shall send a notice in writing to the Company's head office or registered office. The notice shall set out the shareholder's intention to propose such person for election as a Director and the contact details and biographical details (including the directorships in other listed companies held by him/her in the last three (3) years and his/her other major appointments and professional qualifications) of the proposed candidate as required under Rule 13.51(2) of the Listing Rules. In addition, the notice shall be signed by such shareholder and the person to be proposed to indicate that such person wishes to offer himself/herself for election and consent to the disclosure of his/her personal data.

The minimum length of the period during which such notices are given shall be at least seven days and the period for the lodgement of such notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

CORPORATE GOVERNANCE COMMITTEE

The Company has established a Corporate Governance Committee in compliance with the CG Code and Rule 8A.30 of the Listing Rules. During the Reporting Period, the Corporate Governance Committee consists of three independent non-executive Directors, namely, Mr. Peng Shen, Mr. Erh Fei Liu and Mr. Peter Lai Hock Meng. Mr. Peng Shen is the chairman of the Corporate Governance Committee.

The main duties of the Corporate Governance Committee include but are not limited to:

- developing, reviewing and assessing the adequacy of the Company's policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of Directors and senior management of the Company;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report;
- reviewing and monitoring whether the Company is operated and managed for the benefit of all its shareholders;
- confirming, on an annual basis, that the WVR beneficiaries have been members of the Board throughout the year and that no matters under Rule 8A.17 of the Listing Rules have occurred during the relevant financial year;
- confirming, on an annual basis, whether or not the WVR beneficiaries have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules throughout the year;
- reviewing and monitoring the management of conflicts of interests and make a recommendation to the Board on any matter where there is a potential conflict of interest between the Company, a subsidiary of the Company and/or Shareholders of the Company (considered as a group) on one hand and any WVR beneficiaries on the other; and
- seeking to ensure effective and on-going communication between the Company and its Shareholders.

During the Reporting Period, the Company held two meetings of the Corporate Governance Committee and a summary of major matters reviewed is set out below:

- to review and monitor the training and continuing professional development of Directors and senior management;
- to review the implementation and effectiveness of the shareholder communication policy;
- the WVR Beneficiary has complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules during the Reporting Period;

- the WVR Beneficiary has been the member of the Board and that no matters under Rule 8A.17 of the Listing Rules have occurred from the Listing Date and up to the date of such meeting;

- to review the process for managing conflicts of interest and all risks associated with the Company's different voting rights structure; and

- to review the annual ESG Report and make recommendations to the Board for approval.

The Corporate Governance Committee has confirmed to the Board that, for the year ended 31 December 2024, the WVR Beneficiary of the Company has served as the member of the Board. The Corporate Governance Committee has reviewed the process for managing conflicts of interest and all risks associated with the Company's WVR Structure, including reviewing the management of conflicts of interests and making a recommendation to the Board on any matter where there is a potential conflict of interest between the Company, a subsidiary of the Company and/or Shareholders of the Company (considered as a group) on one hand and WVR Beneficiary on the other, and reviewing all risks related to the Company's WVR Structure, including connected transactions between the Company and/or a subsidiary of the Company on one hand and any WVR Beneficiary on the other and making a recommendation to the Board on any such transaction.

CORPORATE GOVERNANCE MEASURES TO AVOID POTENTIAL CONFLICTS OF INTEREST

As stated in the prospectus, the Company has adopted certain measures to ensure good corporate governance standards and to avoid potential conflicts of interest between the Group and the controlling shareholders of the Company (i.e. Mr. Jet Jie Li, Jumping Summit Limited, Topping Summit Limited and Exceeding Summit Holding Limited). Accordingly, the independent non-executive Directors have conducted an annual review on whether there are any conflicts of interests between the Group and the above controlling shareholders, and confirmed that they are not aware that there are any conflicts of interests between the Group and the above controlling shareholders.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 in Part 2 of the CG Code.

During the Reporting Period, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

BOARD INDEPENDENCE POLICY

The Board has established the following measures to ensure that the Board has access to independent advice and recommendations: (i) the Chairman will hold at least a meeting with the independent non-executive Directors in a year without other Directors' attendance; (ii) the size and structure of the Board is reviewed annually to ensure that a sufficient number of independent non-executive Directors with appropriate skills are appointed for the Board; and (iii) independent non-executive Directors should participate in the meetings of Board committees, including the Audit Committee, the Nomination Committee and the Remuneration Committee, to provide independent advice, recommendations and judgments on major issues relating to the Company's strategies, policies and financial performance. During the Reporting Period, the Board reviewed the implementation of the above measures and considered them appropriate and effective.

DIRECTORS' RESPONSIBILITIES FOR CONSOLIDATED FINANCIAL STATEMENTS

Directors confirm their responsibilities for preparing financial statements.

The Directors are not aware of any material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern.

The Auditor is responsible for auditing the financial statements of the Company and expressing opinions. The independent auditor's report for the Reporting Period is set out in the section headed "Independent Auditor's Report" of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

Effective risk management and internal control systems are important to achieving business objectives and safeguarding shareholders' interests and the Company's assets. Therefore, the Company is committed to establishing a comprehensive risk management framework and an internal control system to identify, evaluate and manage various risks that may affect the Company's operations and performance. The Group's core business departments are the first line of defense in the risk management and internal control system. Internal functional departments, including internal control department, risk control department, audit department and supervision department, enhance the depth and breadth of risk assessment through research, interviews and expert consultation. The Audit Committee regularly receives reports from the risk control and audit team, the legal compliance team and the external auditors, etc., reviews the risk management and internal control system, and discusses and manages the significant risks faced by the Company with the senior management.

The Board is responsible for maintaining the Group's risk management and internal control systems, and the Board adjusts the management strategies based on changes in the business environment and feedback from internal audits. The Audit Committee reviews the effectiveness of the system on behalf of the Board annually. The Group's risk management and internal control systems are designed to manage the risk of failure to achieve business objectives, but the risk cannot be completely eliminated. The systems also provide reasonable, credible, but not absolute assurance of no material misstatement or loss.

The Board has reviewed the effectiveness of the Group's risk management and internal control systems. Based on the confirmation received from the Audit Committee of the Board on the effectiveness of the systems of risk management and internal control, the Board considers that for the year ended 31 December 2024, the systems are effective and adequate and such audit has covered the financial, operational, environmental, social and governance and compliance aspects of the Group. The Board did not identify any material concerns in the audit. The Company has not implemented any significant changes to its risk management and internal control systems during the Reporting Period.

In order to ensure that the Company is able to effectively identify, evaluate, monitor and respond to various risks, and guarantee the safety of the Company's assets and the effectiveness of the Company's operations, the major work carried out by the Company in respect of risk management and internal control during the Reporting Period are summarized below:

- Leveraging computerized big data analysis and visualization technology, the Company identifies various types of issues on business processes, continuously locates and analyzes various types of risk indicators and realizes visualization, thereby providing decision-making data or realizing automatic early warnings for business or other risk management lines of defense.

- In order to comply with the requirements of the Securities and Futures Ordinance on the identification, handling and disclosure of insider information, the Company has formulated a securities trading management system to give prior approval for the procurement or sale of the Company's securities by the Company's Directors and certain members of the management, and regularly posts notices on relevant Directors' and employees' lock-up periods and trading restrictions, being aimed at preventing the possible mishandling of insider information in the Company.

- A comprehensive integrity policy has been established, which specifies the Company's position on anti-bribery and anti-corruption and the code of conduct for employees. The Company provide integrity and compliance training for all new employees, and for existing employees on a regular basis, with an aim to deepen employees' understanding of the integrity policy and the ways to identify and respond to potential misconduct in their practical work. In addition, the Company has established a transparent monitoring and reporting mechanism to encourage employees to report suspected misconduct.

AUDITOR'S REMUNERATION

The remuneration paid or payable to the Company's external auditor in respect of audit services and non-audit services for the year ended 31 December 2024 amounted to US$2.0 million and US$0.6 million respectively. Audit services provided by the auditors mainly comprise annual financial statements audit and interim review services, and non-audit services mainly comprise professional services on tax advisory provided by the auditors.

JOINT COMPANY SECRETARIES

During the Reporting Period, Ms. Yin Shan Hui resigned as the company secretary of the Company on 19 August 2024. Since 19 August 2024, Ms. Quanxi Shang ("Ms. Shang") and Mr. Ching Kit Cheng ("Mr. Cheng") have acted as the joint company secretaries of the Company. As stated in the announcement of the Company dated 19 August 2024, the Stock Exchange has granted a waiver to the Company in respect of Ms. Shang's eligibility to act as the joint company secretary of the Company for a period of three years from the effective date of appointment of Ms. Shang as a Joint Company Secretary (the "Waiver Period") on the condition that Ms. Shang must be assisted by Mr. Cheng during the Waiver Period. Mr. Cheng's primary contact person in the Company is Ms. Shang.

Ms. Shang and Mr. Cheng received no less than 15 hours of relevant professional training for the year ended 31 December 2024 in accordance with Rule 3.29 of the Listing Rules respectively.

CONSTITUTIONAL DOCUMENTS

The Memorandum and Articles of Association of the Company were adopted through a resolution passed on 11 October 2023, with effect from the Listing Date and are available on the websites of the Company and the Stock Exchange. There are no changes in the constitutional documents of the Company during the Reporting Period.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting and Putting Forward Proposals at General Meetings by the Shareholders

Pursuant to Article 74 of the Articles of Association, one or more Shareholder(s) holding in aggregate not less than one tenth of the voting rights (on a one vote per share basis) in the share capital of the Company may also make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a meeting. Such meeting shall be held within two months after the shareholders deposit the relevant requisition(s) to the Board or the secretary in writing. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner.

For the avoidance of doubt, Shareholders must send the duly signed written requisition to the Company's principal place of business in Hong Kong and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

At any general meeting, a resolution put to the vote of the meeting shall be decided by poll. Any Shareholder entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him.

SHAREHOLDERS' ENQUIRIES

Shareholders may send written enquiries or requests to the Company for the attention of the Board. The contact address is 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

Shareholders may direct their enquiries about their shareholdings to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email to 1519-ecom@vistra.com. The Company ensures that the Hong Kong Branch Share Registrar maintains up-to-date data about the shares at all times to enable it to respond effectively to Shareholders' enquiries.

POLICIES RELATING TO SHAREHOLDERS

Shareholder Communication Policy

To ensure that effective communication is maintained with Shareholders and to guarantee Shareholders' right to know, the Company's website, www.jtexpress.com, contains a specific section headed "Investor Relations". We will answer the written enquiries from the Company's Shareholders as soon as possible.

The Company endeavours to maintain an on-going dialogue with Shareholders. Relevant information will be available to Shareholders through the Company's financial reports, announcements, annual general meetings and other general meetings, and all disclosures submitted to the Stock Exchange. The Directors (or their representatives, as the case may be) will make every reasonable effort to attend the annual general meetings and respond to Shareholders' enquiries.

During the Reporting Period, the Company reviewed the implementation and effectiveness of the Shareholder communication policy. After reviewing the different channels to communicate with Shareholders, the Company has confirmed that the Shareholder communication policy is effective.

DIVIDEND POLICY

Pursuant to code provision F.1.1 of the CG Code, the Company has adopted a dividend policy on the payment of dividends. In accordance with the provisions of the Companies Act and the Articles of Association, the Company may declare dividends in any currency in a general meeting, but no dividends shall exceed the amount recommended by the Board. Unless and to the extent that the rights attached to any Shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any Shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid.

VIII. Environmental, Social and Governance Report

ABOUT THIS REPORT

This Report is the second Environmental, Social and Governance (ESG) Report released by J&T Global Express Limited (hereinafter referred to as "J&T", "J&T Express", "the Company", "the Group", or "we"), aiming to disclose to investors and other stakeholders the concepts upheld, management methods established, work implemented and performance achievements achieved by the Company in addressing sustainability issues during its operations.

Reporting Scope

By taking into account the main business of the Company and the environmental and social risks of its subsidiaries comprehensively, we have selected subsidiaries in different business segments, namely Shanghai Jiexiao Information Technology Co., Ltd. and Yunyi Transportation (Chongqing) Co., Ltd., which have been included in this Report for disclosure. The key ESG actions and performances of J&T Express and the aforesaid two subsidiaries have been presented in this Report.

Reporting Period

This Report covers the period from 1 January 2024 to 31 December 2024, and some of the content may go beyond the scope of the above in order to enhance the completeness of the Report narrative.

Basis and Principles of Preparation

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the "ESG Reporting Code") set out by the Hong Kong Stock Exchange.

Materiality

The Company identifies material topics of concern to investors and other stakeholders, and regards them as the focus of this Report. During the reporting process, the Company shall fully consider the operational characteristics of the industry in which it operates and the actual conditions of the countries and regions where it is located, ensuring that the discussion of material topics is both aligned with the Company's reality and meets the information needs of various stakeholders. Refer to the "Analysis of ESG Material Topics" section of this Report for the analysis process and results of material topics.

Balance

This Report truthfully reflects objective facts and provides unbiased disclosure of both positive achievements and negative information related to the Company.

Quantitative and Consistency

The relevant scope of statistics and calculation methods of the key quantitative performance indicators disclosed in the Report are fully explained in the notes of the Report to facilitate a meaningful analysis by stakeholders. Unless otherwise stated, there is no change to the methods or basis of the data disclosed in the report compared to 2023.

About the Data

The data and cases in the Report are from relevant records of the Company's actual operations.

Unless otherwise specifically stated, the financial data in the Report is denominated in RMB. In the event of any discrepancies between the financial data in the Report and the Company's annual financial report, the annual financial report shall prevail.

How to Get the Report

This Report is published in electronic form on the information disclosure platform designated by the Stock Exchange. Meanwhile, stakeholders can visit the Company's official website to view or download this Report online for detailed information.

Reporting Language

This Report is published in three languages: simplified Chinese, traditional Chinese and English. If there is any inconsistency in content between different versions, the simplified Chinese version shall prevail.

Contact Information

If you have any comments or suggestions on the Company's environmental, social and governance disclosures and performance, please contact us through the following means.

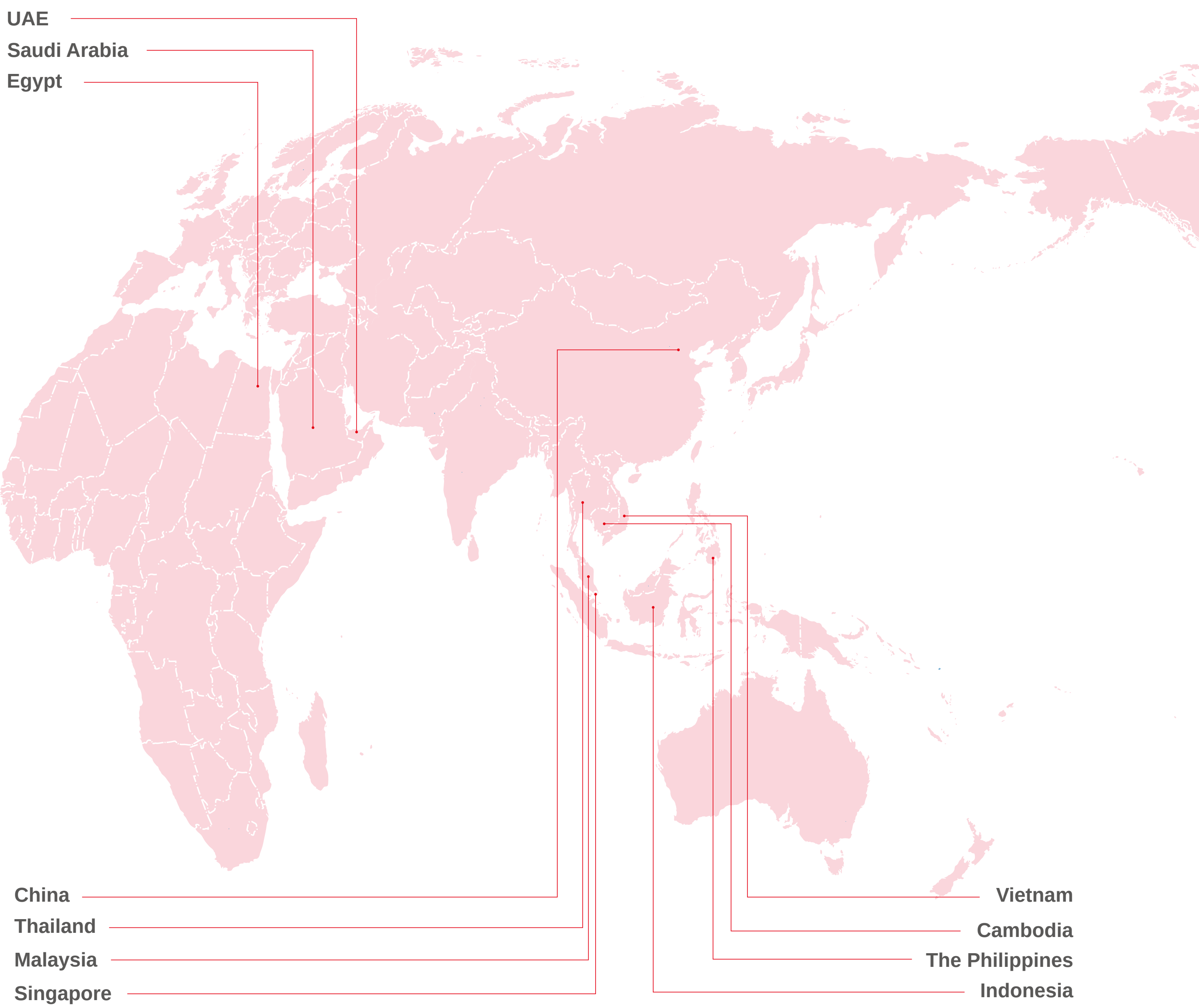
Address of headquarters: 1777 Hualong Road, Huaxinzhen, Qingpu District, Shanghai, China

E-mail: esg@jtexpress.com

ABOUT J&T EXPRESS

Company Introduction

J&T Express is a global logistics service provider with a presence in 13 countries, leading the world's largest and fastest growing markets in China and Southeast Asia, and expanding business footprint in Latin America and the Middle East. We commenced operations in 2015 in Indonesia, and leveraged our success there to expand into other Southeast Asian countries, including Vietnam, Malaysia, the Philippines, Thailand, Cambodia and Singapore.



Note: Only the business areas are shown in the map, which does not relate to, or represent any political position.

Business Global Presence

Our Core Business

Standard Express Delivery

Quick Response

Proactively provide feedback to customers on complaint handling progress within one hour or more.

Rapid Claim Settlement

Once the compensation amount is determined by both Parties, it will be paid to the customer's account within one hour or more.

Inclusive and Convenient

Provide customers with high-quality and convenient express delivery services, so that logistics can benefit the public.

An Independent E-commerce Enabler

As an independent third-party logistics solutions provider, J&T Express offers undifferentiated, high-quality express logistics services across all platforms to help global e-commerce vendors.

As of 31 December 2024, our business network has spread globally:

Sorting Centers

238

Outlets

19,100

Network Partners

7,200+

Company Development

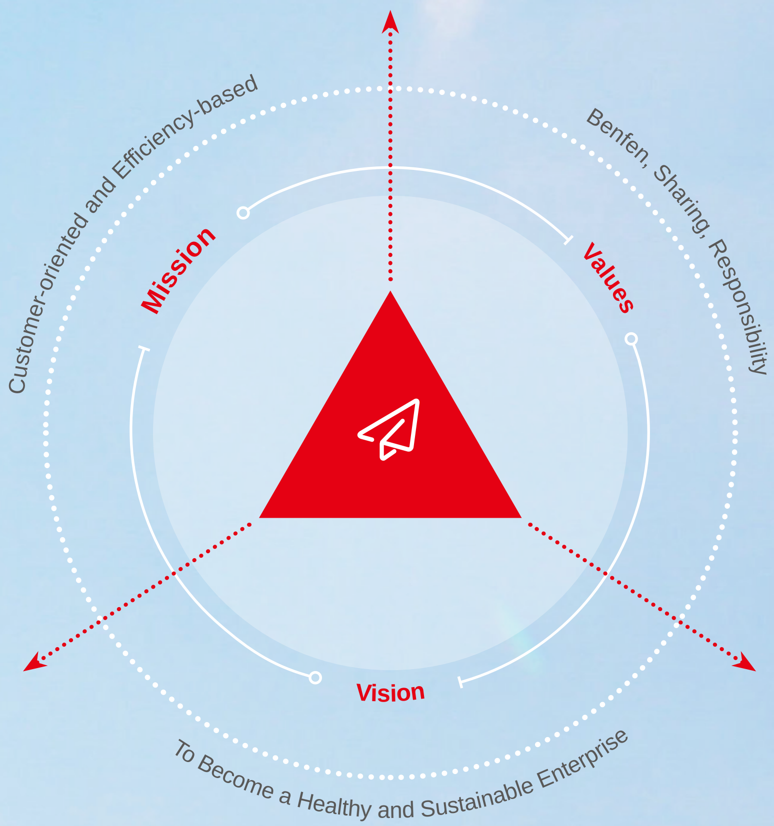
Adhering to its “Customer-oriented and Efficiency-based” mission, J&T Express is committed to providing customers with integrated logistics solutions through intelligent infrastructure and digital logistics network, as part of its global strategy to connect the world with greater efficiency and bring logistical benefits to all.

Milestone events of 2024

In November 2024, J&T Express’s global

daily parcel volume exceeded 100 million

Corporate Culture of the Company




J&T极兔速递

ESG Performance Highlights of the Company

Environmental Performance

Accumulated approximately placement of reusable transit bags

2023	2024
25,600,000+	31,650,000+

Accumulated approximately times of uses of reusable transit bags

2023	2024
1,100,000,000+	1,940,000,000+

Recycling of corrugated cartons

2023	2024
900,000+	3,820,000+

Placement of fully degradable waterproof bags

2023	2024
2,755,000+	3,737,000+

Utilization rate of one-sheet e-waybills

2023	2024
100%	100%

Utilization rate of 45mm degradable tapes

2023	2024
100%	100%

Social Performance

Work Safety

Number of safety training sessions

2023	2024
15,200+	57,400+

Number of person-times participating in safety training

2023	2024
740,000+	1,089,000+

Customer Service

Customer complaint handling completion rate

2023	2024
100%	100%

Corporate Governance Performance

Percentage of female directors

2023	2024
28.6%	28.6%

Number of person-times receiving business ethics and anti-corruption training

2023	2024
58,986	94,146

The signing rate of the Commitment to Integrity in Business Practices by new employees of the Group headquarters and across the entire China network

2023	2024
100%	100%

The signing rate of the Business Partner Code of Conduct by newly introduced suppliers of of the Group headquarters and China headquarters

2023	2024
98%	100%

Note: Unless otherwise stated, other data statistics cover J&T Express's global business for the entire year of 2024.

ESG-related Honorary Awards of the Company

Green Express Demonstration Products

China Express Association · China

Outstanding Contribution Enterprise in Overseas Warehouse Development

China Association of Warehousing and Distribution · China

Vietnam Digital Award 2024

Ministry of Information and Communications of Vietnam, etc. · Vietnam

Plaque of Recognition for Supporting Education

Department of Education of the Philippines · The Philippines

Award of Honor for Supporting the Employment of Individuals with Disabilities in 2024

The Foundation for the Welfare of the Mentally Retarded of Thailand · Thailand

Note: Only partial ESG-related Honorary Awards of the Company for the year of 2024 are shown above.

SUSTAINABLE DEVELOPMENT MANAGEMENT

Board’s Statement on ESG

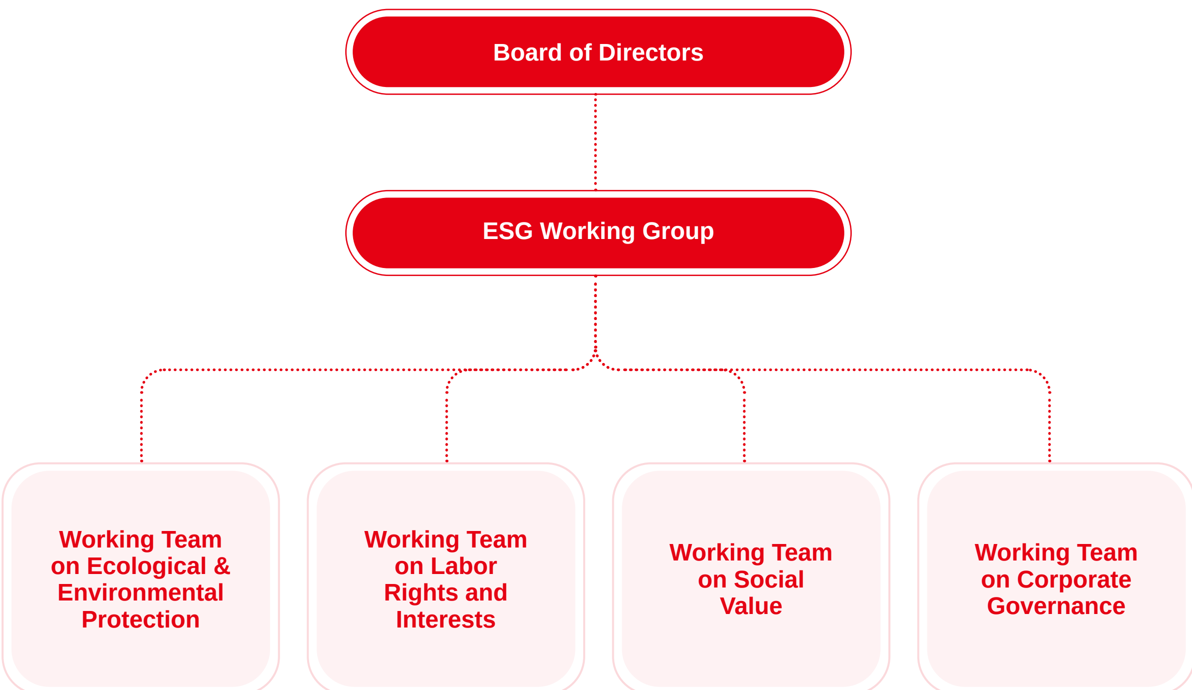
J&T Express attaches great importance to Environmental, Social and Governance (ESG) and has set up an ESG governance structure comprising the Board of Directors – ESG Working Group – Working Teams in Key Areas to ensure effective implementation of the ESG management work. The Board is the ultimate responsible body for ESG matters at J&T Express, which manages the ESG guidelines and policies, regularly listens to detailed reports on ESG-related matters from the Company’s management and the ESG Working Group, reviews the realization of ESG-related objectives, and provides strategic guidance and decision-making support for the Company’s ESG development.

ESG Governance Structure

The concepts of ESG and sustainable development are deeply rooted in the Company’s corporate culture. With the vision of “To Become a Healthy and Sustainable Enterprise”, we are committed to improving our ESG management level and performance, continuously improving compliance control and risk management systems, solidifying governance foundations, and ensuring the Company’s sustainable development.

We continue to refine the Company’s ESG management system, establishing a top-to-bottom ESG governance structure that encompasses the Board of Directors, the ESG Working Group, and various functional departments, forming a clear division of responsibilities. During the year, the Group actively set up ESG Working Group in various countries, systematically advancing the Group’s ESG management efforts globally, and further strengthening the global coordination and execution of the Group’s ESG management system.

ESG Governance Structure



Major ESG Duties

Board of Directors

The Board is the highest responsible body for ESG, with its duties including:

- Take overall control over the Company's ESG strategic direction;
- Approve annual ESG objectives and budgets;
- Identify, evaluate and control significant ESG-related risks, and ensure the effectiveness of ESG management and internal monitoring system;
- Review the Company's annual ESG Report.

ESG Working Group

The ESG Working Group is responsible for promoting the implementation of the Board decisions and reporting the progress and results of the ESG work to the Board. Mr. Dylan Say Keong Tey, CFO of the Company, serves as leader of the Working Group and is responsible for managing the overall ESG-related matters. Duties of the ESG Working Group include:

- Guide the formulation of ESG management policies and strategies to ensure that they keep pace with the times and comply with relevant laws, regulations and regulatory requirements;
- Review the setting of ESG objectives, review the realization of ESG objectives, and advise on actions to be taken to achieve the objectives;
- Guide the identification and materiality assessment of ESG risks and opportunities and advise the Board on the risks or opportunities;
- Lead the preparation of the Company's annual ESG Report;
- Report the ESG-related work to the Board of the Company.

Working Teams on Ecological & Environmental Protection, Labor Rights and Interests, Social Value and Corporate Governance

Working Teams on Ecological & Environmental Protection, Labor Rights and Interests, Social Value and Corporate Governance are respectively managed by the Director of the Supervision Team, the Director of Human Resources Department, the Director of Brand Management Department and the Director of Legal & Compliance Department, taking overall responsibility for the management and implementation of relevant issues in their respective field. The duties of each Working Team include:

- Identify ESG-related risks and opportunities, and evaluate the level and materiality of risks;
- Formulate ESG management policies and strategies in their respective field, work out definite work plans, and integrate them into actual business operations;
- Set ESG objectives, regularly collect, sort out and analyze ESG performance information, and clarify the progress of achieving ESG objectives;
- Prepare ESG reports and submit them to the ESG Working Group for review;
- Submit information required by the ESG Working Group and the Board for making ESG decisions.

To continuously strengthen the Company's ESG management and enhance the ESG awareness of the Board, we conducted ESG-themed training for the Board during the year, covering four areas: the definition and development trends of ESG, ESG ratings, peer benchmarking, and the Company's own ESG practices. Additionally, the Company conducted ESG training activities for new hires at the headquarters and subsidiary companies in various countries, as well as for newly-promoted managerial staff, covering 13 countries with 723 trainees, achieving a coverage rate of 100% among newly added managers and above core personnel.

Communication with Stakeholders

J&T Express attaches great importance to the opinions of all stakeholders, including shareholders and investors, customers, government and regulatory authorities, employees, suppliers, etc. In order to deeply understand the concerns and demands of all parties, we actively establish and improve a regular communication mechanism with stakeholders, incorporate their topics of concern into the Company's operation and decision-making process, and actively respond to the demands and expectations of stakeholders, thereby enhancing the Company's sustainable development capabilities.

Major Stakeholders	Communication Channels	Topics of Concern
Shareholders and investors	• Shareholder reporting • Information disclosure • Roadshow	• Business ethics and anti-corruption • Risk management
Government and regulatory authorities	• Project cooperation • Conference exchanges • Supervision and inspection	• Business ethics and anti-corruption • Safe delivery and transportation • Packaging material management • Waste management • Water resource management • Energy management • Response to climate change
Customers (consumers, e-commerce platforms, brand clients, etc.)	• Customer satisfaction survey • Conference exchanges	• Optimizing product and service quality • Enhancing customer service levels • Information security and privacy protection • Green transportation • Packaging material management • Response to climate change
Operational region partners	• Meetings with each operational region • Project cooperation	• Optimizing product and service quality • Enhancing customer service levels • Employee benefits and welfare • Employee health and safety
Suppliers	• Supplier evaluation and audit	• Sustainable supply chain • Business ethics and anti-corruption
Employees	• Workers' congress • Employee seminars • Employee activities • Phones, emails, BBS, etc.	• Employee benefits and welfare • Employee training and development • Employee health and safety • Diversity, equality and inclusion
Industry partners	• Industry association events • Industry conference	• Optimizing product and service quality • Intellectual property protection
Community	• Community activities • Regular communications • Communication via WeChat and other media tools	• Public charity • Rural revitalization

Analysis of ESG Material Topics

In line with the procedures of identifying and screening material topics, conducting questionnaire survey, evaluating and ranking, and reporting, and in accordance with the Environmental, Social and Governance Reporting Code of The Stock Exchange of Hong Kong Limited and the Sustainability Reporting Standards ("GRI Standards") of the Global Reporting Initiative, we have identified 20 ESG topics critical to the Company and its stakeholders by considering the development concepts, strategies and business highlights of J&T Express, referring to relevant ESG rating indicators of external rating agencies, and comparing with the excellent reports of the same industry at home and abroad. By conducting surveys on stakeholders and considering opinions of the Company's ESG experts, we ranked the importance of material topics from two perspectives of "Importance to Stakeholders" and "Importance to the Company's Development".

In 2024, the Company conducted a survey on material topics among stakeholders by means of questionnaires and telephone communications. In this survey, the Company collected a total of 2,011 questionnaires on material topics from internal employees and management, external investors, suppliers, industry partners, experts and scholars. Through statistics and analysis of the questionnaires, we finally got a total of 1,377 valid questionnaires after excluding those invalid ones.

Analysis Process of Material Topics

Identification and Screening

Identify material topics based on HKEX's ESG Reporting Code and the GRI Standards of the Global Reporting Initiative by combining external ESG ratings and industry practices;

Deeply interpret the macro and industry hot policies, clarify policy directions and development opportunities, and sort out major material topics.

Questionnaire

Carry out questionnaire surveys among stakeholders to widely collect opinions from stakeholders.

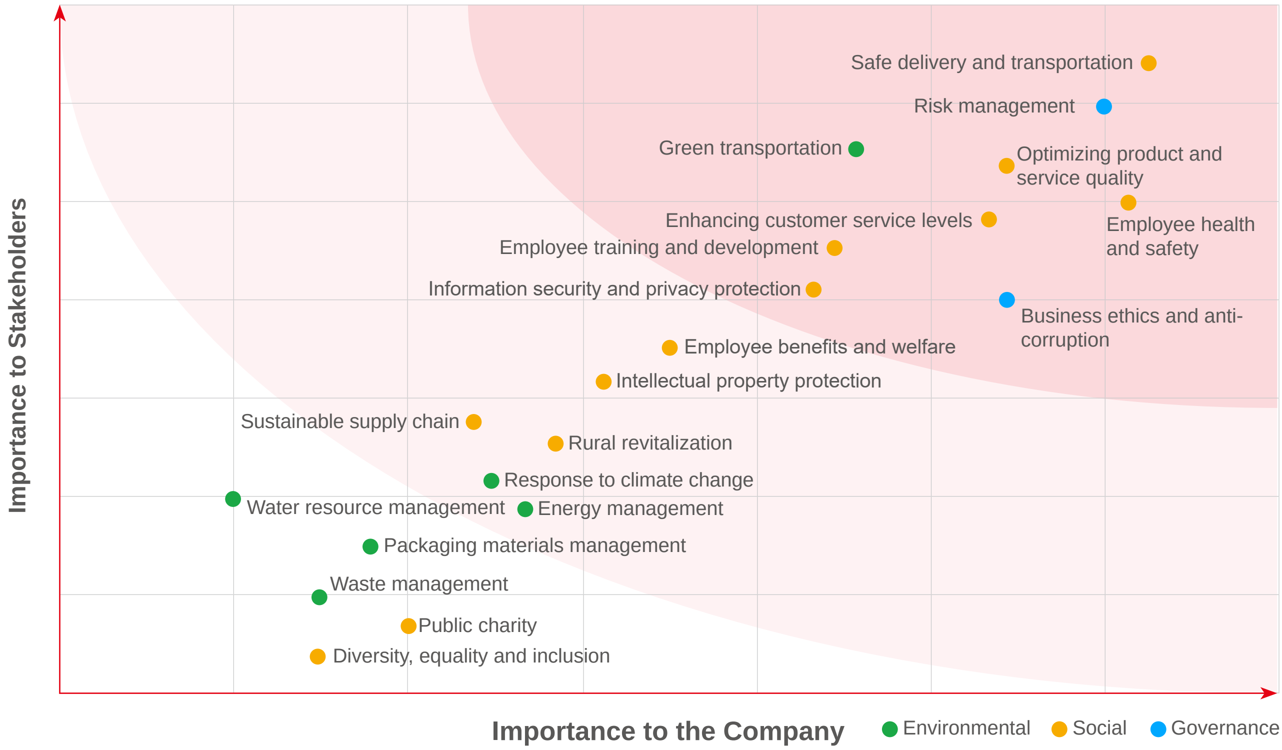
Evaluation and Ranking

Based on the survey results on stakeholders and the expert opinions, comprehensively evaluate, analyze and rank the importance of topics to form an analysis matrix of material topics.

Reporting

Based on the ranking results of topics, focus on disclosure of the highly material topics in the Report.

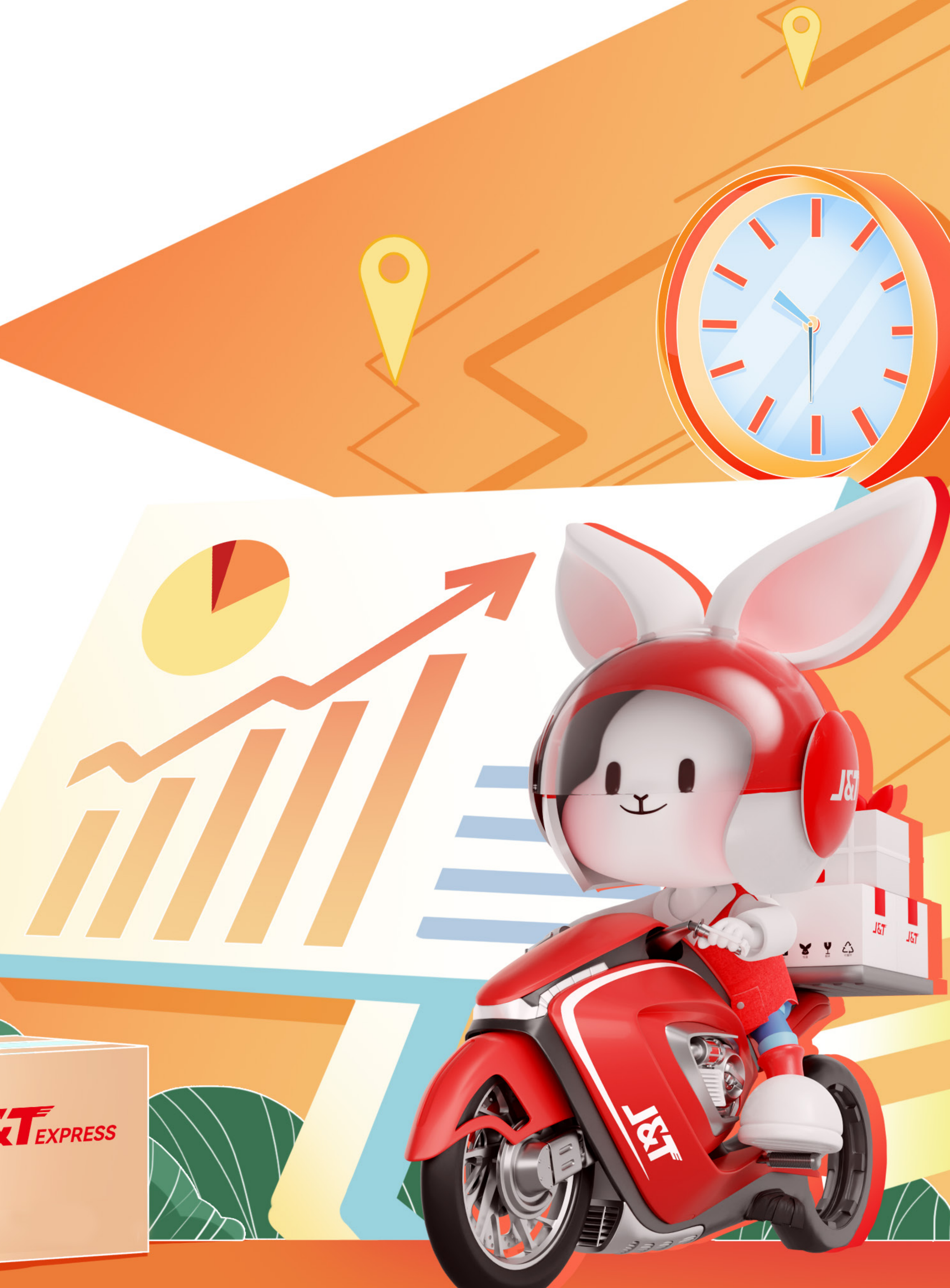
Analysis Matrix of ESG Material Topics



01

CHOOSING EXCELLENCE SERVICE, A WISE DECISION

- Topic: Intelligent Technology Empowers Product Power Enhancement
- Product Services and Quality
- Information Security and Privacy Protection


EXPRESS
J&T

Topic: Intelligent Technology Empowers Product Power Enhancement

As automation technology matures, the logistics industry is reaching a critical juncture of transformation. J&T Express is keeping pace with this trend, actively exploring intelligent upgrades in logistics distribution, accelerating the deployment of cutting-edge technological solutions such as UAV and autonomous vehicles, significantly enhancing delivery efficiency, and providing consumers with a superior express delivery service experience.

Case: J&T Express Develops "Low-altitude Express" Service, Exploring New Models of Intelligent Logistics

In June 2024, J&T Express collaborated with a Chinese UAV company to launch the "low-altitude + express" project, aiming to address delivery efficiency and cost issues. To tackle the challenges of high parcel volume, wide regional coverage, and dispersed enterprises in the modern industrial park in Ninghe District, Tianjin, China, we established a station at the center of the park as a takeoff point. A total of 14 routes were opened, utilizing 2 UAVs, with a daily delivery volume exceeding 300 parcels.

In the future, J&T Express will continue to establish UAV delivery service pilots globally, further optimizing the delivery process, reducing costs, enhancing service accessibility and efficiency, and driving the express delivery industry towards greater efficiency and convenience.

A total of

14 routes were opened

with a daily delivery volume exceeding

300 parcels

UAV Express Delivery

Case: J&T Express Deploys Autonomous Vehicles to Realize Intelligent Logistics Delivery Solutions

In the Jiangning Higher Education Mega Center of Nanjing, China, J&T Express has precisely deployed three autonomous vehicles to handle the delivery of express packages from outlets to multiple surrounding campuses and community stations. After couriers complete loading and unloading at designated transfer points, the autonomous vehicles accurately deliver the packages along predetermined routes. These autonomous vehicles are equipped with L4-level autonomous driving technology (i.e., highly automated driving systems), enabling intelligent and safe operation throughout the entire process, with nearly 24-hour stable operation. Each autonomous vehicle can handle over 2,000 sorting and transportation and delivery tasks daily. By the end of December 2024, J&T Express's autonomous vehicle delivery service has covered multiple regional outlets in Jiangsu Province, including Nanjing, Suzhou, Yangzhou, Nantong, and Lianyungang, providing efficient and convenient express delivery services to more customers.

Each autonomous vehicle can handle over

2,000

sorting and transportation and delivery tasks daily

Autonomous Vehicle in Transit

Product Services and Quality

Providing diversified and intelligent logistics solutions

Adhering to its “Customer-oriented and Efficiency-based” mission, J&T Express is committed to providing customers with integrated logistics solutions through intelligent infrastructure and digital logistics network, realizing efficient global connectivity and promoting the global development of logistics services.

Diversified solutions

J&T Express has established a comprehensive express delivery product system to continuously enrich its product line and accurately address diversified customer needs in terms of timeliness, service quality and after-sales service, launched express delivery product solutions such as Tuyouda, COD (Cash On Delivery), and Parcel Insurance, and provided personalized value-added services and customized products for its customers in n eed so as to fully meet the diversified and personalized market demands.

Type	Product Name	Product Description	Market Demands Satisfied
 Express delivery products	Tuyouda	Tuyouda products are launched by the Company for branded merchants, medium-and high-volume merchants, and fresh and frozen categories, so as to provide customers with high-quality logistics solutions and enhance consumer experience by optimizing the timeliness, enhancing service quality, and strengthening the last-mile delivery process.	Meet the higher demands of merchants, customers and consumers for timeliness and safety of delivered products.
 Value-added products	COD (Cash On Delivery)	While providing customers with goods delivery service, we offer convenient collection services to the sender in accordance with the transaction agreement between the sender (seller) and the recipient (buyer).	Provide convenient services for cash on delivery transaction scenarios.
	Parcel Insurance	The customer declares the value of the cargo to the Company and pays corresponding fees when sending a parcel. If the parcel is damaged or lost due to the Company’s fault, the Company will compensate the customer according to the ratio between the declared value and the loss.	Provide security for customers sending high-value items.
 Solutions	Cosmetics, Clothing, Agricultural and Specialty Products, etc.	Provide one-to-one solutions to customer in specific markets for specific categories to meet individualized needs of customers.	Provide customized services for specific categories.
	Cloud Warehouse Services	Provide comprehensive logistics solutions for global manufacturing enterprises, trading companies, cross-border e-commerce and consumers, as well as professional integrated warehousing and distribution services for global e-commerce platforms, brand merchants, and small to medium-sized sellers.	Provide integrated warehousing and distribution service products.

Intelligent logistics technology

J&T Express has deployed cloud warehouses globally by integrating idle storage resources and leveraging its own delivery network and achieved integrated warehousing and distribution through digital system connectivity. Our supply chain resources, including warehousing, distribution, value-added services, and reverse logistics, provide customers with one-stop comprehensive logistics solutions, ensuring the efficient operation of the logistics chain. Based on customer attributes, business needs, and specific scenarios, we utilize our self-developed warehouse management system to digitally monitor warehouse processes, enabling refined, intelligent, and visual management of warehousing services. On this basis, we can accurately forecast inventory needs and arrange replenishment in advance, significantly improving order processing efficiency while effectively avoiding stockouts and overstock issues. Currently, J&T Express has set up 76 warehousing centers across 12 countries globally.

In 2024, J&T Express established and operationalized two intelligent logistics industrial parks in Jiangsu and Ningxia, China. The construction of these industrial parks not only enhanced logistics operational efficiency but also achieved high efficiency and intelligence in logistics by introducing advanced intelligent logistics technologies and equipment.

J&T Express has

set up **76** warehousing centers

across **12** countries globally

Case: Baoying Smart Supply Chain Industrial Park in Jiangsu, China

In October 2024, J&T Express officially launched and began operating its first self-built smart supply chain industrial park project in Baoying, Jiangsu, China. The smart supply chain industrial park significantly reduces sorting error rates through precise intelligent recognition and fully-automated sorting system. Meanwhile, it has shortened the transit time of parcels, and the peak daily parcel handling capacity can reach 6 million pieces. In addition, the industrial park is equipped with over 40,000 square meters of cloud warehouse facilities, providing e-commerce customers with a series of customized supply chain solutions, including warehouse management, drop shipping, and return logistics, and promoting close and efficient collaborative development across the upstream and downstream of the industrial chain.

the peak daily parcel handling capacity can reach

6 million pieces

the industrial park is equipped with over

40,000 square meters of cloud warehouse facilities

Baoying Smart Supply Chain Industrial Park in Jiangsu, China

Support for Express Delivery "Going Abroad" and "Going into Villages"

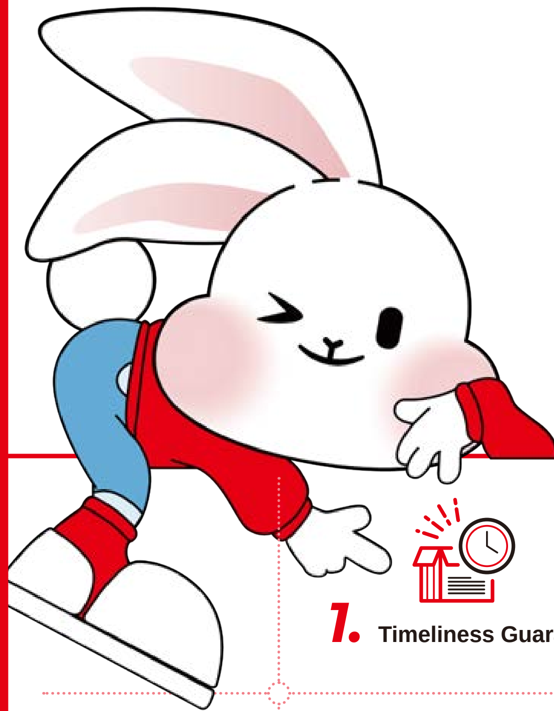
J&T Express is actively expanding its presence in the international logistics sector, vigorously promoting the strategy of international mailing and delivery logistics and sparing no effort in exploring the international market. Currently, our express delivery network has covered 13 countries including Indonesia, Vietnam, Malaysia, the Philippines, Thailand, Cambodia, Singapore, China, Saudi Arabia, the UAE, Mexico, Brazil and Egypt.

At the same time, J&T Express has deeply engaged with agricultural product origins in China, introducing a collaborative development model of "express delivery + e-commerce". We have set up outlets in remote rural areas, offering centralized pick-up and delivery services, setting up direct distribution lines, and fully promoting e-commerce sales. This has expanded the sale channels of agricultural products and successfully broken down the barriers between urban and rural circulation.

J&T Express actively participates in rural assistance projects through its logistics network and technological innovation, helping farmers solve the problems of selling and transporting agricultural products and promoting rural revitalization. For example: deliver Fengjie tangerines by UAV, deliver Gansu Minqin ginseng fruits rapidly over thousands of miles, transport Zhao'an green plums rapidly. We continue to expand the variety of agricultural specialty products, injecting strong impetus into the prosperity and wealth of rural areas.

our express delivery network has covered

13 countries



1. Timeliness Guarantee

Policies	Timeliness Management Regulations, Line Management Regulations, and Route Operations and Timeliness Management Standards
Actions	• Timeliness Management Process: Set the timeliness target, summarize the time length of the whole chain, and accurately warn and monitor the compliance with timeliness requirement of each line and each chain through online intelligent tools; • Timeliness Management Standards: Benchmark against the industry's timeliness standards, monitor and improve abnormal timeliness, increase the proportion of Second-day delivery and Third-day delivery fulfillment, shorten the duration of parcel transportation, and ensure that the transportation timeliness is achieved.

Guaranteeing the quality of mailing and delivery services

J&T Express, with a focus on specialization, standardization, and modularization, is deeply committed to the logistics service sector, striving to enhance comprehensive service quality. The Company has formulated three major service guarantee systems, namely, “timeliness, service and information”, implementing meticulous management throughout the entire express delivery process. Additionally, the Company has established a monitoring and improvement system for the whole process to continuously optimize the express delivery process and steadily enhance customer service quality. In 2024, the Company implemented delivery time control strategies and peak season response systems globally, pre-allocating transportation resources to ensure smooth business operations. At the same time, by optimizing transportation routes and investing in automation projects, we have reduced costs and improved delivery efficiency, providing customers with more efficient services.

Three Service Quality Guarantee Systems

2. Standardized Service

Service Quality Assessment Details for Distribution Centers and Outlets, SOP for Entry and Exit Operations of Sorting Centers, Courier and Delivery Operations Process, SOP for Outlets Operations and SOP for Outlets Return and Delivery Operations

- Cargo Safety Standards: By setting operating standards in each link, standardize the pick-up and delivery services and the transit operations, and establish a monitoring and improvement system for key indicators such as loss and cargo damage to ensure the safety of cargo transportation;
- Daily Work Standards: Standardize the daily work behaviors of couriers to achieve standardization and normalization at each operational node, reducing the occurrence of anomalies;
- Service Process Standards: Use a combination of text and images to more accurately guide outlet operations in order placement, door-to-door collection, sorting, delivery, and signing, while reminding couriers of precautions at each operational node;
- Demand Identification Standards: Continue to optimize the customer demand recognition function, and improve the customer experience of pick-up and delivery service;
- Return Process Standards: Guide outlets to follow bulk and per parcel return operation processes, standardize the handover of returns with customers, ensure timely platform processing of refunds, and improve consumer experience.

3. Smooth Access to Information

Information Security Operation and Maintenance Management Regulations, and Information System Continuity Management Measures

- Set Up a Special Improvement Group for Information Indicators: Ensure timely, complete and accurate feedback of parcel tracking information to partners through technical optimization, and display logistics trajectory and estimated delivery time in real time;
- Follow Up on Specific Issues: Centers and outlets of each link will conduct special follow-up to solve the trajectory interruption caused by improper operation in key links, and continuously improve the quality of information feedback;
- Diversified Service Platforms: Provide customers with multi-channel ordering, self-service printing, real-time tracking, real-time SMS notifications, last-mile delivery traceability, and other diversified services to improve customer satisfaction.

During transit and transportation, we provide full-process monitoring of parcels and offer customers multiple channels to check the real-time status of their parcels, so as to ensure the quality of delivery services.

In the end delivery process, we adhere to the service concept of "doing a good job in the last mile of express delivery", and strive to provide consumers with high-quality service experience by building self-branded PUDO (Pick Up Drop Off) stations, optimizing the end delivery timeliness of parcels, standardizing services in PUDO stations, guaranteeing the information security of customers, and conducting team capability training.

Optimizing the end delivery timeliness of parcels

For parcels placed in the PUDO stations, we establish clear in-storage duration standards, synchronize the outbound status of parcels with the operational areas/outlets on a daily basis, and remind customers to pick up their parcels in a timely manner through the inbound SMS automatically, optimizing the last-mile delivery timeliness.

False signing alert

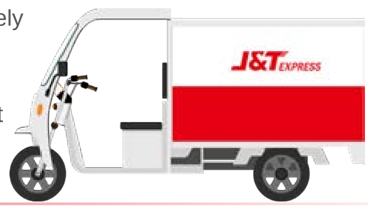
We use the system to monitor end-point signing compliance in real time, proactively identify parcels with abnormal signing, and actively resolve potential issues consumers may encounter during the receiving process, thereby enhancing the end-point receiving experience.

Standardizing services in PUDO stations

We continue to address issues such as non-standard operations and false storage in PUDO stations. We conduct training on the operation standards of PUDO stations through weekly meetings and special meetings, poster publicity, and on-site APP startup test quiz, etc., so as to ensure that PUDO stations can achieve standardization of operation processes, timely feedback of abnormalities, and provide customers with a worry-free and convenient parcel-picking experience.

False doorstep delivery control

For door-to-door delivery parcels, we utilize map positioning technology to standardize the behavior of couriers, strictly enforce real-time signing upon delivery, and further refine and optimize service processes to enhance the precision and professionalism of delivery services.



Reverse labeling & special requirements

We add a customer delivery preference selection feature to the official mini-program, offering customers a more comprehensive and thoughtful service experience, and further improving overall service quality. On the Courier APP, parcels with specific delivery requirements are promptly marked to assist couriers in providing more accurate delivery services.

Building Self-branded PUDO stations

We build the comprehensive community service complexes called "J&T Neighborhood" and "YoYi Station" to offer local residents a better experience in postal services. By the end of December 2024, the self-branded PUDO stations have covered China, Thailand, Malaysia, Indonesia, Singapore and the Philippines.

Protecting customer privacy information

We build a user data leakage prevention mechanism, sign the Data Processing Agreement, Terminal PUDO Stations Cooperation Agreement, and Terminal Package Locker Cooperation Agreement with the PUDO stations or package locker brand partners involved in end-to-end data exchange, clarify the parties responsible for processing the end-to-end parcel information, and ensure the proper protection of user privacy.

Case: Enhancing Service Quality to Drive Business Growth

In Indonesia, J&T Express upgraded its “Second-day Delivery” service and document parcel security system, significantly improving service quality. For the “Second-day Delivery” service, we established dedicated channels to prioritize parcel processing, offered competitive pricing, and guaranteed 24-hour delivery in key cities and economically developed regions, attracting a large number of customers. For document parcels, we adopted waterproof, shockproof, and tear-resistant packaging materials and optimized insurance services to protect customers’ financial interests. Currently, the “Second-day Delivery” service covers over 300 cities, with an average monthly order volume of 300,000 and a 10% increase in total transportation volume, earning greater trust from customers.

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total transportation volume increase

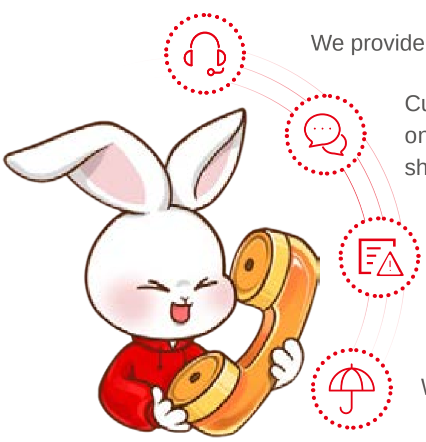
10%

Providing high-quality customer services

Adhering to the “Customer-oriented and Efficiency-based” mission and the customer-centric principle, J&T Express continues to optimize service processes and standards, and provides customers with high-quality services. Through channels such as the official website, email, customer service hotline, WeChat official account, customer satisfaction follow-up, and user questionnaire surveys, we expand our communication methods with customers, accurately capture their needs, and lay a solid foundation for the continuous improvement of customer satisfaction and service quality.

At the same time, our customer service team is 24h available to address inquiries and handle requests, ensuring that customers can receive timely and effective support throughout the product transportation process.

Customer Service and After-Sales Support



We provide customer service support to address business inquiries and resolve complex issues;

Customer service personnel follow up on shipments throughout the process, implementing one-on-one handovers to ensure priority handling and secure transit of international shipments;

We leverage self-operated network, establish a rapid response mechanism and green channel to monitor the status of shipments in real time, promptly addressing customer complaints or unexpected issues (such as delays, loss, etc.), including providing refunds, compensation, or other necessary measures;

We offer product valuation services to maximize the protection of customer interests.

Improving the Customer Service System

We strictly comply with the relevant laws and regulations relating to customer service of the countries and regions where our business operations and investments are conducted. We have established and continuously optimized customer service related policies such as the J&T Express Customer Service Terminology Standards, the Customer Claims Management Regulations, and the Service Quality Assessment Management Policy, so as to continuously optimize customer service handling processes and enhance customer satisfaction.

Indonesia

- Based on the problems inquired by customers, we formulate corresponding solutions and configure support teams with relevant skills, establish various types of service teams based on outlet services, telephone services, online social media services, complaint handling services, claims services, as well as order services and shipper services, etc.
- We set up an integrated back office to provide data support and training for service team, and conduct service quality monitoring to enhance their customer service capabilities, and to safeguard customer service quality.

China

- Our customer service team collaborates with regional agents to build a customer service system, jointly creating an efficient customer service network. Regional agents are responsible for establishing regional customer service functions and managing customer service inquiries for operating entities within their applicable regions.
- Regional agents provide continuous training to network partners and conduct regular service quality assessments. Daily, weekly, and monthly data are used to display the service quality achievements of each region, with rankings publicly announced.

Vietnam

- Continuous improvements are made to systems and processes, and training for outlets clerks is strengthened. In October 2024, 100% of customer complaint tickets were delegated to outlets for handling, aiming to resolve customer issues promptly and effectively. By the end of December 2024, the 1-hour response rate for complaint tickets reached 99%, and the 24-hour resolution rate reached 99%.

Thailand

- We optimize the customer APP by adding a follow-up function and collecting customer complaints, requiring outlets to address customer issues within 24 hours;
- We enhance the functionality of Courier App by displaying customer follow-up indicator on the APP interface and automatically capturing follow-up order numbers, enabling couriers to promptly identify and handle such requests;
- We use the BI platform to automatically display service quality gaps by region on a daily, weekly, and monthly basis, and establish a monitoring system for internal quality metrics in each region, with real-time daily updates on achievements.

Mexico

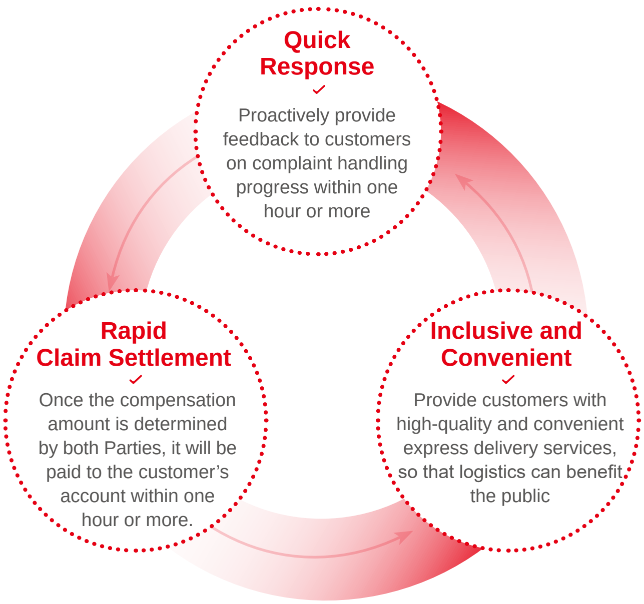
- We have set up a quality control management team that covers "national headquarters + 10 regions" and ensure that 100% of customer quality standards are integrated into all business processes. Through the comprehensive monitor of our internal information system, we have deeply optimized operational links, and effectively improved customer service quality.

Brazil

- We improve the delivery driver management system, and take the initiative to review the parcels delivered by drivers with more complaints, so as to reduce the number of problematic parcels and improve customer satisfaction.

Efficient and Reliable Standard Express Delivery

J&T Express provides customers with standard express delivery services for 0-30kg parcels. Leveraging a stable and dense network layout, we ensure rapid response to customer needs. We have developed a characteristic service system featuring "quick response, rapid claim settlement and inclusive and convenient", comprehensively eliminating customers' concerns about sending parcels.



In 2024, the consumer complaints J&T Express handled in China are as follows:

Number of complaints received

35,637

Completion rate

100%

Note: The source of data is from the Consumer Complaint System of China National Postal Industry.

Building an Excellent Customer Service Team

We are committed to building an excellent customer service team and have established a professional quality control group. By monitoring anomalies daily, promptly following up on customer issues, improving training systems, and empowering franchisee employees, we drive the global customer service team to enhance service quality. Currently, we have deployed intelligent tools in eight countries, namely China, Malaysia, Thailand, Indonesia, Brazil, Mexico, Saudi Arabia, and the UAE, enabling 24/7 uninterrupted customer service and providing customers with more flexible consultation and complaint services.

In 2024

Number of customer service training sessions

3,702

Number of person-times receiving customer service training

471,248

Note: The statistics cover J&T Express China.

Information Security and Privacy Protection

Improvement of management system and regulations

J&T Express strictly complies with relevant laws and regulations relating to information security and privacy protection of the countries and regions where our business operations and investments are conducted. The Company has formulated and implemented management systems such as the Management Measures for Information Security Risk Assessment, the Management Measures for Personal Information Impact Assessment, the Privacy Policy Management Measures, Data Compliance Management Measures, and Data Classification, Rating and Security Management Measures to regulate the storage, use and modification of the Company's data assets, strengthen the security protection of personal information, and avoid damages to the Company's interests arising from improper disposal of personal information. This year, the Group released the Information Security Baseline Standards and updated the System Access Management Regulations and Office Computer Management Regulations to consolidate and improve the Company's information security management system, ensuring the security of information data and privacy.

J&T Express has established the Group's network-wide data security defense by building policies, scanning system vulnerabilities, conducting baseline inspections, performing penetration tests and implementing other management and technical means. Currently, companies in countries such as China, Malaysia, the Philippines, Thailand, Vietnam, and Indonesia have passed ISO 27001 certification. In addition, we have obtained information security-related certifications such as ISO 27701 and National Information Security Level Protection Level 3 in China. In the future, J&T Express will continue to advance external information security certification for subsidiaries in Brazil, Mexico, Egypt, Singapore, and others, strengthening the global information security defense system.

Malaysia ISO 27001 Certificate

Thailand ISO 27001 Certificate

Information and network security management

J&T Express is committed to ensuring the security and compliance of information processing activities, strengthening information and network security management capabilities, as well as safeguarding data security. The Company constantly improves network security construction and achieves the defense-in-depth of network security. Network configurations are protected at multiple levels, using intrusion prevention systems, firewalls, WAF and other security facilities to prevent unauthorized access. In the development of information systems, we established security infrastructure such as single sign on, multi factor authentication and configuration management systems and used sophisticated security protocols for communication among mobile applications, websites and plugins. Furthermore, the Company implements regular security monitoring and builds a security protection system to mitigate data security risks.

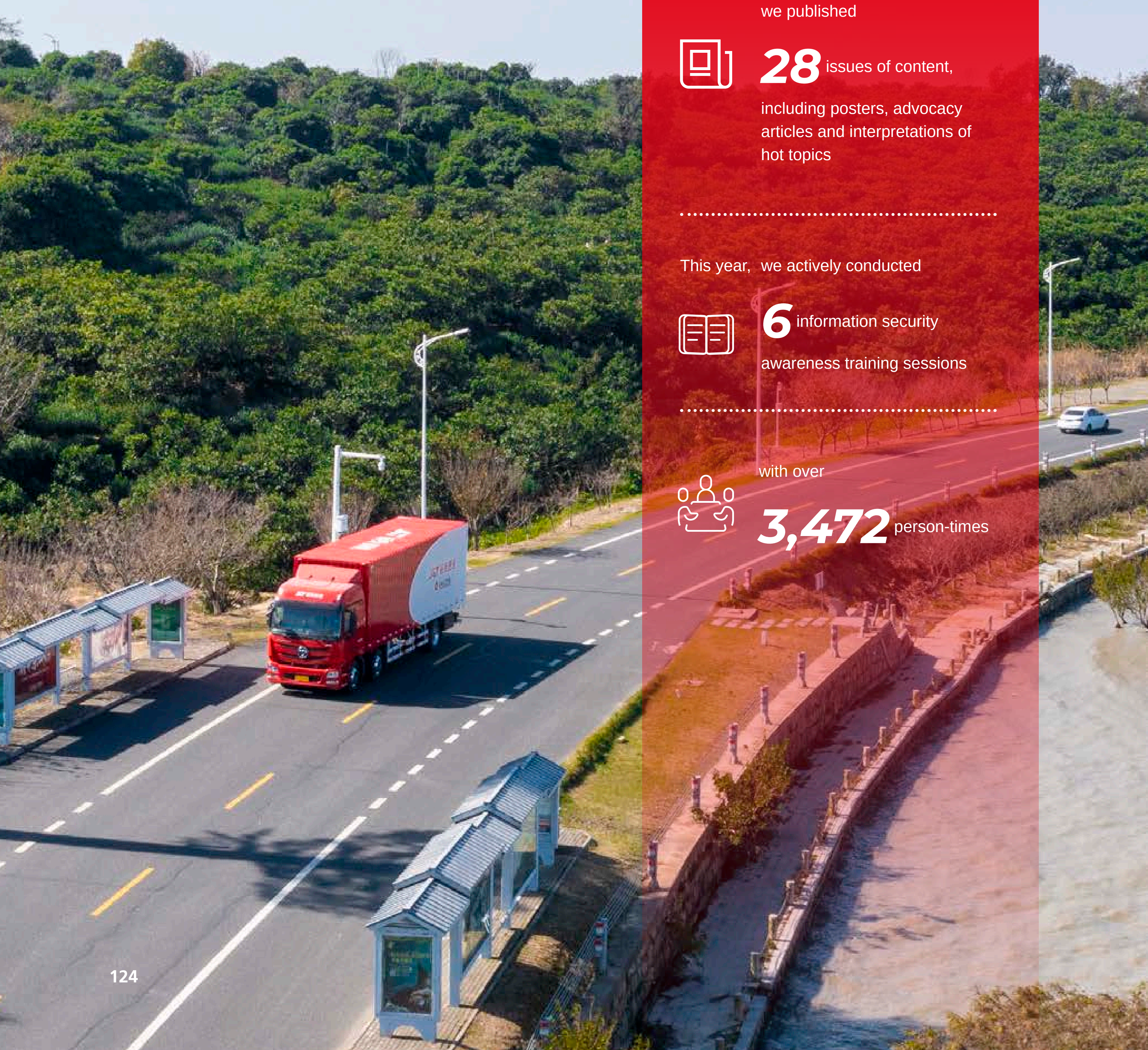
Regular Security Testing	In-Depth Security Protection System	Red Team vs. Blue Team Exercises	External Collaboration	Rapid Response and Handling
Conduct comprehensive vulnerability scans and penetration tests at least quarterly to ensure new vulnerabilities are promptly detected.	Establish a multi-layered security protection and detection system, forming multiple security lines of defense covering external network boundaries, internal network traffic and host containers.	Conduct regular red team vs. blue team exercises, where the red team simulates real attackers and the blue team is responsible for detection, defense and emergency response. Through simulated attacks, we continuously enhance system security, optimize security detection system rules and improve the emergency response capabilities of the Company's security systems.	Annually invite external professional security firms to conduct specialized penetration tests and join the Security Emergency Response Center's crowdsourced testing platform, attracting global security researchers to identify system vulnerabilities from multiple perspectives. Identified vulnerabilities are reviewed and remediated to improve system security.	Establish an efficient rapid response mechanism to ensure swift action when security issues are detected. Through personal information reverse lookup, we accurately locate query accounts to effectively prevent user data leakage. Additionally, regularly auditing system account permissions ensures that all account usage strictly follows the principle of least privilege.

J&T Express strictly abides by the data security protection regulations of various countries and fulfills the responsibility of data protection and conducts corresponding security checks before any system goes live, covering system, access, network and data security requirements to ensure the systems meet our security standards for deployment, thereby safeguarding system data security. Additionally, we conduct internal information security audits at least once a year, focusing on business system continuity and information security assurance. These audits include technical vulnerability drills and other specialized actions to strengthen the system's security defenses. After the internal information security audit, we submit a formal audit report to senior management for review and follow up on improvements and monitoring of identified issues.

In 2024, J&T Express actively participated in the cybersecurity attack and defense drills and industry exchange activities organized by the competent authorities and industry associations, systematically verifying the defense capabilities and emergency response mechanisms of its security protection system, and effectively ensuring the safe and stable operation of its business systems.

Enhancement information security protection awareness among all employees

J&T Express has always been committed to strengthening employees' security awareness and actively conducts information security awareness and data security protection training. In 2024, through platforms such as the "Information Security Helper" and "IT Helper" subscription accounts, we published 28 issues of content, including posters, advocacy articles and interpretations of hot topics, to promote cybersecurity knowledge and continuously enhance and consolidate employee security awareness. This year, we actively conducted 6 information security awareness training sessions, covering headquarters employees, functional staff and general employees of operational areas in Malaysia, Indonesia, Thailand, Vietnam and the Philippines, with over 3,472 trainees.



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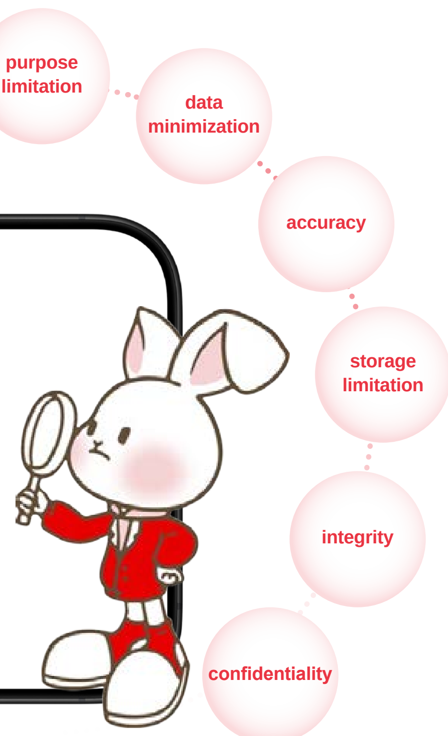
Customer privacy protection

J&T Express attaches great importance to customer privacy protection and actively implements customer privacy protection measures. We adhere to the four principles of “legality and legitimacy, purpose limitation, data minimization and storage minimization”. We have formulated and improved internal regulations and annexes, such as the Management Standards for Data Classification and Security, the Management Standards for Data Compliance, the Management Standards for Privacy Impact Assessment and the System Privacy Data Management Measures, to strictly protect personal data throughout its lifecycle. Additionally, we have built a compliance management system focusing on “data compliance governance” and “personal information lifecycle protection”.

We provide comprehensive protection for the lifecycle of personal information. Through our user privacy policy, we clearly define the methods of information collection and processing, and adopt technical measures such as channel encryption, data interface verification, personal information desensitization display and database encryption to ensure information security. Additionally, we have introduced privacy-protective waybills to prevent privacy leakage during delivery.

We strictly adhere to the latest privacy regulations of all countries. This year, we focused on conducting localized privacy compliance checks and technical adaptations for independently operated APPs of our national companies around the world. We paid special attention to the protection of minors' privacy. For users under 14 years old, we require the recording of guardian information and have added the Rules for the Protection of Children's Personal Information to strengthen the protection of minors.



- **APP Privacy Compliance Testing**

J&T Express adheres to internationally recognized privacy compliance principles such as “legality, fairness and transparency”, “purpose limitation”, “data minimization”, “accuracy”, “storage limitation”, "integrity", "confidentiality", and strictly complies with relevant laws and regulations of various countries to establish and implement privacy compliance detection mechanisms or APPs or mini-programs. Meanwhile, we have optimized the security requirements guidelines and promoted the construction of a “Terminal Control Tower” to achieve centralized and unified management of “privacy policy version management” and “consent logs”, thereby improving the efficiency and effectiveness of privacy compliance.

Additionally, we have engaged third-party professional organizations to conduct a comprehensive inspection of J&T Express's privacy compliance efforts, with continuous improvements to ensure our privacy policies and measures consistently meet relevant legal requirements. In 2024, J&T Express experienced no major personal information leakage incidents.

02

GREEN DEVELOPMENT FOR ENVIRONMENTAL HARMONY

- Topic: Climate-Related Information Disclosure
- Environmental Management System
- Full Life-cycle Green Management
- Reducing the Environmental Impact of Business Operations
- Environmental Protection Public Welfare Actions


J&T
J&T EXPRESS

Topic: Climate-Related Information Disclosure

Climate change is a severe challenge faced by all humanity, with profound impacts on various industries. J&T Express deeply recognizes that extreme weather events and policy adjustments caused by climate change not only pose significant risks to business operations but also present new development opportunities.

J&T Express integrates climate change risks and opportunities into its overall risk management process. Building on the established climate change management system, we identify the change risks and opportunities from four aspects of governance framework, risk management, management strategy, and indicators and targets, and improved our management actions based on the identified results to help mitigate climate change.

Climate change risk governance

J&T Express integrates climate change mitigation and adaptation into the key tasks of ESG management, establishing a climate change governance framework comprising the “Board–ESG Working Group–Specific working teams and business departments” to comprehensively promote the management and implementation of the topic of responding to climate change.

Climate Change Governance Framework

To ensure that the Board of Directors and the ESG Working Group are well-versed in climate change trends, the Company has conducted climate change training, and continuously enhanced the climate management capabilities of the decision-making and management levels. To improve the ESG awareness and implementation capabilities of key functional departments, the Company has been conducting ongoing ESG performance management training, as well as specialized training on climate change and energy management, thereby supporting the Company’s steady progress in its various efforts to address climate change.

Decision-making Level Board of Directors

- Assess and identify climate-related risks and opportunities
- Approve climate-related strategies and targets
- Guide and review climate-related actions and business plans

Management Level ESG Working Group

- Assess and identify climate-related risks and opportunities, and provide suggestions to the Board
- Guide, develop and review climate-related strategies and targets
- Check progress in achieving climate-related targets
- Facilitate the implementation of climate-related management actions in the departments and support with resources and suggestions

Implementation Level Working Teams on Ecological & Environmental Protection, Social Value, Corporate Governance and Labor Rights & Interests, and Various Business Departments

- Set climate-related targets and clarify the progress in achieving such targets
- Implement climate-related strategies

Response strategies to climate change risk

J&T Express follows the climate-related risk and opportunity analysis framework and draws on best practices from peers in the industry to systematically identify and compile a list of climate-related risks and opportunities. For the significant risks and opportunities identified, the Company assesses their potential impacts on operations and finances. By considering the likelihood and severity of these risks and opportunities, the Company prioritizes them and develops corresponding response measures. For example, it focuses on reducing greenhouse gas emissions across the entire operational process and takes targeted management actions to address key areas.

Currently, J&T Express has identified a series of climate change risk and opportunity items. Moving forward, the Company will conduct in-depth analyses of the specific impacts of these items on its business model and value chain. This will enable J&T Express to develop more effective response strategies to achieve sustainable development.

Climate-related risks and response strategies

Identification of Risk Types	Specific Risk	Specific Description of Risk Assessment	Influence Period	Potential Financial Impacts	Response Strategies to Risks
Acute physical risks	Typhoons and floods	Typhoons and floods may cause damage to the Company's assets, loss of personnel and business interruptions, which in turn affect the normal operation of the Company's transportation and transshipment processes, leading to increased maintenance costs and operating expenses. This may result in severe damage to transportation infrastructure such as roads and bridges, causing disruptions in logistics transportation routes and delays, thereby affecting transportation efficiency and leading to reduced revenue. It may cause landslides and water accumulation on roads, increasing safety hazards for personnel and goods during transportation, especially for certain perishable items that may be significantly affected, thereby impacting the logistics fulfillment progress and causing delays in revenue collection or reduced income.	Short, medium and long term	Business Revenue ↓ Operating Cost ↑	The Company has formulated and released emergency response plans such as the "Flood Prevention Emergency Response Plan" and the "Abnormal Weather Response Plan". These plans include the deployment of daily prevention measures, personnel and asset protection, and climate risk training to mitigate the safety risks to personnel and assets during the flood season. The Company has enhanced the warning mechanism for extreme weather conditions and automatically adjusts transportation routes, schedules, and vehicle allocations to avoid entering high-risk areas. When planning facilities and transportation routes, the Company fully considers the impact of strong winds and heavy rainfall brought by floods and typhoons. In compliance with regulatory requirements, the planning process avoids designing multiple sloped surfaces at sorting centers and incorporates flood prevention and drainage designs to prevent the formation of sunken gullies under typhoon and flood conditions. Meanwhile, the Company has also strengthened insurance coverage for cargo losses caused by extreme weather to ensure that losses are minimized to the greatest extent possible.
Chronic physical risks	Sea level rise	Rising sea levels can easily cause damage to assets and transportation routes located in high-risk coastal areas, thereby affecting the Company's transportation and transshipment operations and resulting in additional maintenance costs and increased operating expenses.	Long term	Operating Cost ↑	When selecting sites for new projects, avoid areas affected by rising sea levels.

Identification of Risk Types	Specific Risk	Specific Description of Risk Assessment	Influence Period	Potential Financial Impacts	Response Strategies to Risks
Chronic physical risks	Continuous rise of temperature	The continuous rise in temperatures can easily lead to heatstroke or physical discomfort among outdoor workers. To safeguard personnel health and ensure the efficiency of transshipment operations, it is necessary to purchase cooling equipment, thereby increasing operating costs.	Long term	Operating Cost ↑	Formulate cooling plans for warehouses, purchase cooling equipment such as air coolers and industrial fans, ensure a comfortable working environment, and increase the distribution of high-temperature subsidies for employees and expenses for environmental improvement.
Transition risk	Technical risks	With the increasing attention from the public to the research and application of new energy and carbon reduction technologies in the logistics and transportation sector, the Company has intensified its efforts to apply innovative technologies such as hydrogen fuel cell vehicles in the transportation process. Participating in the research and application of such technologies will lead to an increase in research and development expenses and operating costs.	Short and medium term	Operating Cost ↑	Conduct pilot operations of new-type fuel vehicles in certain specific areas or on certain specific routes.
	Policy and legal risks	The increasingly stringent regulatory requirements of the nation on energy and resource efficiency may have an impact on the service and operation models of express delivery companies, leading to increased expenditures in environmental protection and energy saving and emission reduction and other related aspects for these companies. The strengthened national requirements for carbon emission disclosure have led the Company to invest more funds and technologies in monitoring and reporting carbon emissions, thereby increasing compliance costs and operating expenses.	Short and medium term	Operating Cost ↑	Strictly comply with the climate-related laws and regulations already effective in the operational locations, and endeavor to identify possible policy and legal risks in the future. Optimize the logistics network, introduce efficient transportation and warehousing equipment, and reduce energy consumption and waste. Establish a carbon emission monitoring system to ensure the accuracy and timeliness of carbon emission data. Regularly track carbon emission policies, assess their impact on operations, and increase the use and investment in renewable energy to reduce reliance on fossil fuels, thereby lowering carbon emissions and costs.
	Reputation risks	Stakeholders expect the Company to take proactive management actions in response to climate changes and enhance transparency in information disclosure. In order to effectively address these demands, the Company has increased its operating costs.	Medium and long term	Operating Cost↑	Continuously carry out green carbon reduction actions, clear the setting of carbon reduction targets, and regularly disclose carbon reduction actions and performance indicators.

While addressing climate-related risks, J&T Express integrates its main business and operational processes, continuously explores the opportunities brought by climate change, identifies and seizes relevant development opportunities, so as to further promote the sustainable development of the industry.

Climate-related opportunities and course of action

Identification of Opportunity Types	Specific Description of Opportunity Assessment	Influence Period	Potential Financial Impacts	Course of Action of Opportunity
Green and low-carbon logistics and transportation	In the short term, the application of clean and renewable energy will effectively reduce the Company's energy consumption and carbon emission intensity, thereby reducing its operating costs. In the medium term, as the concept of green and low-carbon practices spreads and the demand for green transformation increases, logistics companies that take the lead in implementing green and low-carbon transformation will gain more users, partners and investors, thus continuously expanding business scenarios and increasing business revenue. In the long term, with the establishment of green logistics parks and the continuous development of green supply chains, the Company will be more climate-resilient in extreme weather, thus reducing the impact of natural disasters on their operations and contributing to the long-term sustainable development of their brands.	Short, medium and long term	Operating Cost↓ Business Revenue↑	Actively promoting low-carbon practices across the entire chain of green planning, green transportation, green packaging and green procurement can comprehensively enhance energy efficiency and the utilization rate of packaging materials. By developing intermodal transportation modes such as road, rail, waterway and air transport, and fully utilizing the capacity resources of urban rail transit, road traffic congestion can be reduced, thus helping to promote the green and low-carbon development of the logistics industry. Continuously improve the statistics of greenhouse gas emissions and conduct calculations of carbon emission intensity. By creating smart low-carbon logistics parks and increasing the proportion of new energy vehicles in the logistics fleet, carbon emissions during transportation and distribution can be effectively reduced. Establish a sound warning system and emergency response plans, and closely cooperate with the upstream and downstream of the supply chain to jointly build a climate-resilient supply chain system. Paying attention to government policies and striving for financial support and tax incentives in areas such as green transportation can help reduce R&D and operating costs.
Changing consumer preferences	As consumers' environmental awareness strengthens, there emerges a growing demand for more low-carbon products and services, which could become a growth point for the Company's business and enhance its competitiveness within the industry.	Short and medium term	Business Revenue↑	By providing green packaging and green transportation services to meet consumers' environmental protection needs.
Brand reputation	As our customers and the general public are paying more and more attention to carbon neutrality. If the Company becomes a leader in relevant aspects, there will be an opportunity to enhance its brand reputation.	Medium and long term	Business Revenue↑	Formulate clear-cut carbon reduction strategies and targets, and encourage suppliers and corporate customers to jointly take actions.

Based on the analysis of climate-related risks, we have formulated J&T Express's "3R" carbon reduction strategy, centered on green logistics to systematically advance carbon reduction actions.

Reduce

Reduce energy consumption and carbon emissions

By optimizing transportation routes, promoting new energy vehicles, and improving the energy efficiency of warehousing facilities, the Company can reduce energy consumption, thereby reducing carbon emissions from both direct and indirect energy consumption.

By implementing initiatives such as green office practices and a green supply chain, we will mobilize global staff and suppliers to participate in energy-saving and environmental protection efforts, thereby reducing greenhouse gas emissions from our own operations and the supply chain.

Replace

Promote the transformation of energy structure

We gradually adopt clean energy sources such as solar energy to replace traditional fossil fuels, further reducing carbon emissions.

Resolve

Explore into carbon capture and offsetting

We seize opportunities to adopt carbon capture technology to effectively reduce greenhouse gas emissions. Meanwhile, explore opportunities for carbon offset mechanisms, and ultimately achieve the goal of carbon neutrality.

Climate change risk management

J&T Express conducts an analysis of the potential impacts of climate-related risks on its core business operations and incorporates climate-related risks and opportunities into its overall operational risk management framework. By assessing physical and transition risks, it promptly optimizes management measures and explores the opportunities brought by climate change by leveraging its business characteristics. Currently, we have established comprehensive processes for identifying, assessing, prioritizing, and monitoring climate risks and opportunities to scientifically manage them.

J&T Express has explicitly established monitoring and scheduling positions in China, Indonesia, Vietnam, Malaysia, Thailand, Mexico, and Brazil, and has hired dedicated staff to undertake the responsibilities of monitoring and scheduling positions in other countries. These personnel are responsible for real-time monitoring of abnormal situations during the operation in each country. For operational abnormalities caused by climate risks, the Company conducts separate year-over-year and month-over-month change analyses. Through the climate risk warning monitoring mechanism, it formulates corresponding emergency response plans for different climate risks to reduce the adverse impact of various risks on operations. By accurately predicting and deeply analyzing climate change trends, we select more stable transportation routes, thereby optimizing the transportation path and effectively reducing the risk of transportation disruptions and delays caused by extreme weather.

Case: J&T Express Takes Emergency Measures to Ensure Transportation Amid Floods in Jakarta, Indonesia

In July 2024, heavy rainfall caused floods in several areas of Jakarta. J&T Express closely cooperated with agents to actively respond to the challenges brought by the climate. The Company took the following measures:

- Mark the areas where delivery can still be carried out, and prioritize the parcels that have not been affected by the flood;
- Proactively reach out to customers whose parcels cannot be delivered due to the flood and inform them of the parcel's status;
- Timely adjust the routes of delivery vehicles to ensure that the delivery frequency is maintained as much as possible;
- Report the affected tracking numbers to J&T Express headquarters, and promptly synchronize the progress with the platform team.

J&T Express has effectively reduced the impact of floods and ensured the smooth operation by implementing a series of emergency management measures in Indonesia.

Case: J&T Express Activates Emergency Plan to Ensure Transportation Amid China's Qiongzhou Strait Ferry Suspension

In July 2024, in response to the suspension of ferry services in China's Qiongzhou Strait ports caused by Typhoon "Prapiroon", J&T Express promptly activated its emergency plan to actively address climate-related risks and ensure the stable operation of its transportation services. The Company took the following measures:

- Ensure the orderly dispatch of parcels, maintain the normal transportation of parcels to Hainan across the network, and for parcels that meet air transport standards, we immediately dispatched them via air consolidation, and allowed the originating operational area to temporarily stockpile goods in case of port congestion;
- Reasonably arranged vehicle allocation and safety measures. During the suspension of ferry services, we actively guided vehicles to wait in safe areas, promptly notified carriers of the relevant situation, and completed the filing of abnormal cases;
- Actively communicated with customers to ensure information transparency and followed up on safety assurance work.

J&T Express has taken a variety of measures and, through highly-coordinated actions, effectively mitigated the impact of the typhoon on transportation. This demonstrated our efficient emergency response capabilities in dealing with sudden natural disasters and its effective guarantee of service quality.

Risk indicators and target setting for addressing climate change

J&T Express has set clear energy-saving and emission-reduction goals. By monitoring and managing climate-related risks, it promptly mitigates the potential negative impacts of climate change on business operations. In 2024, J&T Express comprehensively advanced the collection and statistics of greenhouse gas emission data across the Group, carrying out comprehensive data collection in 13 countries globally. It also formulated specific reduction targets for key indicators, providing data support for assessing the Company's climate change management performance and helping companies of each nation develop targeted improvement plans. For data on greenhouse gas emissions, please refer to the section on "Environmental Management Objectives" later in the text.

Environmental Management System

Improve the environmental management system

J&T Express strictly complies with the environmental protection laws and regulations in the regions in which the Company operates. It conducts its business in accordance with the law, based on regulations and standards such as the Administrative Measures for Express Delivery Market, the Action Plan for Accelerating the Green Transformation of Express Packaging, and the Limits on Heavy Metals and Specific Substances in Express Packaging. Meanwhile, we have strengthened our environmental policies and management system to enhance our awareness of compliance and management capabilities in the field of ecological and environmental protection.

Based on the Environmental Management Principle of "For a harmonious environment through energy conservation and consumption reduction", we have formulated policies and management standards such as the Management Policy for Identification and Evaluation of Environmental Factors, Waste Management Measures, Packaging Operation Standards, and Notice on Prohibiting the Use of Non-biodegradable Materials Across the Business Chain. This year, we have comprehensively sorted out and optimized our existing management systems, revising three systems including the "Unified Purchase-class Material Management System", "Supplier Management System" and "Sustainable Procurement Policy", and issued five important notices. These actions aim to enhance the standardization and adaptability of our internal management system, providing clear institutional guarantees for environmental management.

Environmental Management Principle

For a harmonious environment through energy conservation and consumption reduction

The Board of Directors of J&T Express has established ESG Working Group, and in addition to which, we have established the Working Team on Ecological & Environmental Protection under this framework, focusing on the progress of environmental protection.

J&T Express has passed the ISO 14001 EMS certification both in China and Saudi Arabia, meanwhile, we will further advance the build-up and certification of EMS in other countries from now onwards.

Set up goals for environmental management

During the year, we have formulated concrete ESG-related environmental management goals from four major dimensions: GHG emissions management, energy management, water resource management, and packaging material management.

Dimensions	Specific targets
GHG Emissions Management	By continuously promoting the use of new energy vehicle fleets and clean energy, we strive to reduce the intensity of GHG emissions.
Energy Management	Reduce the use of diesel fuel for transportation vehicles and reduce electricity consumption in offices and sorting centers.
	Strengthen the transformed energy structure, by which we will increase the percentage of clean energy coupled with the promotion of the application of clean energy vehicles and arrangement of solar energy, photovoltaic and among others.
Water Resource Management	Reduce water resource consumption to strives to reduce water resource consumption per capita.
Packaging Materials Management	Further promote the packaging downsizing, and the substitution rate of degradable packaging materials.

Full Life-cycle Green Management

J&T Express is committed to promoting green development in logistics industry, blending green concepts into core links, such as green planning, green transportation, green packaging, and green procurement, with aim to realize full life-cycle green management from the source to the end-point, facilitating to effectively reduce the Company's carbon emissions in its operations, thus to protect clear waters and green mountains.

Green Planning

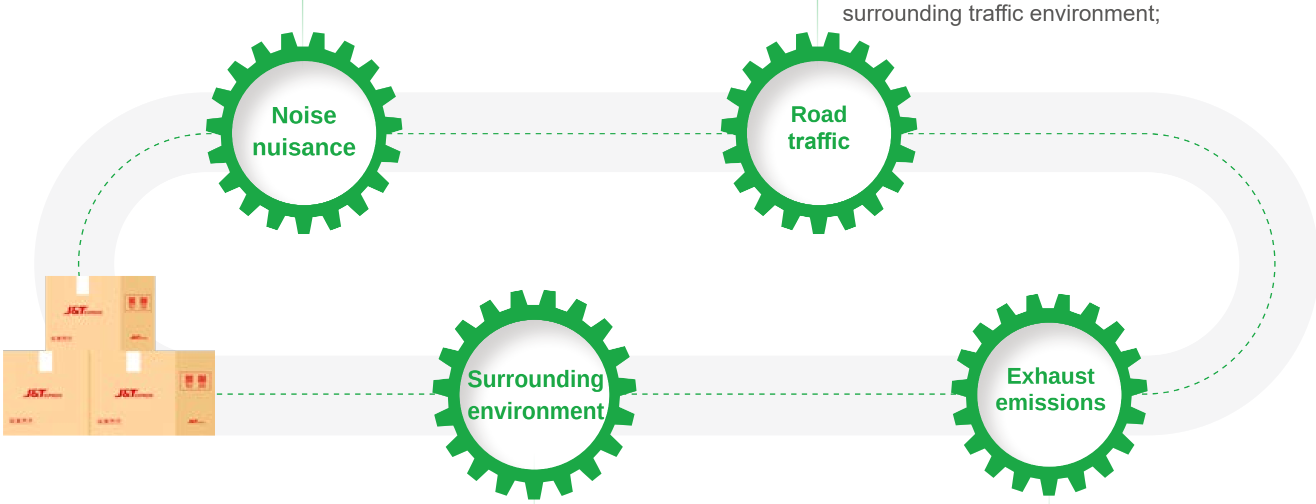
With its visionary planning, J&T Express has factored in environmental elements when choosing the site of its global sorting centers. It has also actively developed plans for renewable energy generation and fully advanced the construction progress of photovoltaic projects in sorting centers and industrial parks, thus to achieve ecological-friendly protection and sustainable use of energy, and promote the Company's development in green and low-carbon.

Selection of green sites

To select a green site is the cornerstone to achieve full life-cycle green management. When constructing sorting center projects, we ensured the best transport efficiency and thoroughly took a number of factors into accounts, such as noise nuisance, road traffic, exhaust emissions, and the surrounding environment, thus to promote the sustainable development of J&T Express's businesses.

Before selecting for new projects, we will propose measures to avoid noise nuisance, such as increasing noise barriers or avoiding areas with a high concentration of residents, such as residential buildings and villages;

When selecting a site, the location of the transfer station must be surrounded by accessible roads with no height restrictions and proximity to expressway intersection, thereby minimizing interference with the surrounding traffic environment;



To avoid the destruction of the surrounding ecological environment and to maintain the employees' physical and mental well-beings, we consider the site location to be far away from the flammable and explosive, chemical pollution, low-lying areas, in order to prevent damage to the surrounding area and facilities arising from fires or internal flooding, and at the same time to avoid the impact of soil, water and vacant land on employees' health.

To minimize transportation distances, priority is placed on locations with the shortest distances between trunk and branch routes, thereby reducing fuel consumption and exhaust emissions;

Photovoltaic construction

J&T Express is vigorously promoting the optimized energy structure by actively adopting clean energy and increasing the proportion of clean energy use. We proactively built green, low-carbon sorting centers and smart industrial parks in Jiangsu, Shanxi, and Henan provinces in China, thereby promoting the layout of renewable energy.

Case: Developing photovoltaic projects to facilitate sustainable development

In 2024, we installed 74,000 square meters of photovoltaic panels on the roofs of our self-built sorting center in Baoying, Jiangsu Province, and set up 7.68 MW of photovoltaic power generation facilities. In October 2024, the first phase of the 5.44 MW project was successfully connected to the grid. By the end of December 2024, the total photovoltaic power generation reached 1,089,760 kWh.

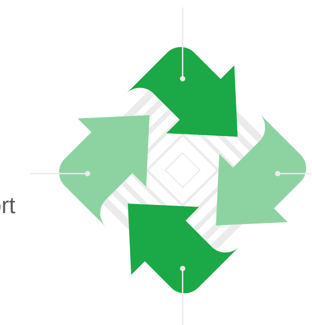
The Smart Supply Chain Industrial Park in Baoying, Jiangsu, China

Green transportation

J&T Express is actively practicing the concepts of green transportation by promoting green and low-carbon development using both road and air transport.

In terms of road transport, J&T Express is committed to building a green transportation network. Adhering to the concepts of conservation, environmental protection, and harmonious development, we have adopted a four-in-one approach that includes managing fuel consumption on routes, optimizing the transport structure, optimizing the energy structure, and providing drivers with energy conservation training, which enables us to achieve energy conservation and emission reduction, and to further build a greener transportation network.

In addition to road transportation, for air transportation, we choose to cooperate with airlines, fully utilize the spare capacity in the belly compartments of passenger aircraft, and give priority to low-carbon flights while ensuring transportation timeliness, to support the green development of air transportation.

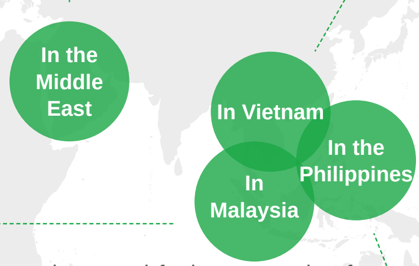


Four-in-one Green Transportation Model

Managing fuel consumption on routes

J&T Express has formulated the Regulations for Management of Fuel Consumption on Routes and the Energy Consumption Assessment Regulations, and has carried out fuel consumption monitoring globally, incorporating it into the performance management system.

In terms of route optimization, we are committed to planning the most optimal operating trajectories to achieve the optimized mileage and road conditions, and encouraging drivers to adjust routes with flexibility based on actual conditions and use maps to find better routes in terms of operating mileage. In terms of fuel consumption management, we have adopted measures such as fuel-saving assessment and performance management, and established fuel consumption standards per 100 kilometers based on vehicle models and operating routes. We further carried out driver fuel-saving incentive programs, rewarding drivers whose actual fuel consumption is lower than the established standard, thus encouraging them to adopt driving styles featuring greater standards and energy-saving.



Our performance evaluation and fuel consumption management focus on tracking key indicators such as fuel efficiency, emission reduction, and compliance with environmental practices. We use GPS to detect drivers' behaviors such as speeding, high-RPM driving, and sudden lane changes, and establish reward and punishment mechanisms to effectively reduce energy consumption.

We have formulated a fuel consumption reduction target of "reducing fuel consumption by 1 liter per 100 kilometers" for all vehicle models. By installing sensors, we monitor fuel consumption to encourage drivers to optimize driving behaviors, and incorporate fuel consumption into the driver assessment system.

We regularly analyze the actual fuel consumption for each vehicle and transportation route, as well as the room for improvement against the established fuel consumption targets. Fuel consumption indicators will be incorporated into the performance evaluation system to ensure further optimized fuel-saving management.

We have effectively reduced fuel consumption per 100 kilometers while increasing loading capacity by over 20% through measures such as adding equipment monitoring and optimizing vehicle models. In addition, we conduct monthly assessments for drivers' fuel consumption and provide performance bonuses based on fuel-saving performance.

Optimizing the transport structures

Strict control of vehicle standards

When procuring and introducing transport vehicles, in China, we only use vehicles that meet the national V-phrase and national VI-phrase emission standards. We strictly review and regularly inspect exhaust emissions to ensure compliance with national and regional emission standards. Meanwhile, we add automotive urea to diesel vehicles on trunk routes to reduce nitrogen oxides and particulate matter emissions.

Promoting drop and pull transport

During the year, we have continued to promote drop and pull transport in China. By the end of December 2024, we had cumulatively invested in 3,800 tractors and 4,700 trailers, with a tractor-to-trailer ratio of approximately 1.24. We have made the most of and utilized the trailers with the highest efficiency by increasing the trailer-to-tractor ratio, thereby enhancing transportation efficiency.

Upgrading high-capacity vehicles

In the line-haul link, we have increased the number of high-capacity vehicles by integrating goods in the same direction, thereby enhancing our transportation capacity. Compared to 2023, we have reduced the number of small-sized vehicles by nearly 1,000 units. In China, the proportion of high-capacity vehicles in our fleet has increased by 15% as compared with that of 2023.

Innovation in aluminum trailers for linehaul vehicles

Our linehaul vehicles have fully equipped with more lightweight aluminum trailer. Currently, a total of 4,401 aluminum trailers have been put into use. Each of them is 1.5 tons lighter than the traditional iron trailer, which is more energy-efficient, environmentally friendly, flexible and has a longer service life.

Optimizing the energy structures

J&T Express adheres to the concept of green transportation and vigorously promotes the extensive operation of LNG clean energy vehicles. This initiative not only reduces operating costs but also significantly decreases exhaust emissions, which is aligned with environmental protection requirements. Moreover, it enhances the reliability and safety of transportation.

- J&T Express's subsidiary Yunyi has been increasing its investment in LNG clean energy vehicles in China. By the end of December 2024, Yunyi had cumulatively invested **1,327** LNG clean energy vehicles in its linehaul transportation, with LNG vehicles accounting for **26%**. All the vehicles meet the emission standards of the National VI stage.
- In addition, to support the operation of LNG clean energy vehicles, Yunyi has actively cooperated with gas stations. The number of cooperative stations increased to **106** this year, thus enhancing refueling convenience.

In 2024, J&T Express expanded the application of B5 biofuel in express logistics scenarios by further exploring clean energy opportunities, adopted a multi-level and multi-stage approach to recycle resources, and achieved the development goals of green transportation.

In the Philippines

We promoted the use of B5 biodiesel in the express logistics process, with 100% of vehicles using B5 biodiesel when refueling.

In China

J&T Express purchased 1,050 tons of B5 biodiesel. Meanwhile, we have signed a strategic cooperation agreement with PetroChina Marketing Company to expand the application of biofuel in express logistics scenarios, promote the circular utilization of resources, thus to contribute to the realization of dual-carbon goals.

Providing drivers with energy conservation training

We regularly conduct driver-oriented fuel consumption control, energy conservation and emission reduction related training to raise drivers' awareness in fuel saving, in order to reduce the fuel consumption for operating vehicles.

Green operation

Green outlet

J&T Express actively promotes improved environmental management standards at express delivery outlets. By implementing various measures such as regulating packaging operations and conducting environmental protection training and publicity, it has formulated benchmark standards for the creation of model outlets, thus to fully strive to facilitate the building of greening and standardization for express delivery outlets.

During the year, several outlets of J&T Express in China have been selected as exemplary cases for 2024 green express delivery by the China Express Association. Among which, multiple outlets of J&T Express have been recognized as “Green Express Delivery Demonstration Outlets”, and its “Fully Degradable Express Packaging” product has also been successfully selected as the “Green Express Delivery Demonstration Product”.

Case: The Qinhuai Confucius Temple Center Outlet of J&T Express in Nanjing, Jiangsu Strengthens Green Development

The Qinhuai Confucius Temple center outlet of J&T Express, handles over ten thousand parcels daily. Consisting with the concept of environmental protection. It endeavors to reduce the impact of packaging on the environment by equipping facilities such as fully degradable waterproof bags, fully degradable tape, recyclable container bags, and packaging recycling devices. The Nanjing Postal Bureau has fully recognized the achievements of the Qinhuai Confucius Temple center outlet of J&T Express in the development of green express delivery, and awarded it the title of “Nanjing urban express business premises benchmark outlets”.

The Qinhuai Confucius Temple Center Outlet of J&T Express in Nanjing, Jiangsu, China

Site energy conservation

At the sorting center, we are actively conducting testing work on energy-saving equipment such as permanent-magnet electric drums, adaptive speed-regulating frequency converters, and energy-saving belts. We also plan to put the equipment into use in the future to improve efficiency and reduce energy consumption. At the sites such as sorting centers where we operate, subsidiaries in various countries further reduced the power consumption in the operating premises by virtue of upgrading lighting equipment, optimizing operation processes, and monitoring equipment energy consumption.

Case: Installing Monitoring Meters to Reduce Energy Consumption

In Singapore, we have equipped the sorting machines at the sites where we operate with independent monitoring meters, to accurately track energy consumption. Leveraging on-going process optimization, such as setting specific operating hours and centralizing parcel handling, we have not only improved operational efficiency but also effectively reduced the frequency of startups of the sorting machines, thereby lowering the energy consumption arising from machine operation. In addition, we have uniformly replaced the traditional high-bay lights in the Singapore warehouse with energy-efficient LED lights, further reducing power consumption.

Green Office

J&T Express promotes the concept of green office and effectively optimizes the electricity consumption in the office process through methods such as evaluations and incentives. We conducted statistics and analysis of the annual electricity consumption and electricity consumption per-capita for the headquarters of the Group and China. In 2024, the electricity consumption per-capita decreased by 7% compared with 2023. During the year, we continued to implement the plan for energy-saving and emission-reduction in China. Leveraging regular statistics on electricity consumption for each floor and the establishment of electricity-saving incentive targets, we have effectively enhanced employees' awareness of electricity conservation coupled with internal corporate publicity and other measures.

Make full use of natural lighting

During the office renovation and design, we arranged all the office areas along the exterior windows based on the natural lighting conditions provided by these windows. Glass partitions were used for internal zoning to fully utilize natural light to illuminate the office spaces.

Optimize lighting equipment

The office lighting is designed with reference to relevant standards Lighting of Indoor Workplaces. During the year, we upgraded and renovated the lighting systems on five floors for our headquarters. All the light fixtures were equipped with energy-saving LED light sources, and intelligent control was implemented according to the distribution of office areas to avoid unnecessary lighting. In addition, all office electrical appliances are products with the first-class energy efficiency rating to prevent electricity waste at the source.

Reduce air-conditioning power consumption

Heat-insulating curtains were installed on the windows in the office areas, and solar films were pasted on the glass curtain wall on the south side of the headquarters building. This effectively lowers the indoor temperature in summer and reduces the electricity consumption of air-conditioners. Moreover, we adjust the air-conditioner temperature according to different seasons: temperature shall not be lower than 26°C in spring and summer, and temperature shall not be higher than 20°C in autumn and winter. The air-conditioners are turned off during non-usage periods, and regular maintenance and cleaning are carried out to reduce the electricity load.

Energy conservation training

We carried out training on environmental protection for new employees to raise their awareness of environmental protection.

Green packaging

J&T Express actively implements green logistics measures in every stage of the process, including pickup, transit, delivery, and recycling, thus significantly enhancing environmental protection benefits.

Pickup

- J&T Express promotes the use of fully degradable waterproof bags at its end-point service outlets. By the end of December 2024, we had distributed 3.7371 million fully degradable waterproof bags across more than ten provinces and municipalities in China, representing a year-on-year increase of 36% as compared with previous year. In addition, J&T Express uses biodegradable tape made of polylactic acid (PLA). We actively carried out the initiative to reduce the amount of tape used during the year. In 2024, we used a total of 344 thousand rolls of 45mm biodegradable tapes and 645 thousand rolls of 43mm environmental-friendly slim tapes.

Transit

- We have optimized the design of reusable transit bags. Through measures such as adopting a new type of grooved zipper, and reducing the use of non-environmentally friendly materials like polyvinyl chloride (PVC) in the label area, we have effectively improved the environmental performance and usage efficiency of the products. By the end of December 2024, J&T Express has used a cumulative total of 31.65 million reusable transit bags in China, with the cumulative number of uses exceeding 1.94 billion times. The utilization rate of reusable transit bags has exceeded 99%.
- J&T Express also continues to increase the investment in reusable transit bags in non-Chinese countries. Except for Egypt, it has basically been achieved that only reusable transit bags are used for bagging among sorting centers, and in Southeast Asia, this gradually radiate to Courier Depots. A total of 799,000 new reusable transit bags have been put into use, representing a year-on-year growth of 80.68% as compared with 2023, and the cumulative number of uses has exceeded 27.62 million times.

Delivery

- In China, we piloted a project of recyclable express delivery boxes (RED BOX) centered on personal business scenarios in six regions, namely Beijing, Shanghai, Hainan, Hunan, Jiangsu, and Guangdong. We focused on exploring the same-city application model. By the end of December 2024, 43,000 RED BOX had been put into use, with the cumulative number of uses exceeding 800,000 times.

Recycling

- In 2024, we continued to promote the recycling and reuse of corrugated cartons. We encouraged each service outlet to prioritize the use of intact cartons for secondary packaging to promote the circular use of packaging materials and reduce resource waste. We also set up waste recycling devices at the service outlets to reuse or centrally process express packaging. By the end of December 2024, the number of J&T Express service outlets equipped with packaging waste recycling devices reached 493 in China, with the cumulative number of recycled corrugated cartons exceeding 3.8 million.

Green procurement

During the year, J&T Express has increased its procurement for green express packaging products and preferred to select packaging suppliers who have passed the “Green Product Certification”. At the same time, we have also increased the frequency and scope of random inspections for our express packaging. For suppliers whose products fail to meet the inspection standards, we will suspend cooperation and require them to carry out rectification. If they fail the random inspections repeatedly, we will put them into blacklist. Currently, all the express packaging products procured uniformly by the Group have passed the green product certification.

Reducing the Environmental Impact of Business Operations

Water resources management

Our core business does not involve production or processing, and our main water consumption is concentrated in daily office operations and business activities. Our water source is mainly acquired from municipal water supply, and the risk of obtaining suitable water sources is relatively low. In terms of water conservation management, we post water-saving slogans in office water areas, use water-saving faucets to control the water flow rate and reduce water wastage in office areas.

Case: Participating in the Sponge Construction Project to Enhance Water Resource Efficiency

In Huadu, Guangdong Province, China, J&T Express adopted a sponge construction plan in its self-built project. By establishing a decentralized sponge system with full-process control at the source, during the process, and at the end, and by utilizing low-impact development facilities such as sunken green spaces, permeable pavements, rain gardens, and rainwater storage and regulation ponds, a design for the “infiltration, detention, storage, purification, utilization, and drainage” of rainwater within the park has been carried out. Rainwater facilities have been constructed to high standards, increasing the control rate of runoff rainwater, alleviating issues related to regional water security, water environment, water resources, and water ecology, and achieving effective management and comprehensive utilization of water resources.

Wastewater management

The main source of wastewater is domestic sewage generated from our office operations, which does not involve significant water usage or wastewater discharge. We strictly comply with relevant laws and regulations relating to wastewater management of the countries and regions where our business operations and investments are conducted. Domestic sewage is mainly integrated into the municipal sewage treatment pipeline network for uniform treatment.

Exhaust gas emissions management

The main sources of exhaust gas emissions are particulate matters, nitrogen oxides, and sulfur dioxide generated by the combustion of diesel fuel in our own vehicles during the line-haul process. We strictly comply with relevant laws and regulations relating to exhaust gas emissions of the countries and regions where our business operations and investments are conducted, ensuring that all the vehicles we purchase meet the environmental protection emission standards to ensure that the exhaust emissions from vehicles meet the standards and to reduce the generation of exhaust gas. At the same time, we also take measures such as optimizing the fleet structure and encouraging the use of clean energy vehicles to reduce exhaust emissions from the source.

Waste management

The main sources of waste are general waste and hazardous waste generated from our operations in offices and sorting centers. We strictly comply with relevant laws and regulations relating to waste management of the countries and regions where our business operations and investments are conducted, and follow the Waste Management Measures formulated by the Group to standardize the overall waste management.

Wastes from Office and Sorting Centers

Classification	Specific Names	Disposal Method
General wastes	Recyclable wastes: • Plastics, scraps, etc.; • Newspaper, office paper, packing boxes, cardboard, paper scraps, etc.	Each department of the Company should classify recyclable wastes according to relevant documents and collect them to a designated place; When the collection reaches a certain level, the corresponding responsible department should contact the recyclable waste company or the property management company of the park for disposal.
	Non-recyclable wastes: • Various office supplies, such as waste pens, refills, copy paper, fax paper, label paper, transparent adhesive, etc.; • Waste gloves, work clothes, slippers, masks, etc. that do not contain hazardous substances; • Waste paper cups (beverage bottles), leftover food, bags and other daily life waste; • Waste glass fragments, etc.	The cleaning staff (responsible staff) will clean up the collected waste to the designated place for centralized disposal.
Hazardous wastes	• Waste engine oil, lubricants and their containers and pollutants; • Waste glues and paints as well as containers, gloves, rags, etc. containing the above substances; • Various items containing toxic or hazardous chemical components: fluorescent tubes, dry batteries, used toner cartridges, etc.	We will entrust a qualified treatment agency for disposal.

In addition to which, our business operations also generate waste tires from land transportation. Waste tires are difficult to decompose naturally, and accumulate over a long period of time, not only encroaching land resources but also generating large amounts of harmful gases and pollutants when burned, which adversely impacts on the environment. Therefore, we place great emphasis on the disposal of waste tires.

- Strengthen tire management by continuously improving the degree of scientific management, and employ technical means to monitor and inspect the daily use of tires;
- All waste tires are uniformly collected and recycled by specialized companies, which significantly reduces the negative environmental impacts of waste tires and achieves a balance between environmental protection and economic benefits.

Environmental Protection Public Welfare Actions

As a responsible global logistics service provider, J&T Express is committed to green and low-carbon development. We actively engage in a variety of green environmental protection initiatives, encouraging communities and schools where we operate to participate in environmental actions together, thus to contribute to global sustainable development.

Case: Holding the "J&T Forest" Tree Planting Activity to Protect a Green Future

In Thailand, J&T Express jointly launched the "J&T Forest" forest protection cooperation project with the Royal Forest Department, which is committed to expanding the area of green spaces and enhancing public awareness in environmental protection. We invited 250 volunteers, including representatives of the Thai government, officials from the Royal Forest Department, J&T Express employees, and local villagers, to participate in this tree planting activity. A total of over 2,000 trees were planted in the National Forest Reserve, covering an area of more than 16,000 square meters.

At the same time, we monitor and evaluate the growth status and overall health of the trees to ensure that this area can continuously and effectively support the ecosystem. The Royal Forest Department estimates that these trees will absorb approximately 250-300 tons of carbon dioxide in the future, contributing to the mitigation of global warming.

The "J&T Forest" Tree Planting Activity in Thailand

Case: Joining Hands with Multiple Volunteers to Protect the Cleanliness of the Coastline

Along the coastline of Barangay Polo in the Philippines, J&T Express participated in an international coastal clean-up event with the theme of “Cleaning the Ocean to Promote the Blue Economy”. This event received strong support from the local department of environment and natural resources. J&T Express joined hands with over 500 participants, including representatives from the Philippine Navy, the Fire Bureau, and the local government departments of Legazpi City to clean up the garbage along the coastline, demonstrating with practical actions their firm determination to improve the marine environment.

The J&T Express Team at the Site of Cleaning Coastal Garbage

03

POOLING ECOLOGICAL STRENGTH FOR A MUTUALLY BENEFICIAL SOCIAL WIN-WIN OUTCOME

- Topic: Creating a New Chapter of Better Society Together
- Work Safety
- Employee Development
- Sustainable Supply Chain
- Social Welfare


J&T

Topic: Creating a New Chapter of Better Society Together

Case: J&T Express Helps Thai Community Handicrafts Rejuvenate with New Vitality

In the San Prasert community in Thailand, local villagers struggled to expand the sales of their exquisite hand-woven products due to a lack of professional sales skills and automated machinery, which prevented them from taking on larger-scale orders.

In response to this situation, J&T Express organized expert lecturers to conduct training courses for the villagers, imparting practical sales knowledge such as online promotion and the use of applications, which effectively enhanced the villagers' online sales capabilities. Moreover, we donated live-streaming and photography lighting equipment to broaden the online sales channels for the community's woven, embroidered, and sewn bag products. In addition, we also donated automatic sewing machine equipment to help the villagers improve their production efficiency.

Local Villagers Sell Goods Using Live-Streaming Equipment

This public welfare activity of J&T Express has received widespread attention from all walks of life and garnered numerous positive reviews on social media platforms like Facebook and Instagram, as well as on major news websites. This further helped the San Prasert community to increase the popularity of its handmade products.

The Group Photo of J&T Express Employees with Thai Villagers

Case: J&T Express Breaks New Ground in Rural Logistics in Xinjiang, Revitalizing Both the "First" and "Last" Mile

9,541 PUDO stations

coverage rate for express services in villages

99.6%

In Xinjiang, China, the vast territory and high logistics costs have long made the "last mile" delivery of rural express packages a persistent challenge. J&T Express launched a campaign to bring express services to villages in Shache County, Xinjiang, and within just one month, it successfully expanded its services to 27 townships and over 460 administrative villages, achieving the goal of villagers receiving packages at their doorsteps. In 2024, the volume of packages entering villages in Shache County increased several dozen times compared to the previous year. In addition, collaborating with local governments and e-commerce platforms, J&T Express established 9,541 PUDO stations across Xinjiang, achieving a 99.6% coverage rate for express services in villages and essentially covering the entire region. This not only improved the efficiency of rural logistics but also boosted local employment and economic development.

Furthermore, J&T Express actively explored internal logistics routes in Xinjiang to support the "first mile" of local agricultural and specialty products. By building channels out of Xinjiang and optimizing transportation and delivery, it expanded the sales channels for local products, enabling high-quality Xinjiang agricultural products to reach the national market. This initiative increased farmers' income, promoted agricultural industry development, and supported rural revitalization. Couriers established service stations in villages, collected packages door-to-door, and provided one-stop solutions to address farmers' delivery challenges.

Through connecting the "first mile" with hope and delivering happiness through the "last mile", J&T Express successfully solved the rural logistics dilemma in Xinjiang and provided strong support for rural revitalization.

On the way of courier transportation in Xinjiang, China

Work Safety

To ensure the stable development of the enterprise, J&T Express continuously strengthens the construction of its safety management system, prioritizing employee safety and strictly implementing various safety measures to create a safe and reliable working environment.

Safety management system

J&T Express strictly complies with the relevant laws and regulations relating to safety management of the countries and regions where its business operations and investments are conducted. Adhering to the work safety guidelines of "people oriented, safety first, precaution crucial", we continuously improve the construction of safety management system. In 2024, we updated internal safety management policies and operation procedures, including the Collection of Emergency Response Plans, Reward and Punishment Management Measures for Express Safety Incidents regarding Prohibited and Restricted Items, and Carrier Vehicle Management Policy. These updates further enhanced our safety management capabilities.

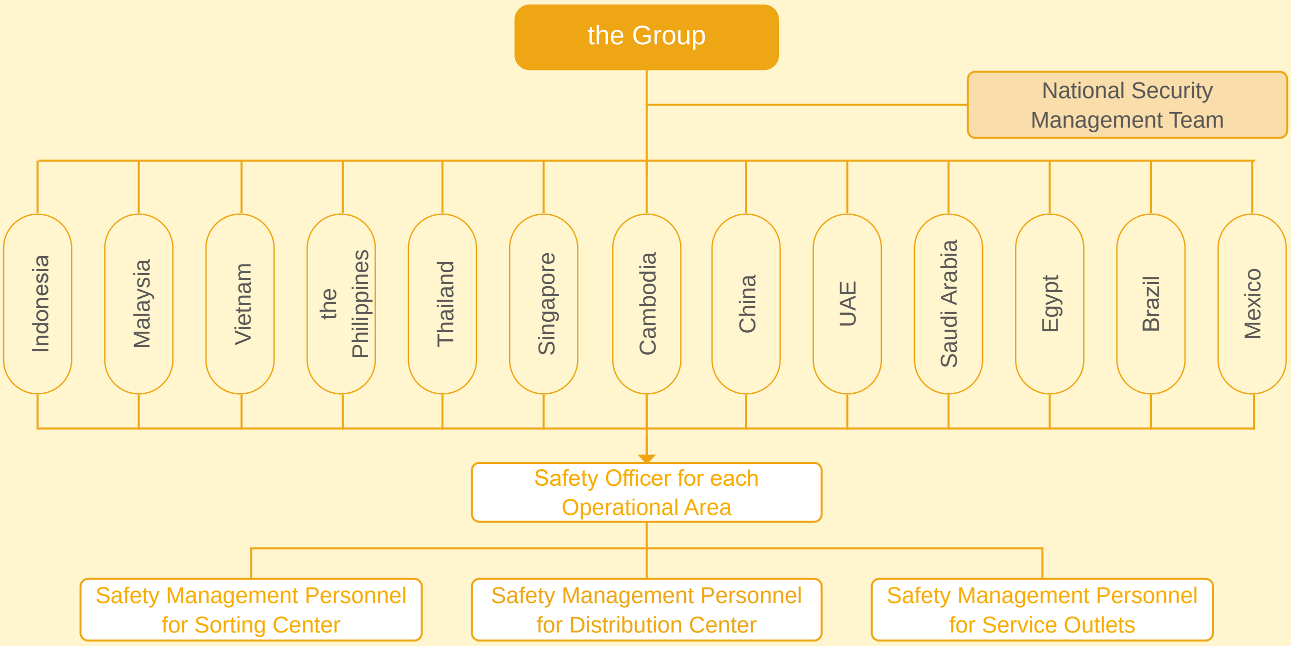
Safety management structure

To coordinate and implement work safety management, J&T Express has established a global safety management framework and set up a Work Safety Committee with the Executive President as the director, the Vice President as the deputy director, and department heads as members. At the Group level, there are corresponding safety management staff in 13 countries where our business operations are conducted. These teams are responsible for implementing the Group's safety requirements, managing their own safety affairs, and coordinating with regional safety officers to ensure the smooth progress of safety-related work.

In China, we have established a hierarchical safety management structure that covers the headquarters, operational areas, and sorting centers. The headquarters sets safety management goals, and the dedicated safety management team under it is committed to promoting the implementation of plans and regularly conducts supervision and assessment work in operational areas and sorting centers. Each operational area forms a safety management team based on the requirements of the headquarters to ensure the implementation of safety management requirements and to oversee the execution of sorting centers. They also strengthen supervision through online and offline means. Each sorting center, distribution center, and service outlet is staffed with full-time safety management personnel who are responsible for overseeing the implementation of detailed safety work requirements and ensuring comprehensive coverage of safety efforts.

We adhere to the principle of "Three Managements and Three Musts" for work safety, which means that managing an industry must include managing safety, managing business must include managing safety, and managing production and operations must include managing safety. Based on this principle, we have established a Work Safety Responsibility Policy, specifying the work safety responsibilities for each position, implementing the requirement of dual responsibilities for each position, and signing Work Safety Responsibility Letter with employees in key positions to ensure that safety responsibilities are assigned to individuals.

Safety Management Structure Chart



Safety management objectives

In 2024, J&T Express established annual safety management objectives, implementing quantitative management of work safety requirements and regularly reviewing and evaluating safety management work and its effectiveness. At the same time, the Company also continuously tracked several quantitative indicators related to the health and safety of employees and contractors, ensuring the effective implementation and optimization of safety measures.

Safety Management Objectives Achievement in 2024

Achieved	Achieved	Achieved
0	0	0
fire accident at premises	safety-related incident resulting in employee fatalities	safety-related incident causing direct economic losses exceeding RMB 0.2 million

Note: The scope of the statistics of the safety management objectives achievement covers J&T Express China.

Case: Establishing an Accident Investigation Procedure to Enhance Safety Management

In Malaysia, J&T Express has established a systematic accident investigation procedure that covers accident reporting, investigation, and implementation of corrective measures, thereby comprehensively strengthening the safety management system. We require the safety officers of all sorting centers and departments to report any accidents and submit a preliminary report to the Safety and Health Committee within 24 hours. The Safety Committee is responsible for conducting a detailed investigation, including interviewing witnesses and documenting all findings during the investigation process. Accidents are classified as either major or minor based on their severity. For major accidents, regulatory reports must be submitted promptly, and a thorough review must be conducted. Based on the investigation results, we develop targeted corrective measures to prevent the recurrence of accidents and ensure workplace safety.

Work safety risk management

J&T Express has developed the Dual Prevention Mechanism Guidance Manual for Risk Grading Control and Potential Hazard Governance to clarify the safety risk control mechanism. By conducting safety risk identification, assessing safety risk levels, controlling safety risks, issuing safety warnings, and improving the potential hazard investigation and management system, we ensure that risks are controllable and achieve the priority and long-term effectiveness of dual prevention and safety control mechanism, thereby maintaining stable and safe production operations.

We conduct risk analysis and assessment on facilities, premises and areas. By using methods such as Work Condition Hazard Analysis (LEC), Risk Matrix (LS), and Safety Checklist (SCL), we classify risks into four levels. Based on the assessment results, we have also developed and posted a four-color risk map, prepare a risk management list, and create risk signs

In 2024, we successfully implemented a comprehensive safety monitoring system in Malaysia, aimed at enhancing workplace safety and ensuring the safe use of equipment. The system strictly follows the Hazard Identification, Risk Assessment, and Risk Control (HIRARC) procedure, accurately identifying and assessing potential hazards in key operational processes such as conveyor systems, manual handling, and equipment maintenance. After the implementation of this system, we reduced the number of medium-risk points from four to three, thereby enhancing our capacity for risk prevention.

Work safety actions

J&T Express focuses on the safety management of key processes throughout the entire chain, implementing safety actions in transport, transfer, outlets and delivery to ensure safe operation.

Transport safety

We have developed the Carrier Management Policy and the Carrier Vehicle Management Policy, which require carriers to strictly review the qualifications of drivers. We regularly provide safety & business training for drivers, and drivers employed by carriers are also required to participate in security training to ensure transportation safety.

In China

We continuously strengthen vehicle inspection work. Before a vehicle departs, we strictly implement six-item inspections, namely, inspections of certificates, a circumferential vehicle inspection, accessories, operation, equipment, and tires.

During the year, Yunyi, the subsidiary of J&T Express primarily responsible for line-haul transportation, established monitoring centers in Shanghai, Bengbu, and Yangzhou, China. Additionally, the Company installed left and right video surveillance and alarm devices in 500 newly purchased LNG vehicles to alert drivers in a timely manner and prevent accidents in blind spots. Meanwhile, Yunyi has cumulatively installed 4,685 monitoring devices in line-haul transportation vehicles, enabling round-the-clock real-time in-transit monitoring. Tire pressure monitoring systems were also installed in 16% of the vehicles in the China region, achieving real-time monitoring of key areas and routes and reducing the risk of accidents caused by tire pressure loss during driving.

In Mexico and Brazil

We have developed plans to reduce the incidence of vehicle theft and robbery. These measures include reducing or changing the frequency and timing of trips on routes prone to theft and robbery, establishing emergency response protocols, and conducting regular training sessions for drivers on theft and robbery prevention as well as emergency response. In 2024, we installed in-vehicle monitoring devices in 200 vehicles operating in Mexico to monitor the driving process in real-time, which significantly reduced the occurrence of vehicle theft and robbery.

Transport safety

In Vietnam

We have comprehensively carried out vehicle safety inspections by combining on-site regular checks with online monitoring. This approach covers key areas such as vehicle conditions, driver behavior, and transportation routes, ensuring that no potential safety hazards are overlooked. Meanwhile, we have established a dedicated rectification team to quickly address identified issues and ensure the effectiveness of the rectifications. We have also implemented a supervision mechanism for issues, ensuring that each problem is assigned to a specific person for follow-up and resolution.

In the Middle East

We conduct daily inspections of carrier vehicles and monitor their route adherence in real-time through GPS. In 2024, we established key performance indicators and assessment methods for transport safety management to enhance transport safety. The evaluation criteria cover accident rates, driver compliance, vehicle maintenance, training completion, and hazard reporting. Additionally, we have developed a reward system and feedback mechanism. We assess performance through monthly audits, behavioral observations, and comparative analyses to ensure continuous improvement in transport safety management.

In Malaysia

We have implemented a comprehensive Lockout/Tagout procedure to eliminate safety hazards caused by improper equipment operation. This procedure systematically identifies and isolates potential risk equipment, disconnecting it from hazardous energy sources to prevent accidental startup. At energy isolation control points, the Company uses locking devices with clear warning labels to ensure that unauthorized personnel cannot operate the equipment.

Sorting center safety management

We have established the Guidelines for the Evaluation Process of Site Changes in Sorting Centers, Safety Management Regulations for Sorting Centers, and Safety Management Regulations for Relevant Parties. These regulations standardize the workflow of projects such as new construction, renovation, and expansion of the sites, ensuring the smooth completion of changes as well as work safety and service quality before and after changes.

In Indonesia

We conduct inspections and audits of all sorting centers. If a sorting center relocates to a new site, safety personnel from the headquarters will carry out on-site inspections and provide a rectification checklist to the safety officer of the sorting center for implementation. The safety officer of the sorting center is required to upload before-and-after comparison photos of the rectifications weekly to ensure completion and prevent recurrence of safety incidents.

In China

We have fulfilled the action of standardizing safety management and implemented the measures of “having a cover for wheel, a sleeve for shaft, and a railing for platform”. In 2024, we rectified a total of 8,455 bearing protective covers, 3,395 protective covers at motor drive part, 6,746 square meters of safety nets at the bottom of the belt conveyor, 7,202 belt conveyor transition bars, 404 crossover ladders, and 809 pairs of dual-conveyor belts, effectively reducing the potential for accidents caused by mechanical injuries.

In Malaysia

We have established detailed safety operating procedures, clarifying guiding principles for safe operations. We mandate the use of appropriate personal protective equipment (PPE) at all sorting centers and strict adherence to Lockout/Tagout procedures during equipment maintenance to ensure employee safety.

In Vietnam

We have assigned 1 to 2 dedicated personnel at each sorting center to assist with on-site safety management, ensuring the timely implementation of safety management measures.

Outlet safety management

- We have developed the Safety Standard Requirements for Outlets in terms of basic safety requirements, delivery safety, electric vehicle parking and charging, emergency facilities and equipment, electrical safety, evacuation facilities and safety records, in order to reduce and prevent the occurrence of accident hazards.

- We ensure that all outlets carry out work safety activities comprehensively, require employees to sign Work Safety Responsibility Letter, strengthen work safety training, and implement three-level safety education for new employees.

- We conduct daily pre-shift meetings, using the format of playing videos on business scenario risk points and accident cases to train frontline employees and enhance their awareness of safety risks.

- We carry out safety inspections both online and offline. Online inspections are conducted through the Smart Logistics Park platform to monitor service outlets, and any issues found are immediately reported to on-site personnel for rectification. Offline inspections are performed by safety officers from the operational areas, and any issues identified are addressed through the J&T Express JMS system, with penalties imposed and notifications issued.

Express safety

We independently developed the JMS system to effectively grasp safety data in the delivery process, enabling timely detection and resolution of issues. The JMS system records the entire lifecycle and chain information of parcels, including receiving, scanning, circulation, and end-to-end delivery. It also conducts effective analyses of real name data, and implements the source management of express safety. In 2024, we continued to deepen the application of the JMS system and vigorously promoted online hazard inspection.

In China

we strictly implement the three safety regulations (real-name registration for sending and receiving, inspection for sending and receiving, and security screening by X-ray machine) for express, and adopt the “startup exam” promoted by the Company to assess the couriers, which covers express safety, traffic safety, fire safety, and electrical safety. The couriers must complete a safety knowledge exam through a handheld terminal before daily work. We encourage couriers to set up safety awareness, cultivate correct safety habits of express safety, and reduce risks and potential hazards caused by unsafe human behavior.

In Vietnam

we strictly regulate the express process, requiring couriers to thoroughly inspect goods before collection and to use commercial packaging that provides protection against moisture, shock, sabotage and also reflecting the brand image. Meanwhile, we explicitly prohibit the collection of products without origin information, fake and inferior products, and products that infringe intellectual property, thereby eliminating the risk of spontaneous combustion caused by such products and ensuring the express safety.

Safety and emergency management

J&T Express places a high priority on safety and emergency management, strictly adhering to the relevant laws and regulations of the countries and regions in which it operates. The Company has formulated regulations such as the Regulations on Work Safety Education Management, the Fire Safety Management Policy, and the Collection of Emergency Response Plans to enhance its emergency management capabilities.

In Indonesia, Malaysia, Thailand, and the UAE, we conduct fire emergency response drills and training to educate employees on the proper use of fire extinguishers and fire response techniques, ensuring they are well-prepared to handle fire emergencies. Meanwhile, based on local conditions, our subsidiaries in these countries also organize other emergency drills such as earthquakes, typhoons, and floods, comprehensively enhancing employees' safety and emergency response capabilities.

In China, we have established an effective emergency drill mechanism to ensure that each unit conducts at least one emergency drill every six months, while sorting centers organize drills for the volunteer fire brigades composed of company emergency personnel once every quarter. Meanwhile, we require the monitoring and dispatch office to assign dedicated personnel for round-the-clock duty. In conjunction with various emergency response plans from the China headquarters, on-site handling plans are developed to address all types of emergencies. By the end of December 2024, J&T Express had conducted a total of 528 emergency drills across China, with approximately 49,455 person-times .

Fire Emergency Response Drill in Indonesia

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Safety Knowledge Training

J&T Express has carried out production safety education and training and special safety promotion activities related to fire safety, traffic safety, express safety, epidemic prevention and protection, emergency rescue, and emergency response. These initiatives aim to strengthen the safety awareness of all employees and lay a solid foundation for implementing the company's safety culture.

Indonesia

- Conduct safety promotion to remind employees to be aware of potential risks in their positions and to maintain safety awareness at all times.
- Conduct first aid training to instruct employees on how to promptly administer first aid when a colleague is injured.

China

- Conduct comprehensive training on work injury prevention. For new employees, we have established an onboarding security training course that covers work injury prevention knowledge. We also provide regular refresher training for current employees to update their knowledge on work injury prevention.
- Hold entry meetings every day to inform employees about road traffic safety precautions, as well as how to handle accidents, and the correct way to wear safety helmets and seat belts.
- Organize employees to participate in the training on first aid protection knowledge and skills, covering on-site emergency rescue and escape from accident scenes, etc., to enhance everyone's ability to self-rescue and assist others in emergencies.

The Philippines

- Conduct daily meetings and monthly trainings, focusing on key aspects such as drivers' safe driving behaviors, driving habits, and vehicle structures.
- Invite external professional safety instructors to provide authoritative and systematic security training for managers and drivers.
- In 2024, a total of 35 security trainings were conducted, with 3,058 employees participating, averaging 4 hours of training per person.

Malaysia

- Provide comprehensive security training for new employees, covering workplace hazards, safety policies, emergency procedures, and the correct use of personal protection equipment (PPE).
- Provide training on key knowledge and skills for occupational safety and health coordinators.
- Provide systematic OSH management system training for relevant personnel, focusing on analyzing its structure, processes, and how to achieve effective integration in daily operations.

Singapore

- Provide equipment security training for warehouse staff, arrange practice courses covering operations, protocols for safety, and emergency procedures, and reinforce training effectiveness through regular refresher.
- Provide easily accessible safety resources for warehouse staff.

Thailand

- Provide Comprehensive security training for new employees, with an average training duration of 6 hours per person, to help them gain a deep understanding of potential hazards and enhance their safety awareness.
- Conduct safety promotion named "Safety Talk" before work. This year, a total of 6,058 sessions have been completed, with an average duration of 15 minutes per session for each person.
- Post safety signs or safety information posters in the workplace.
- Enhance employees' safety awareness through methods like poster promotion before holidays or prior to entering high-risk workplaces.

Middle East

- Conduct special training every month that covers topics such as fire safety, equipment safety, and operational safety.
- Conduct a five-minute safety reminder every day. The content focuses on aspects such as risk awareness, safe operation, and correct manual operation postures, and clearly conveys the "do's" and "don'ts" guidelines.
- Conduct a total of 51 security training sessions with 1,697 participants in 2024.

Indicators	2023	2024
Security training	15,281 sessions	57,464 sessions
Security training participants	743,018 person-times	1,089,974 person-times

Case: Strengthen safe driving behaviors and cultivate a culture of safe travel

In Thailand, J&T Express cooperated with the traffic police department to hold a safe driving training activity, providing employees with a deep understanding of the "Motor Vehicle Accident Victims Protection Act." The training content covered legal explanations, reinforcement of driving discipline, and practical exercises. This training not only standardized driving behaviors but also enhanced employees' traffic safety awareness, offering robust protection for their safe commutes.

Safe Driving Training Site

Employee Development

Employee Management System

J&T Express adheres to the “people-oriented” employment philosophy, strictly abides by relevant laws and regulations relating to the employment of employees of the countries and regions where our business operations and investments are conducted, formulates and refines the internal policy documents such as the Recruitment Management Regulations, Employee Handbook, Reward and Punishment Management Regulations and Remuneration Management Policy, adheres to lawful employment and dismissal, and protects the rights and interests of employees.

Performance management system

J&T Express establishes a performance management system based on the principle of PDCA (cycle management), covering objective setting, implementation, evaluation, communication, and application of results. Through comprehensive performance management, we effectively facilitate the dissemination and implementation of the company’s strategic objectives, clarify employees’ directions for effort, and thereby achieve mutual growth for both the company and its employees.

Performance Objective Setting

- Through a combination of top-down and bottom-up quarterly goal setting approaches, performance objectives that align with the SMART principle are progressively broken down and established from the company level to departments and then to individual employees. This method promotes the coordination of objectives across organizations and positions, and meanwhile provides guidance for the direction of employees’ efforts.

Performance Implementation

- Employees and their immediate supervisors are required to conduct dynamic monitoring and adjustments of the objectives to adapt to actual business changes and promote the achievement of performance results.

Performance Evaluation

- With a results-oriented approach, employee performance results are evaluated with fairness, within an open scope and under equitable assessment criteria.
- The employee performance task serves as the foundation for performance evaluation, and the evaluation is based on the completion of employees’ performance goals and the behaviors they adopt to achieve those goals.

Performance Communication, and Application of Results

- Conduct performance communication with employees to help them understand their department leaders’ views on their work performance. Analyze the reasons together and determine the performance objectives and improvement points for the next performance management cycle, so as to continuously improve performance and enhance skills in subsequent work.
- If employees have objections to the performance results, they can appeal against the performance results in accordance with the specified appeal process. The Human Resources Department and senior management are required to handle employees’ appeals properly.
- The performance results will be applied to the company’s honor incentive system, medium and long-term incentive system, training and development, and other aspects.

In 2024, J&T Express promoted the completion of a performance management system covering performance objective setting, performance implementation, performance evaluation, performance communication, and application of results in the Group’s head office, 13 national companies, and 3 subsidiaries. This effort facilitated coordination among all levels to ensure the implementation of the company’s strategic objectives and core indicators.

Employee Rights and Interests and Welfare

Employee diversity and equality

As a global logistics service provider, J&T Express consistently adheres to the principles of fairness and impartiality, creating a diverse, inclusive, and equitable work environment for employees, and laying a solid foundation for the company's sustainable development. This year, we have formulated and issued the "Anti-Discrimination, Bullying, and Harassment Policy," upholding a zero-tolerance stance and dealing seriously with any form of bullying, discrimination, or harassment, so as to provide employees with open, fair and impartial work opportunities. In the processes of recruitment and job selection, we clearly prohibit discrimination in ethnicity, region, gender and religious beliefs.

J&T Express firmly oppose the forced labor, strictly prohibit the employment of child labor. Through automatic identification of ID card age, facial recognition and other technologies, we ensure the conformity of candidates with ID card information and avoid the employment of child labor.

Meanwhile, we respect employees of different nationalities, races, ages, genders, and physical conditions. We are committed to safeguarding the legitimate rights and interests of female employees, and actively provide employment opportunities for eligible disabled individuals.

For caring for female employees

we have signed a Special Collective Contract for Female Employees with the labor union, providing female employees with maternity leave, nursing leave, parental leave, marriage leave, prenatal check-up leave, etc. We also provide mommy cabins for female employees, fully protecting their rights and interests. As of the end of December 2024, we had 156,851 employees in 13 countries and regions, with female full-time employees accounting for 20.95%. Among our Board members, female members account for 28.6%.

For caring for disabled employees

we provide an accessible work environment, necessary training and support, thus help them adapt to the work environment and requirements. As of the end of December 2024, there are a total of 150 disabled employees in J&T Express direct sales area, mainly working at customer service positions and comprehensive assistant positions.

Case: We let female employees tell their own stories to let their radiance shine.

In the Philippines, to further enhance the influence of female employees within the Company, we have specially launched the "JNT Tells Women's Stories" column. We write personal experiences about some outstanding female employees and distribute them to every employee through the Feishu platform, which enables more people to understand their radiance and contributions. Thus, the sense of belonging and pride of female employees can be strengthened.

Sharing of Female Employees' Stories

Employee welfare and care

Basic welfare safeguard

J&T Express actively implements employee welfare policies. By safeguarding the legitimate rights of employees to obtain labor remuneration, we have continuously improved the welfare system and enhanced their sense of belonging and happiness, and strengthened cohesion and identity.

Indonesia

- We provide all employees with endowment insurance, health insurance, pension, death insurance, and work-related injury insurance.
- We provide medical services for the family members of employees and reduce their living pressure.

China

- According to the different employee's job position and specific length of service, we provide targeted subsidies in terms of service, transportation, business trip, full attendance, high temperature, cold protection as well as thoughtful benefits for major festivals.
- According to relevant laws and regulations, as well as the characteristics of different jobs, the Employees' Congress is organized to review the working hours, and implement standard working hours, integrated working hours, and irregular working hours.
- According to the Labor Contract Law, we provide employees with sick leave, annual leave, marriage leave, prenatal check-up leave, maternity leave, paternity leave, nursing leave, funeral leave, work-related injury leave, personal leave, parental leave, and other welfare leave stipulated in J&T Express rules and regulations.
- For four consecutive years, we have carried out the "Warmth Action" for frontline couriers at sorting centers and outlets. During the year, we invested RMB550,000 to purchase heatstroke prevention and cooling supplies, as well as winter supplies for employee care.

The Philippines

- We assist employees in applying for loans from the Social Security System.
- We provide assistance to employees with difficulties in the areas of healthcare and education.

Thailand

- We hold celebration events like Christmas and the Spring Festival. Additionally, we distribute red envelopes to employees during the Spring Festival.
- We hold monthly birthday parties for employees, providing them with birthday cakes, greeting cards, and gifts.

Case: J&T Express Selected "Five Star Couriers" to enhance employee belongingness

J&T Express China has launched the "Five Star Couriers" selection program, which evaluates couriers based on multiple dimensions, including individual parcel business, on-time delivery, service quality, image standards, and learning and growth. Couriers with outstanding performance are rewarded. In 2024, J&T Express awarded a total of RMB180,000 in bonuses to 825 "Five Star Couriers," which has effectively motivated their work enthusiasm and enhanced their job satisfaction and sense of belonging.

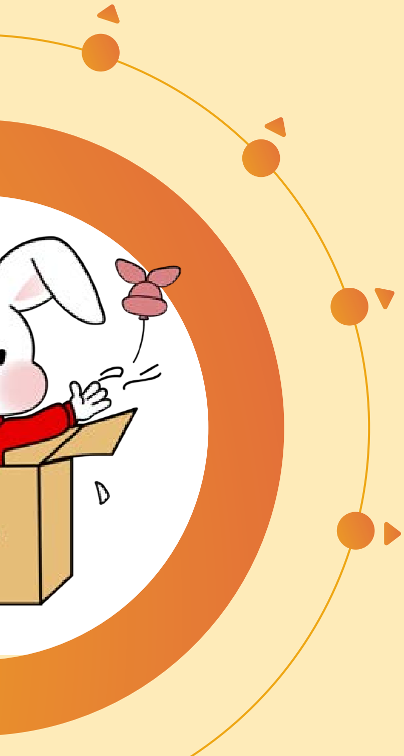
Five Star Couriers

Egypt

- We purchase accident insurance for all contracted drivers and couriers.
- We carry out incentive activities and family visits for monthly outstanding couriers.
- On the last Thursday of each month, we hold a birthday party for employees who celebrate their birthdays that month.

Brazil

- We provide health and dental insurance for all employees.
- We celebrate carnivals, Easter, Women's Day and Mother's Day for our employees.
- We conduct parent-child activities on Children's Day.
- We hold birthday parties for employees on the 1st day of each month.



Saudi Arabia

- We purchase medical insurance for all employees and their family members.

Singapore

- We sponsor eligible employees to participate in logistics related courses, such as obtaining a driver's licenses, SOP, first aid, and skill training (leadership, logic, etc.).

Care for employees' health

J&T Express provides employees with annual health check-up and offers variety of physical examination packages to help employees identify potential health risks and receive timely medical reminders. Since 2021, the Group's headquarters has conducted employee health check-ups for four consecutive years, with a coverage rate of 100%. The Company also comprehensively supports employee healthy through health lectures, voluntary clinics, handicrafts, etc.

Adhering to the concept of combining work with rest, we have established badminton clubs, basketball clubs, football clubs, table tennis clubs and running clubs, etc. Furthermore, we irregularly organize sports meetings, sports competitions and other activities to encourages employees to exercise, advocate a healthy life and help achieve the balance between work and life.

Indonesia

- We provide health checks such as blood pressure measurement for employees.
- We organize sports activities such as badminton competitions.

China

- We provide 20,000 physical examination quotas for employees in operational areas, covering a number of important health check - up items.
- We organize sports activities such as badminton and table tennis.

The Philippines

- We set up a pharmacy, stock daily use medicines and first - aid tools, and assign a nurse to each operational area.
- We provide training and publicity on the prevention and treatment of various diseases to all employees every month.

Thailand

- We organize sports activities such as badminton competitions.
- We carry out corporate culture dance activities to relieve employees' stress. In 2024, a total of 108 dance training sessions were held, with 1,252 participants.

The 2024 Annual Badminton Tournament and Table Tennis Exchange Activities

Smooth communication channels

J&T Express is committed to building an open and transparent communication mechanism, providing employees with smooth communication channels, listening to every employee's opinions, aiming to improve employee satisfaction and sense of belonging. We have set up such channels as hotline, email, BBS, online service platform and symposium, established labor union, mediation room and supervision team, and organized the Employees' Congress in order to comprehensively receive and communicate suggestions, opinions and ideas with employees.

We provide all employees with communication channels for managers and executives, such as email, Feishu, and hotline, etc. Adhering to the communication philosophy of "desiring to speak, daring to speak, and willing to speak", we strictly protect employee personal information, and promise to respond to the employee feedback within 7 working days.

Communication channels for employees

Phone	• Customer Service Hotline	• Complaint Hotline
Communication Software	• Feishu	• Online Service Platform
E-mail	• Labor Union	• Supervision
Intranet	• J&T BBS	
Offline	• Symposiums	• Employees' Congress

Case: J&T Express built communication bridges to listen to employees' opinions

In Thailand, J&T Express has launched the "HR Listening" project, providing employees with a platform for consultations, feedback, complaints and whistle- blowing, and other matters. Meanwhile, we have specifically set up a dedicated QR code to encourage employees to actively put forward suggestions and participate in discussions, thereby strengthening the relationship between employees and the company. In 2024, we received a total of 149 consultations from employees regarding salaries and benefits, as well as feedback on the working environment and employee behavior. After receiving employees' demands, we actively answered their questions and promptly resolved the problems reflected.

Case: J&T Express convened the employees' congress to safeguard employee rights and interests

In August 2024, J&T Express convened the second session of the first Employees' Congress, organizing employees to participate the session online and offline. The main venue was set up in Shanghai, China, with 23 branch venues, attracting a large number of employees. During the Congress, the Labor Union officially established a Labor Law Supervision Committee and a Dispute Mediation Workstation to mediate labor disputes and safeguard employees' legitimate rights and interests. Additionally, the Company launched multiple initiatives, such as a direct commission payment system for couriers and the "Xiao Ge Bao" commercial accident insurance, to provide comprehensive protection for employees' rights and welfare.

Employee growth and development

Employee development

J&T Express continuously broaden employee development paths and precisely achieves job matching. We are dedicated to providing more growth opportunities for employees, empowering them to maximize their personal value in their professional journey.

Employee promotion

J&T Express has established the Promotion System, which refines core competencies standards for employees and sets core competencies for different levels to make promotion assessments more targeted. In order to further implement corporate strategy and meet the personnel needs of rapid business development, we encourage employees to continuously create value in their work, and achieve common progress between the enterprise and employees. In 2024, we launched a probationary training mechanism for promotional positions, offering high potential employees the opportunity to intern in positions they are promoted to. This allows them to develop and enhance the core competencies required in real world work scenarios, enabling employees to grow rapidly and transform into outstanding talents with leadership skills and professional proficiency. To evaluate employees' capabilities and potential more accurately, we adopted scientific and rational assessment tools. These tools help employees identify their personal strengths, define their individual development trajectories, and provide data-backed support for their promotions, thus enhancing the fairness and transparency of the promotion process.

In Brazil

We launch a dual-path promotion model at management/expert level, and select a mode suitable for employee development. In 2024, we promoted around 1,056 employees through internal competition.

In the Philippines

We implement employee development through the HCM performance management team, guided by performance management, employee performance evaluation, and promotion policies. HCM implements the "Future Leader Plan", which trains and assesses employees to become future leaders and backup supervisors.

Talent attraction

J&T Express actively engages in school-enterprise cooperation and increases investment in campus recruitment to attract outstanding graduates. To enhance the candidate experience, for all students who attend on-site interviews at our headquarters, we provide accommodation for the same day and reimburse round-trip travel expenses, thus strengthening their trust in the Company. Considering the particularity of the management trainee positions, we offer daily or monthly welfare subsidies to management trainees to meet their living needs.

To facilitate the long-term development of management trainees within the company, we have formulated the "Management Trainee Training Program" and designed a comprehensive training mechanism. This mechanism adheres to the "721 principle" (70% work practice, 20% coaching and feedback, 10% regular training), aiming to help them deeply understand the corporate culture, solve practical problems, and enhance their professional skills and leadership. For management trainees with outstanding performance, we will promptly provide promotion opportunities to support their career development.

Employee training

J&T Express continuously improves its training system to empower the development of its employees. Our courses cover various types of training, including professional, general, and management - related training, aiming to meet the training needs of employees, operational areas, franchisees, couriers, and other aspects.

In China, we have established a training system that covers employees in different positions and at different levels in the headquarters and operational areas, with the aim of continuously optimizing the internal lecturer management system and the mentor apprentice management system.

Training Essentials for Various Employees

Major franchisees

We carry out business empowerment training. About 32 training sessions are held online per year, benefiting 98,000 person-times, emphasizing the operational and management capabilities of franchisees and enhancing their service awareness.

Senior executives in head office

Persist in cultivating the core competencies of management personnel. Conduct training programs such as human resources training for non - HR managers, financial management training for non - finance managers, and international job evaluation and certification training. These initiatives aim to enhance managers' refined management skills, business development planning capabilities, and awareness of operational management.

Couriers in operational areas

We focus on cultivating the abilities of couriers. By organizing training and exams for new couriers, we aim to enhance their service capabilities.

We have formulated the J&T Express Master & Apprentice Management Measures to standardize the coaching process for new employee mentors, help new employees quickly adapt to job requirements, and provide standardized process system for courier training.

The management in operational areas

We provide an all-round training support online and offline and create a training model that combines online and offline approaches, offering training programs such as the capacity - building training for sorting center managers, on - the - job supervisor training for centers, safety manager capacity training, and data manager capacity training. The training covers all operational areas and sorting centers in China, aiming to enhance the sense of responsibility and management capabilities of employees at the management level in operational areas, give full play to the bridging role of the management, and promote the development of each operational area.

In 2024, in China, we provided business skills training for couriers through various forms such as online live - streaming, App quizzes, courses on Rabbit Academy, and morning meeting announcements. In this year, we carried out a total of 32 online live streaming training sessions, covering multiple fields including business development, collection and delivery standards, and service empowerment. The number of participants reached 53,000. The App quiz included more than 1,800 questions, covering 250,000 employees, with an average daily number of quiz taking reaching 1 million. Rabbit Academy launched learning courses covering aspects such as pick up, delivery, and service quality, reaching 250,000 people. The morning meeting announcements strengthened business execution norms, and more than 20,000 morning meetings were held weekly at outlets across the network.

In the same year, we actively promoted the “TTT” internal lecturer certification training. We launched the certification activities for employees at the Chinese headquarters, with 80 people participating. As a result, 50 outstanding lecturers were successfully certified. By optimizing the lecturer team and empowering internal lecturers, we met the company's talent cultivation needs. At the same time, we also encouraged employees to participate in external training and skill certifications, and actively cooperated with external third - party institutions to organize skill - certification training to help employees achieve self - development and improvement.

In our operations outside of China, we have also established relevant training methods and regulations. By issuing the Southeast Asia and Newly Opened Countries Employee Training and Study Management Measures and the Overseas Chinese Employee Recruitment and Training Management Regulations, we assist employees from various countries in their growth and development.

Mexico

We regularly carry out training activities for new employees in terms of recruitment, communication, legal knowledge, finance, and daily operations, etc.

The Philippines

We launch a program to provide training subsidies for eligible employees.

Brazil

We provide employees with tuition discounts and subsidies for jointly operated schools.

Sustainable Supply Chain

J&T Express is always committed to building a sustainable supply chain system. We adhere to responsible procurement, advocate working with suppliers to establish an equal, transparent and sustainable cooperation environment, and jointly promote sustainable development.

Supplier management system

We strictly abide by the relevant laws and regulations of countries and regions where our business operations and investments are conducted. Meanwhile, we have developed relevant management policies such as the Procurement Management Policy, Supplier Sourcing Management Policy, Quality Control Policy, and Sustainable Procurement Policy. By leveraging digital management tools, we improve the efficiency and transparency of supplier management and strengthen the identification and management of ESG risks in the supply chain.

Full Lifecycle Management for Suppliers

01

Supplier access

- Data collection and review: new suppliers fill out the Supplier Registration Form to facilitate our understanding of their basic information and legal compliance;
- Supplier Green System Certification: When suppliers register and submit materials in our Supplier Relationship Management System (SRM), they must simultaneously upload ESG - related materials. We require suppliers to be qualified in the catalog of postal industry supplies and equipment. For suppliers of degradable materials, we have even higher requirements, that is, they must hold green product certification certificates;
- On-site inspection: we conduct on-site inspections on the production environment and information consistency of suppliers;
- Product testing: we take samples, test or try out relevant products to ensure the product quality;
- Integrity management: new suppliers must sign the Supplier Integrity Commitment Agreement.

In China, we have established a full lifecycle management process for suppliers, further improved the supplier management system, and effectively prevented ESG risks in the supply chain.

02

Supplier evaluation

- The Procurement Dept. collaborates with the department in need, Internal Control and Procurement Committee to ensure fairness and impartiality in the bidding and negotiation meetings;
- We cooperate with the suppliers performing well in occupational health & safety and environmental protection, and prefer environment-friendly products such as recycling boxes and biodegradable tapes;
- For information security and privacy protection, we require suppliers to sign the Supplementary Agreement for Supplier Network and Data Security;
- We regularly assess service quality and efficiency of suppliers to ensure their compliance with our procurement requirements;
- In response to egregious ESG-related misconduct by suppliers, such as violations of employee rights, employee safety concerns or environmental protection concerns, we will mandate that suppliers promptly rectify these issues.

03

Supplier exit

- We conduct interviews with the unacceptable suppliers, and blacklist those who refuse to make corrections.

Digital management of supplier

J&T Express is actively advancing the upgrade of supplier digital intelligence management by implementing measures such as establishing a digital profile and labeling system for suppliers, creating supplier management dashboards and developing supplier risk models to enhance the efficiency of supplier management.

Supplier Database

Utilizing the SRM system, we collect and store supplier information, including business licenses, partner code of conduct commitment letters, contract cases and annual review reports. This database is updated annually to improve the efficiency of the Company's bidding and procurement processes;

Supplier Resource Library and Management Dashboard

We have built a supplier resource library based on the project category labels of suppliers. Additionally, we update the status of suppliers weekly, including non-shortlisted, shortlisted, awarded, suspended cooperation, blacklisted (with reasons and time), and re-entry after blacklisting. This dynamic management approach presents the historical cooperation records of suppliers, providing the procurement committee with comprehensive supplier information;

Supplier Risk Assessment Model

We have established a supplier risk assessment model that incorporates key ESG areas into the risk assessment scope, including supplier qualifications, environmental and social dimensions, aiming to reduce supply chain risks of the Group and strengthen supply chain resilience.

Green management of supplier

During the year, J&T Express conducted ecological and environmental protection inspections on suppliers. We reassessed existing suppliers to ensure that the packaging products they provide meet quality and environmental standards. To ensure the stability and reliability of product quality, we increased the frequency and coverage of internal quality sampling inspections and collaborated with third-party institutions certified for postal industry supplies inspection. If any products are found to be non-compliant, we will immediately impose penalties on the suppliers and issue notifications.

Social Welfare

Rural revitalization

J&T Express is deeply committed to the development of rural areas in all regions where we operate globally. We continue to expand the breadth and depth of network coverage, and actively build terminal networks in rural areas where infrastructure is underdeveloped and resources are relatively scarce, so as to provide local residents safe and reliable delivery services, while helping local farmers to sell their agricultural products to broader markets, thereby increasing their income and promoting community development.

In China

We have introduced a number of policies to support agriculture and, through logistics networks and technological innovation, have helped farmers solve the problems of selling and transporting agricultural products, promoting their income growth. Whether it is using UAV to assist in the sales of Fengjie tangerines or ensuring the efficient transportation of Gansu Minqin ginseng fruits and Zhao'an green plums, we have been taking actions all along. At the same time, we continue to expand the variety of agricultural specialty products, injecting strong impetus into rural revitalization.

In Vietnam

We assist farmers in harvesting, packaging and express delivery of agricultural products, and guide them how to use e-commerce platforms to promote and sell their products; we promote the development of traditional handicrafts in Vietnam and improve the lives of local people by contentiously optimizing the transportation, distribution and forwarding services of our supply chain.

In Thailand

We venture into orchards in the Chiang Mai region to understand the transportation challenges faced by fruit farmers. Through our "Fruit Parcel" service, we provide professional packaging and efficient delivery, ensuring the quality and freshness of fruits. This enhances customer satisfaction and repeat purchase rates, thereby creating more employment opportunities and income for local fruit farmers.

J&T Express Thailand Offers "Fruit Parcel" Service to Fruit Farmers

Social contribution

J&T Express firmly believes that we achieve a harmonious balance between commercial value and social value only by actively fulfilling social responsibilities. With a strong sense of social responsibility, we contribute to post-disaster relief, community support and corporate assistance, giving back to society through concrete actions.

Post-disaster assistance

Facing various natural disasters, J&T Express leverages its resource advantages and efficient organizational and logistical capabilities to consistently contribute to its due efforts, standing in solidarity with affected communities to overcome challenges together.

Flood Disaster in Rio Grande do Sul, Brazil: Utilizing our extensive logistics network, we efficiently transported donated supplies and mobilized all employees to actively participate in donation activities. We directly provided 300 tonnes of relief materials to affected individuals, including essential items such as water, food, mattresses, and blankets, ensuring their basic living needs were met.

J&T Express Delivers Donated Supplies

Dam Breach in Huarong County, Hunan Province, China: We undertook the task of transporting disaster relief materials for local enterprises free of charge, delivering 10 tonnes of urgently needed supplies such as bottled water and instant noodles to the affected areas. Additionally, we self-funded RMB57,000 to purchase and deliver bread, canned congee and other relief supplies to the frontline of the disaster response, helping affected communities overcome the crisis.

J&T Express Transports Disaster Relief Supplies

Typhoon "Carina" in Manila, Philippines: We distributed food packs and relief packages to residents in the areas most severely impacted by the typhoon, donating over 400 sets of supplies. With the close cooperation of local village officials and town mayors, we successfully organized the donation event, providing timely assistance to the affected residents.

J&T Express Distributes Relief Supplies

Flood Disaster in Thailand: In collaboration with government departments across multiple regions, we donated over 5,000 sets of supplies, including drinking water, dry food, and daily necessities, to the affected communities. We actively took on the responsibility of transporting these supplies, delivering them to the Disaster Prevention and Mitigation Center within two days and providing direct aid to the affected areas, fully supporting residents safely resume their lives.

J&T Express Transports Disaster Relief Supplies

Flood Disaster in Pasir Mas County, Kelantan, Malaysia: We quickly procured 3,000 sets of essential supplies, including 300 sets each of 10 different items such as canned sardines and chicken curry. We promptly transported these supplies to the disaster area and handed them over to the Malaysian Department of Community Welfare for distribution, providing living support to the affected residents.

Community support

J&T Express actively supports the development of local communities. In Thailand, we launched the “J&T Express Supports Local Communities” initiative, providing knowledge training, product promotion and equipment donations to residents in multiple regions to increase local incomes and promote the sustainable development of community economies.

Knowledge Training

In support of the “One Town One Product” (OTOP) project for traditional handicraft sales in the Phu Pha Man community, we collaborated with the local community development office to organize expert-led training sessions. These sessions provided OTOP vendors with professional guidance on packaging techniques, online sales and content creation. The event attracted 28 shops and 44 participants, enhancing their sales capabilities and strengthening the economic foundation of the community.

Product Promotion

To address the issue of oversupply at the Sai Tro Baan Nai Rai market, we launched promotional campaigns through press releases and social media platforms. We also engaged a brand ambassador to participate, promoting the market’s fresh agricultural products and increasing its visibility.

“J&T Express Supports Local Communities” Initiative

Corporate assistance

J&T Express pays attention to collaboration with other enterprises and is committed to leveraging its resources to drive the growth of small and medium-sized enterprises (SMEs). In Indonesia, we launched the "J&T Connect Preneur" series of activities, which empowers the growth and development of micro, small, and medium-sized enterprises (MSMEs) through three innovative formats: J&T Connect Preneur Tour, J&T Connect Run and J&T Connect Preneur Summit.

J&T Connect Preneur Tour

From June to July 2024, we hosted events in five major cities across Indonesia, engaging local entrepreneurs in in-depth discussions on topics closely related to business development of the Company. The event attracted 517 MSMEs, with 330 MSMEs submitting applications for business competition. Ultimately, we selected 10 outstanding enterprises and provided them with a total of 300 million Indonesian Rupiah in business funding.

J&T Connect Run

In July 2024, we organized a running event that drew 3,000 participants and donate the profits generated from the event to 45 MSMEs. Based on their actual business needs, we provided these enterprises with thermal printers, vacuum sealers and other equipment for daily business operations.

J&T Connect Preneur Summit

In December 2024, we held the "J&T Connect Preneur Summit", which received strong support from key government departments and attracted 419 MSMEs. The summit featured five lectures, three workshops and an exhibition. It not only offered MSMEs a platform to showcase their products but also enhanced their business capabilities through in-depth discussions on business development and strategic topics.

Public welfare initiatives

J&T Express is consistently attuned to societal needs and actively engages in public welfare endeavors, striving to make a meaningful impact in the realm of social public welfare. We have launched a variety of public welfare activities focused on education and children, delivering warmth and compassion to students and children in need.

Educational public welfare

J&T Express is deeply committed to educational public welfare, dedicated to providing support and encouragement to students from diverse backgrounds, ensuring that every child has access to quality educational resources and growth opportunities.

In Thailand, we introduced the E-Logis Program, offering scholarships to outstanding undergraduate students at Khon Kaen University. We also organized seminars and knowledge-sharing sessions on “Current Trends in Logistics and E-commerce” to equip students with the knowledge needed for careers in logistics. Additionally, we supported the establishment of a “Sensory Room” at a special education school, fostering their balanced development in physical, emotional, and intellectual aspects.

Sensory Room

In the Philippines, we donated painting materials to Batasan Hills National High School to enhance and beautify the campus environment. In collaboration with the mayor of Quezon City, we distributed stationery, books and other educational supplies to students, providing essential educational resources to support their academic pursuits.

Donation Event Scene

Child welfare

J&T Express focuses on the health and growth of children, offering material support and emotional encouragement through a series of donations and educational activities, bringing warmth and inspiration to their lives.

In Thailand, we fully supported the “Thousand Gifts” donation campaign initiated by the E-Jan Page platform. By meticulously coordinating logistics resources, we ensured that Children’s Day gifts filled with care and blessings were delivered to nine remote areas in Thailand, bringing joy and surprises to local children.

Delivering Children’s Day Gifts

In Indonesia, we organized an Iftar event for 100 children under the care of the Kumala Foundation. During the event, we not only interacted with the children but also integrated an educational session on waste sorting, allowing them to learn about environmental protection in a joyful atmosphere and broadening their horizons.

Iftar Event

In Brazil, we initiated a heartwarming chocolate donation campaign on Easter Day, aiming to bring warmth to disadvantaged groups. Our employees enthusiastically participated, collectively donating 276 boxes of chocolates, demonstrating care and compassion for the disadvantaged people through tangible actions.

Chocolate Donation Campaign

04

STANDARDIZING GOVERNANCE AND STRENGTHENING THE MANAGEMENT FOUNDATION

- Corporate Governance Structure
- Diversity of Board
- Compliance Management
- Risk Management
- Business Ethics
- Intellectual Property Protection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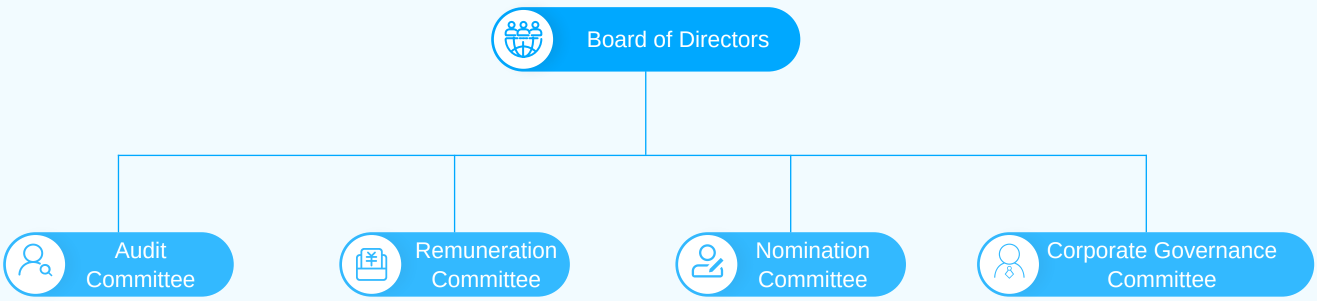
Corporate Governance Structure

J&T Express is committed to establishing and maintaining a sound corporate governance structure and corporate governance practices. We believe that a sound corporate governance structure is conducive to safeguarding the shareholder interests, providing corporate value and formulating correct business strategies.

We have established the Board of Directors of the Company ("Board") in strict accordance with the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other laws and regulations and relevant requirements, and have also clearly stipulated the duties of the Board in the Articles of Association. The Board of the Company is responsible for leading and supervising the Company's business and strategic decisions and the value realization.

To ensure the Company's compliance with a high corporate governance standard, the Board has established four committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee. All Board committees have clear written terms of reference which clearly set out their powers and duties. In addition, Independent Directors perform their duties independently to safeguard the overall interests of the Company and express their independent opinions on significant and material matters.

Corporate Governance Structure



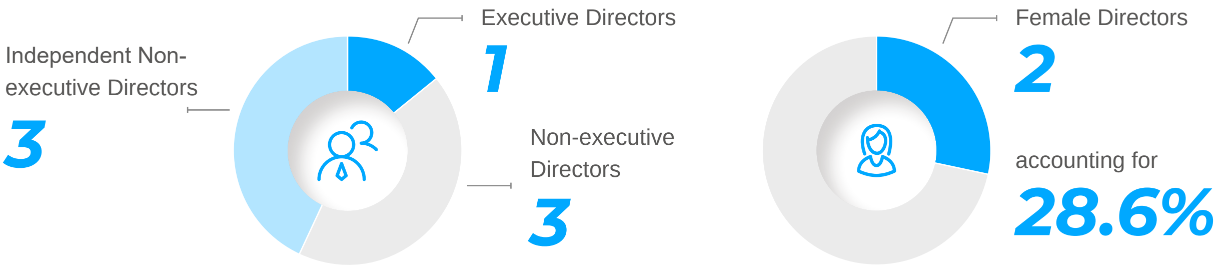
The Company elects candidates for directors in strict accordance with the provisions of relevant laws and regulations and the Articles of Association, and strictly fulfills the procedures related to the Board meetings. In 2024, we held a total of 5 board meetings by means of on-site meetings and written resolutions to study and make decisions on major issues such as the performance and risk management of the Company, fully exerting the decision-making guidance role of the Board.

Diversity of Board

J&T Express fully recognizes the importance of Board diversity and firmly believes that diversity at the Board level (including gender diversity) is a key factor in maintaining competitive advantage, attracting and retaining various talents and motivating employees.

To further enhance the operational efficiency of the Board and achieve high standards of governance objectives, the Board has specifically formulated and implemented a Board diversity policy and defined the clear pathways and methodology for achieving Board diversity. Pursuant to this policy, the Nomination Committee of the Board will take into account various factors including gender, age, language, cultural and educational backgrounds, professional qualifications, skills, knowledge, industry and regional experience and/or length of service when reviewing and evaluating suitable candidates for directors. Additionally, as required by the Board Diversity Policy, the Nomination Committee will, from time to time, conduct a thorough review of the policy, agree on measurable objectives for its implementation and present the agreed results to the Board for consideration.

Composition of the Board



Compliance Management

J&T Express adheres to the bottom line of compliance management, continuously optimizes its compliance management system to comprehensively mitigate various compliance risks, thereby laying a solid foundation for the Company's high-quality development. Operating in 13 countries around the world, we strictly adhere to the laws and regulations of each country and region, covering critical areas such as safe delivery and transportation, risk management, green transportation, product and service quality enhancement, employee health and safety, business ethics and anti-corruption.

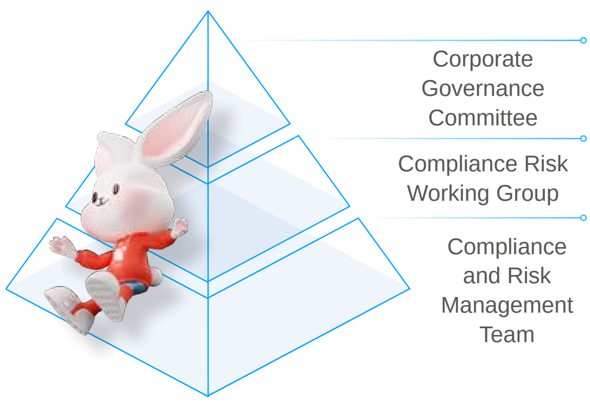
We continue to improve existing compliance management regulations and implement them in terms of management mechanism, supervision and inspection, evaluation and assessment. In order to popularize and enhance the awareness of compliance management, we actively conduct the compliance awareness training for all employees of the Group, employees of operational area and employees of franchisees, ensuring that the concept of compliance is deeply ingrained. This enables every employee to internalize compliance requirements as part of their personal code of conduct.

Management Framework

Our overall compliance management framework consists of the Corporate Governance Committee, the Compliance Risk Working Group and the Compliance and Risk Management Team, ensuring effective oversight of the Company's compliance efforts. The Corporate Governance Committee, which comprises independent directors, is the highest control and decision-making body of the compliance management system. The Compliance Risk Working Group is set up and assigned by the management of the Holding Group. The Compliance and Risk Management Team is composed of relevant departments of the Group/Business Segments.

During the year, we have enhanced our global legal team through personnel upgrades and management structure adjustments. Each subsidiary has established an independent, professional legal management team responsible for supporting local business compliance efforts. These teams are centrally managed by the Group headquarters to ensure the Company's operational compliance and improve management efficiency.

Compliance Management Framework of the Company



Policy building

In terms of basic regulation building, we have formulated systems and rules such as the Code of Business Conduct and Ethics of the Group, the Management Measures of the Group for Conflict of Interest and Legal and Regulatory Compliance Identification and Evaluation System to regulate the business conduct of the Group and specify the requirements that the Company needs to comply with when identifying, obtaining and evaluating relevant compliance obligations, so as to provide solid institutional safeguards for the compliant operation of the Company.

We divided compliance management into two main segments: regulatory compliance management and governance compliance management.

Regulatory compliance

Responsible for supervising and managing the Company's compliance with applicable laws and regulations, various regulatory requirements and codes of conduct.

Governance compliance management

Responsible for supervising and managing the Company's compliance with relevant corporate governance principles and listing rules.

Implementation of compliance management

In order to enhance the operating efficiency and compliance management of the Company, we have been promoting compliance management during the year, covering six major sectors, namely, market, data, integrity, intellectual property, labor and trade, with a view to fully ensuring the stable compliant development of the business of the Company.

Market compliance

- Complete the overseas market admission efforts, publish the guideline for compliance of the Group, and formulate and implement plans for non-Chinese countries;
- Evaluate global foreign investment restrictions and business qualification risks, offer recommendations to facilitate their realization.

Intellectual property compliance

- Publish guidelines on intellectual property compliance, and formulate and implement programs in non-Chinese countries;
- Improve the software licensing management system to advance the global IP allocation and infringement monitoring to protect the brand rights and interests of the Company.

Data compliance

- Rectify 12 APPs, including Linlizhanggui (邻里掌柜) and Sands Talk and assess and update the privacy policy for global official websites;
- Launch 5 training sessions on data compliance and personal information protection;
- Update templates and guidelines for data processing agreements and distribute them to various countries.

Labor compliance

- Organize labor rules, visa policies, flexible employment and statutory benefits in various countries where we operate;
- Improve the management of global assignment and foreign employee employment;
- Conduct specialized training on compliance in non-Chinese countries.

Integrity compliance

- Release the Code of Ethics worldwide and publicize it in various countries;
- Complete the Group's declarations in China for the year, and facilitate the declaration of conflicts of interest in non-Chinese countries.

Trade compliance

- Regulate the management of venues, equipment and materials, vehicles and other aspects;
- Establish the process of leasing and surrendering the venue, and issue the qualification checklist;
- Develop notes on cross-border procurement of equipment and materials, as well as the process and duty instructions;
- Organize restrictions on cross-border procurement of vehicles, and formulate guidelines for the exchange of contracts by transportation suppliers;
- Improve entry procedures for counterparties to mitigate trade risks.

We have established a standardized conflict of interest reporting mechanism by regularly collecting information related to the conflicts of interest of the Group and handling irregularities in a strict manner. In addition, we greatly eyed on compliance knowledge and competence training by actively launching compliance training activities spinning across employees at all levels of the Group, domestic and overseas subsidiaries, operational areas and franchisees. In 2024, we launched four compliance training programs in total.

Risk Management

J&T Express attaches great importance to risk management and continuously strengthens our risk management capabilities. We have formulated system management documents such as the Internal Audit Policy and the Internal Monitoring System, and in accordance with the internal control framework issued by COSO (The Committee of Sponsoring Organizations of the Treadway Commission of the United States of America), we have established and continued to improve a set of systematic and comprehensive internal control and auditing mechanisms at the levels of our group headquarters and each of our branches and subsidiaries, based on the current business status within the express delivery industry, companies and subsidiaries of various countries, by keeping with a risk-oriented approach. Under the leadership and guidance of the headquarters of the Group, our subsidiaries have been actively launching risk management programs.

Risk management system

J&T Express has established a systematic risk management system with three lines of defense. The first line of defense is the core business departments, which are the first organizations responsible for risk management; the second line of defense is the functional departments supporting the core business departments in risk management, including Finance, Legal, Compliance, Internal Control, Risk Control, Mentoring, Quality Control, Information Security and other departments; and the third line of defense performs the function of assurance, including internal audit, site audit and supervision works conducted internally and external audit works conducted externally.

In 2024, by adopting the five elements of the COSO Internal Control Framework - internal control environment, risk assessment, control activities, information and communication, and monitoring - as our main work direction, we further consolidated and strengthened the construction work of the risk management system of the Group.

COSO Internal Control Framework

Monitoring

Internal Audit, External Audit and Supervision are responsible for testing and confirming the effectiveness of the company's internal control systems

5

Information and Communication

Internal Control and Risk Control are responsible for smooth and transparent reporting, communication and information exchange related to internal control

4

Control Activities

Internal Control assists business departments in implementing specific control measures (such as systems and processes)

3

Risk Assessment

Internal Control and Risk Control are responsible for recognizing and analyzing risks to meet corporate objectives

2

Internal Control Environment

Internal Control and Supervision are responsible for creating a corporate setting in which the employees of the Company value and establish internal controls

1

Dimensions	Specific measures
Internal control environment	• We launch cultural values training for all employees, requiring them to uphold the values of benfen and honesty; • Launch internal control awareness training for core employees of our national headquarters, operational regions and various subsidiaries and branches of the Group to enhance their awareness of risk management.
Risk assessment	• With a focus on internal control in the Group, we built and iterated a risk pool for each major business process by reviewing the key process segments in various countries and incorporating the issues identified in the previous audits; • Companies in various countries conduct internal control self-inspection or benchmarking to identify, assess and respond to risks, and determine the level of risk criticality (high, medium and low).
Control activities	• We depict or label key control activities using systems, risk control matrix and flowcharts, and support corporate headquarters in various countries or regional business units in refining and standardizing the control documents required for control activities to ensure track record of controls; • We assist business departments develop or iterate policis, processes and OA approval flows to place risk management on the ground.
Information and communication	• We have developed various effective reports that reflect the current business status or risk levels. With the help of the “Report Robot” function in Feishu, these reports are automatically generated and sent to relevant personnel on a regular basis for management decision-making, which is both accurate and efficient; • We utilize the issues identified during the audit or internal control process reviews as training materials and conduct timely benchmarking between (agency) regions or among companies in various countries to advance the rapid capping of the relevant risk loopholes.
Monitoring	• We conduct post-implementation assessments for internal control for companies and business units in various countries by utilizing both internal audits and external audits; • We promote core business processes such as procurement, transport capacity, and manpower, and conduct regular internal control self-assessments by the corresponding business divisions to supervise and inspect the implementation of internal control at an earlier stage.

Case: Applying Risk Alert Letters to Improve Risk Alert Capabilities

In 2024, we explored the application of the Risk Alert Letter function in the internal control domain in China to identify potential risks in a timely manner and issue alerts to the relevant business units. Regarding the implementation of supplier blacklist, addition approval of engineering & construction projects and asset management of sorting centers, we issued a total of 37 Risk Alert Letters by email, prompting the personnel in charge of the relevant departments to respond to the relevant risk events in a timely and effective manner.

Case: The launch of Finance-Internal Control Gatekeeper Program Provides Effective Risk Protection

In 2024, upon reviewing the findings of the country audits conducted by group auditors, the Group launched the “Finance-Internal Control Gatekeeper” program, in which we organized and shortlisted the preventive or detective control activities in which the finance personnel in national headquarters and various operational regions could be directly involved, and formed a checklist on this basis. For important risk points where waste, omission or fraud are likely to occur, we arrange for finance personnel to intervene in advance, in order to identify and intercept risks at an early stage and issue early warnings, thus effectively preventing various types of risks.

Site risk management

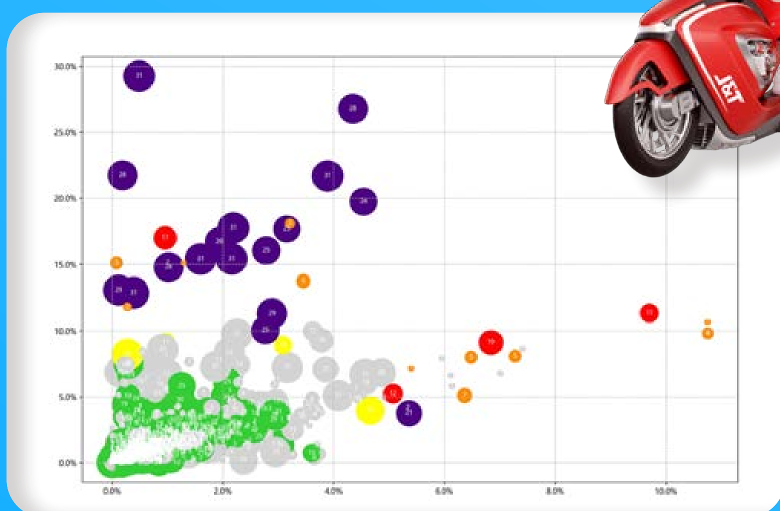
Chinese Audit Expert Guide
Thailand and Vietnam Teams

We established a site audit team for our core express delivery business segment, which has, based on traditional internal audits, incorporated daily operational details such as on-site operations, site safety and standardization as well as integrity and compliance into the scope of audit. We promote the reduction of frontline operational risks in sorting centers, distribution centers and outlets from the perspectives of policy implementation and policy optimization, and secure the standardization of site operations.

In order to promote the operation standardization of sorting centers, we actively guided non-Chinese companies to learn from the advanced experience of site operation audit in China during the year and built or improved their respective sorting centers auditing systems based on local conditions. On one hand, based on the audit results, we reminded the operation departments to optimize and update the site processes or policies in a timely manner; on the other hand, we supported the operation departments in verifying the actual implementation of the standardized site operations. As of the end of December 2024, we have conducted a total of 147 site audit of sorting centers.

Digital risk management

J&T Express efficiently manages corporate risks by actively leveraging digital technologies and tools. We continue to improve our business risk control module, analyzing business data in depth using Python and PowerBI technologies to precisely focus on key business segments such as parcel weight fraud, fake order fraud, work attendance, and new user acquisition, so as to thoroughly identify potential risk exposure, and to facilitate our business departments in quickly identifying units or individuals with fraudulent behaviors. In 2024, we successfully recovered significant losses, and conducted make-up payments and penalties in China.



Sample of a Business Risk Control Model

Business Ethics

J&T Express firmly believes that business ethics are the foundation for sustainable and stable development of the Company. To this end, we are committed to establishing a business environment of intergrity, fairness and transparency. By establishing a comprehensive integrity management system and a strict anti-corruption and anti-bribery policy, we aim to fortify the ethical foundation of our operations at the source. Additionally, through regular monitoring initiatives and systematic integrity training, we continuously enhance the effectiveness of the Company's business ethics management, providing a solid guarantee for the stable operation and sustainable development of the Company.

Policy building

The Company strictly complies with the anti-corruption, anti-bribery, anti-fraud, anti-money laundering, anti-extortion and anti-unfair competition laws and regulations in the countries and regions where it operates and invests, and continuously improve its anti-corruption and anti-bribery systems. We have established a series of supporting policies and guidelines, including the Group Code of Business Conduct and Ethics, the Code of Integrity, the Commitment to Integrity in Business Practices, the Management Measures for Conflicts of Interests within the Group, and the Management Measures for Gift Acceptance, which clearly outline the requirements for prohibiting corrupt and bribery practices. This year, based on the Code of Integrity, we introduced new revisions covering three key themes: "No Participation in Inappropriate Activities, No Acceptance of Gifts, and No Pursuit of Personal Gains." These revisions actively reflect J&T Express's core values, strengthen organizational discipline, strictly penalize violations, and promote the global implementation of the new regulations, further enhancing the Company's anti-corruption efforts in the global market.

Integrity management system

The Company have built a comprehensive integrity management system to ensure that all personnel adhere to relevant laws, regulations and ethical standards in our business operations. We have formulated a management mechanism led by the Audit Committee of the Board, and established an Integrity Working Group composed of the Executive President, Vice President, Director of the Human Resources Department, Director of the Risk Management Department, and Director of the Legal Compliance Department to collectively drive the implementation of integrity management.

In 2024, both the signing rate of the Commitment to Integrity in Business Practices by new employees of the Group headquarters and across the entire China network, and the signing rate of the Business Partner Code of Conduct by newly introduced suppliers of the Group headquarters and China headquarters reached 100%.

In 2024, the signing rate of the Commitment to Integrity in Business Practices by new employees of the Group headquarters and across the entire China network reached

100%

In 2024, the signing rate of the Business Partner Code of Conduct by newly introduced suppliers of the Group headquarters and China headquarters reached

100%

Integrity advocacy

To comprehensively raise employees' awareness of integrity and professional ethics, the Company conducts integrity advocacy through various channels.

In terms of policy dissemination

- The Company employs diverse methods such as Supervision Notification and Policy Interpretation to accurately convey its anti-corruption policies and initiatives to every employee.

In terms of training and education

- The Company organizes integrity education and training sessions on a regular basis, through the "Bunny Sheriff" subscription account to publicize anti-fraud efforts, and conveys the importance of anti-corruption and anti-bribery to all employees. Building on this foundation, the Company has incorporated the Code of Integrity into the new employee orientation training, and conducts regular education and assessment on new employees.

Number of person-times of global anti-corruption training

94,146 person-times

Training hours of global anti-corruption training

31,355 hours

In 2024, the Company conducted Director Integrity Guidelines and Directors' Considerations under Anti-Money Laundering and Counter-Terrorism Financing Regulations business ethics training for directors. Both training sessions covered all directors. Meanwhile, we provided specialized integrity training for franchisees. All franchisees in China have completed the integrity training, enhancing the integrity awareness and compliance standards across the entire franchise system.

Case: Training sessions were combined with Q&A interactions in China, while global integrity policies were simultaneously promoted

In January 2024, to vigorously promote the development of integrity, ethics, and compliance, the Company conducted online training on the "Three Major Disciplines" and the Code of Integrity for all employees in China. The training aimed to help employees understand violations, disciplinary measures, and their own responsibilities for integrity. A total of 38,862 employees participated, representing approximately 95% of the workforce. Based on this, the Company organized a "Scenario-based Q&A on the Code of Integrity" activity, with 33,225 participations from full-time employees across the Group, China Headquarters, subsidiaries, and operational regions. For full-time employees in other countries, the Company communicated integrity and compliance requirements through the release of policies and notices.

Investigation action

J&T Express continues to conduct investigations into suspected violations of business ethics, including corruption, bribery, and money laundering. Currently, we have established a dual-level reporting system— "Group Headquarters - Subsidiaries"—across 13 countries. To ensure the flexibility and timeliness of employee reporting, we provide multiple reporting channels, including the headquarters supervision and reporting email, local reporting email, and reporting hotlines. When employees identify suspected violations of ethical standards, they can directly report to the local compliance function or the Group Headquarters compliance team.

J&T Express Group Headquarters Supervision and Reporting Email:

abjc@jtexpress.com

J&T Express has established a dedicated supervision team to receive fraud complaints and whistleblowing clues. Once an employee is found to be suspected of violating the code of ethics, the Company will take immediate actions, arrange the supervision team to conduct independent, fair and objective investigations and then take appropriate corrective measures based on the investigation results to ensure that violations are properly addressed.

J&T Express has developed localized whistleblowing handling methods based on local laws and regulations, as well as the actual operational conditions of its business, in all countries and regions where its business operations and investments are conducted. In Brazil, we have established an official complaint channel called the "Benfen Line" to register and manage complaints. Depending on the nature of the complaint, the Internal Audit Committee, Human Resources Committee, and Legal and Compliance Committee are assigned to conduct investigations and determine appropriate disciplinary measures.

Furthermore, J&T Express has formulated the Whistleblower Protection Policy to ensure strict confidentiality of the identity information of the whistleblowers and their whistleblowing contents, and to prohibit any form of retaliatory behavior, effectively safeguarding the legitimate rights and interests of whistleblowers.

The Company is committed to strictly enforcing confidentiality procedures and whistleblower protection measures to ensure employees that their reports will be protected and handled fairly:

1. Secure Confidentiality Mechanism

- Employees can choose to report anonymously or by name. Regardless of the method, the Company will maintain strict confidentiality of the reported information and evaluate it in a protected manner.

2. Professional Investigation Process

- The Company has established a professional investigation team composed of disciplined and independent investigators. All reported cases are reviewed impartially and independently by this team. Appropriate follow-up actions or corrective measures are taken after the review to ensure timely handling of violations.

3. Zero Tolerance for Retaliation

- The Company explicitly states that any direct or indirect retaliation against whistleblowers or investigators will be severely dealt with.

4. Good Faith Reporting Immunity

- Employees who report in good faith or based on reasonable grounds, even if the report is inaccurate, will be exempt from liability.

Intellectual Property Protection

As a technology-intensive, knowledge-intensive, and information-intensive group company, J&T Express fully recognizes the importance of intellectual property protection. We strictly adhere to the relevant intellectual property laws and regulations of the countries and regions where our business operations and investments are conducted. We have formulated the J&T Group Intellectual Property Management Policy to ensure respect for others' intellectual property rights while safeguarding our own trademarks, patents, and other intellectual property from any form of infringement.

To comprehensively enhance the Group's intellectual property capabilities, we adhere to the principles of stimulating creation, effective utilization, legal protection, and scientific management. We have established a multi-dimensional intellectual property strategy system that covers reasonable layout, efficient operation, strict protection, and active defense. Our intellectual property is managed under a centralized model, with the Group Headquarter overseeing the intellectual property of all subsidiaries, branches, and affiliated entities.

We have implemented stringent management measures in trademark and logo management as follow:

- We have established a comprehensive OA process system for trademark and brand management. After IP requirements are proposed by each business departments and non-Chinese subsidiaries, the Group evaluates their feasibility, oversees the approval process, and drives implementation.

- The Group centrally manages the trademarks and brands of all business sectors, overseeing the entire trademark lifecycle, including application, renewal, opposition filing, abandonment, and other related matters. Additionally, we have established an IP monitoring and management system to regularly monitor potential infringements and take timely actions to protect our rights.

- We incorporate trademark and logo management into the intellectual property compliance supervision system, and use it as a key basis for regularly evaluating personnel performance.

In addition, to support the Group's intellectual property strategy, our subsidiary, Yunlu Technology, has formulated the Software Copyright Reward Program and the Patent Submission and Reward Program to strengthen incentives and rewards for technical research and development personnel and to encourage technological innovation.

As of the end of December 2024, we have received a total of:

Trademarks	Patents	Copyrights
788 items	4 items	281 items

To strengthen intellectual property management and enhance employees' related competencies, we actively promote intellectual property management training.

Case: Conducting Intellectual Property Training to Enhance Employees' Protection Awareness

In August 2024, J&T Express conducted a Basic Intellectual Property Law Introductory Training in Thailand to enhance employees' awareness and understanding of intellectual property. The training covered core topics such as trademarks (including logos), copyrights, and patents, using a combination of in-person lectures and online videos. A total of 229 employees participated, and all participants successfully passed the assessment, demonstrating a fundamental grasp of Thailand's current intellectual property knowledge.

Intellectual Property Training Session

KPIS TABLE

Social Performance

Employee Management[1]

Indicators	Unit	2023	2024
Employment[2]			
Total number of full-time employees	person	149,186	156,851
Number of male employees	person	115,900	123,983
Number of female employees	person	33,286	32,868
Number of employees aged below 30	person	84,455	86,188
Number of employees aged between 30 and 50	person	62,935	68,702
Number of employees aged above 50	person	1,796	1,961
Number of employees working in Mainland China	person	8,970	6,532
Number of employees working in Hong Kong, Macau, Taiwan and overseas	person	140,216	150,319
Employee Turnover[3]			
Employee turnover rate	%	26.84	43.46
Turnover rate of male employees	%	26.38	41.17
Turnover rate of female employees	%	28.41	47.44
Turnover rate of employees aged below 30	%	28.75	45.43
Turnover rate of employees aged between 30 and 50	%	24.26	40.77
Turnover rate of employees aged above 50	%	21.87	34.54
Turnover rate of employees working in Mainland China	%	26.84	19.29
Turnover rate of employees working in Hong Kong, Macau, Taiwan and overseas	%	27.27	71.12

[1] The scope of the statistics is J&T Express global business, which includes the office areas and sorting centers of operating companies in 13 countries, as well as its subsidiaries, Yunyi Transportation and Shanghai Jiexiao.

[2] The number of employees presented in the employment is based on the statistics taken at the end of each year.

[3] Employee turnover rate = Number of employees lost / (Number of initial employees + Number of new employees) * 100%. In 2024, J&T Express proactively optimized its workforce to enhance operational efficiency in response to market changes and business development needs, resulting in an increased employee turnover rate for the year.

Indicators	Unit	2023	2024
Employee Training and Development			
Employee training coverage rate[1]	%	83.35	77.85
Percentage of male employees trained	%	76.13	71.04
Percentage of female employees trained	%	23.87	28.96
Percentage of general employees trained	%	83.25	77.71
Percentage of middle management employees trained	%	86.53	86.74
Percentage of senior management employees trained	%	91.29	92.23
Average training hours completed per employee	hour	8.20	8.04
Average training hours completed per male employee	hour	8.39	8.12
Average training hours completed per female employee	hour	7.56	7.72
Average training hours completed per general employee	hour	7.66	7.96
Average training hours completed per middle management employee[2]	hour	27.61	12.84
Average training hours completed per senior management employee	hour	16.15	16.26

[1] Employee training coverage rate = Number of employees receiving training in the relevant category / Total number of employees in that category * 100%.

[2] The scope of the statistics includes both offline training sessions and online training courses. This year, the average training hours for middle management employee decreased compared to the previous year, primarily due to the further refinement of the data statistical basis, where routine meetings are no longer counted as part of training hours.

Employee Health and Safety[1]

Indicators	Unit	2022	2023	2024
Security training	sessions	—	15,281	57,464
Security training person-times	person-time	—	743,018	1,089,974
Number of work-related fatalities	person	14	22	18
Rate of work-related fatalities	%	0.0111	0.0147	0.0115
Lost days due to work injury[2]	day	—	56,321	47,328

[1] The statistical scope covers J&T Express's global business and its subsidiaries Yunyi Transportation and Shanghai Jiexiao.

[2] Based on the optimization of the statistical methods this year, J&T Express has restated the data for the indicator of lost days due to work injury in 2023 to improve data accuracy.

Supplier Management

Indicators	Unit	2023	2024
Total number of suppliers[1]	supplier	2,838	2,992
Number of suppliers in Mainland China	supplier	902	627
Number of suppliers in Hong Kong, Macau, Taiwan and overseas	supplier	1,936	2,365
Percentage of new suppliers signing the Code of Conduct for Business Partners[2]	%	98	100
Number of global suppliers signing the Code of Conduct for Business Partners[1]	supplier	1,128	1,538
Percentage of global suppliers signing the Code of Conduct for Business Partners[1]	%	40	51

[1] The statistical scope covers J&T Express's global business and the cooperative suppliers of its subsidiaries Yunyi Transportation and Shanghai Jiexiao in 2024.

[2] The statistical scope covers the Group headquarters and China headquarters of J&T Express.

Products and Services[1]

Indicators	Unit	2023	2024
Number of products and service related complaints received[2]	complaint	8,073	35,637
Complaint handling rate	%	100	100
Total number of incidents in violation of laws and regulations in terms of marketing promotion	incident	0	0
Number of incidents in violation of regulations related to customer privacy protection	time	0	0

[1] The statistical scope of the number of complaints and the handling rate of complaints covers J&T Express China's business, and the data is sourced from the Consumer Complaint System of China National Postal Industry.

[2] The State Post Bureau of China began to expand the data statistics scope for all express delivery enterprises in November 2024. As a result, the number of complaints in 2024 increased compared to that in 2023.

Environmental Performance

Use of Energy[1]

Indicators	Unit	2023	2024
Direct Energy Consumption[2]			
Natural gas (gaseous) consumption[3]	m^3	56,770.00	64,228.36
Liquefied petroleum gas consumption[3]	tonnes	4.70	4.67
Liquefied natural gas consumption[4]	tonnes	9,930.34	43,073.67
Diesel consumption[2]	tonnes	200,022.45	255,104.57
Gasoline consumption	tonnes	11,378.93	10,079.94
Urea consumption	tonnes	16,089.52	17,147.27
Indirect Energy Consumption			
Total purchased electricity	MWh	573,441.91	498,768.36
Total purchased heat[5]	GJ	17,821.74	17,692.97
Energy Consumption by Primary Energy Source			
Fuel consumption[2]	MWh	2,650,356.64	3,671,321.41
Purchased energy consumption (electricity and heat)[5]	MWh	578,392.39	503,683.08
Total energy consumption[2]	MWh	3,228,749.04	4,175,004.49
Clean Energy and Renewable Energy Consumption			
Total solar power generation	MWh	2,503.21	40,990.81
Clean energy consumption (solar energy and natural gas)	MWh	145,099.61	497,290.82
Operational Energy Intensity Use			
Fuel consumption intensity[2]	MWh/USD0'000 revenue	3.00	3.58
Purchased energy consumption intensity (electricity and heat)[5]	MWh/USD0'000 revenue	0.65	0.49

[1] The scope of the statistics is J&T Express's global business, which includes the office areas and sorting centers of operating companies in 13 countries, as well as its subsidiaries, Yunyi Transportation and Shanghai Jiexiao.

[2] In 2024, while continuing to expand its global operations, J&T Express further optimized its line-haul business layout by allocating more line-haul operations to its subsidiary, Yunyi Transportation, to enhance delivery timeliness and service quality. With changes in business layout and an increase in total transportation mileage, diesel consumption, fuel consumption, total energy consumption and fuel consumption intensity all increased.

[3] Natural gas (gaseous) and liquefied petroleum gas are mainly consumed by own canteens in some of the operational areas in China.

[4] Liquefied natural gas is mainly consumed for the use of its own LNG (liquefied natural gas) vehicles.

[5] The scope of the statistics covers the office areas of operating companies of J&T Express China and sorting centers across China. Based on the optimization of statistical methods this year, the data for 2023 has been restated to enhance data accuracy.

Greenhouse Gas Emissions

Indicators	Unit	2023	2024
J&T Express Group			
Scope 1 GHG emissions[1]	ten thousand tonnes CO_2e	68.97	96.51
Scope 2 GHG emissions (by location)[2]	ten thousand tonnes CO_2e	30.04	26.62
Total GHG emissions (Scope 1+ Scope 2)	ten thousand tonnes CO_2e	99.01	123.13
GHG emission intensity (by revenue)	tCO_2e/USD0’000 revenue	1.12	1.20
Scope 3 Total GHG emissions[3]	ten thousand tonnes CO_2e	64.89	143.81
Category 1: Purchased goods and services (express delivery packaging)[4]	ten thousand tonnes CO_2e	5.68	7.87
Category 2: Capital goods[5]	ten thousand tonnes CO_2e	0.23	3.46
Category 3: Fuel and energy-related activities (not included in Scope 1 and Scope 2)[6]	ten thousand tonnes CO_2e	13.54	16.96
Category 4: Upstream transportation and distribution (with third parties providing the capacity)[7]	ten thousand tonnes CO_2e	45.08	115.43
Category 6: Business travel[8]	ten thousand tonnes CO_2e	0.12	0.09
Including: Subsidiary Yunyi Transportation			
Total GHG emissions (Scope 1)	ten thousand tonnes CO_2e	54.67	75.46
GHG emission intensity (Scope 1)	tCO_2e/Million Parcels	57.27	55.07

[1] The statistical scope of GHG emissions in Scope 1 covers J&T’s global express delivery business, including its office areas and sorting centers in 13 national operating companies, as well as its subsidiaries Yunyi Transportation and Shanghai Jiexiao. The calculation is mainly based on the “Guidelines on Accounting Methods and Reporting of Greenhouse Gas Emissions by Enterprises for Power Generating Facilities” (2022 Revision) promulgated by the Ministry of Ecology and Environment of the People’s Republic of China and the “Guidelines on Accounting Methods and Reporting of Greenhouse Gas Emissions by Land Transport Enterprises” (2015) promulgated by the National Development and Reform Commission of the People’s Republic of China. In 2024, while continuing to expand its global operations, J&T Express further optimized its line-haul business layout by allocating more line-haul operations to its subsidiary, Yunyi Transportation, to enhance delivery timeliness and service quality. With changes in business layout and an increase in total transportation mileage, GHG emissions in Scope 1 increased.

[2] Among the GHG emissions in Scope 2, the GHG emissions generated by purchased electricity are calculated in China according to the “Announcement on the Release of the 2022 Power Sector Carbon Dioxide Emission Factor” promulgated by the Ministry of Ecology and Environment of the People’s Republic of China for this year, and the grid emission factor was taken 0.5366tCO_2e/MWh. In last year, according to “Notice on Doing a Good Job in 2023-2025 Reporting and Management of Greenhouse Gas Emissions of Power Generation Enterprises” promulgated by the Ministry of Ecology and Environment of the People’s Republic of China, the grid emission factor is taken 0.5703tCO_2e/MWh; and the emission factors displayed by Low Carbon Power are adopted in the countries beyond China.

[3] Upon identification and analysis, J&T Express has determined that the key GHG emissions in Scope 3 cover Categories 3 and 4. Due to rounding during the data calculation process, the total GHG emissions in Scope 3 is not equal to the sum of the data for various categories in 2023.

[4] The statistical scope covers the express packaging required for J&T Express’s business. The increase this year is primarily due to the further expansion of the statistical basis and coverage. This year’s data statistical scope includes express packaging procured by J&T global express, whereas last year’s scope was limited to express packaging uniformly procured J&T Express China. The GHG emissions are calculated using emission factors sourced from the China Products Carbon Footprint Database (CPCD).

[5] The statistical scope covers J&T Express Group and its headquarter in China, as well as the fixed assets newly added by Yunyi Transportation and Shanghai Jiexiao. The increase this year is primarily due to J&T Express’s promotion of clean energy use, with its subsidiary Yunyi Transportation purchasing LNG clean energy vehicles. The GHG emissions are calculated using emission factors are sourced from the China Products Carbon Footprint Factors Database (CPCD).

[6] The statistical scope covers all upstream emissions (from cradle to gate) of fuel (including gasoline and diesel) purchased by J&T Express’s global business, as well as the businesses of its subsidiaries Yunyi Transportation and Shanghai Jiexiao.

[7] The scope of the statistics is J&T’s global express delivery business, which includes the office areas and sorting centers of operating companies in 13 countries, as well as fuel consumption from third-party transportation vehicles used by our subsidiaries Yunyi Transportation and Shanghai Jiexiao. The increase of the data of this year is primarily due to further expansion in statistical basis and scope. In 2024, J&T Express has newly incorporated direct energy consumption from vehicle transportation by China feeder line carriers, building on the existing framework that includes direct energy consumption from vehicle transportation by China trunk line carriers and air and vehicle transportation by non-China trunk and feeder line carriers. Moving forward, J&T Express will continue to refine its statistical mechanisms.

[8] The statistical scope covers greenhouse gas emissions generated by employee business air travel under J&T Express Group and its Headquarter in China, and our subsidiaries Yunyi and Shanghai Jiexiao. The data is sourced from third-party business travel service providers Ctrip Travel and Z-Trip Business Management.

Exhaust Gas Emissions[1]

Indicators	Unit	2023	2024
Total exhaust gas emissions	tonnes	4,923.85	6,570.39
Particulate Matter (PM) emissions[2]	tonnes	330.00	449.33
Nitrogen Oxides (NO_x) emissions[2]	tonnes	4,589.79	6,115.96
Sulphur Oxides (SO_x) emissions[2]	tonnes	4.06	5.11

[1] The scope of the statistics is J&T Express's global business, which includes the office areas and sorting centers of operating companies in 13 countries, as well as its subsidiaries, Yunyi Transportation and Shanghai Jiexiao.

[2] The selection factors and calculation formulae for particulate matter, nitrogen oxides and sulphur oxides emissions mainly refer to the "Environmental Key Performance Indicators Reporting Guide" of the Hong Kong Stock Exchange.

Other environmental performance

Indicators	Unit	2023	2024
Waste Management[1]			
Total hazardous waste produced[2]	tonnes	71.07	65.82
Total non-hazardous waste produced[3]	tonnes	6,642.89	6,049.97
Hazardous waste emission intensity	kg/USD million revenue	0.08	0.06
Non-hazardous waste emission intensity	kg/USD million revenue	7.51	5.90
Water Resource Management[4]			
Total water consumption (by source)	m^3	2,471,015	3,350,592
Water consumption by source: municipal water	m^3	2,441,576	3,331,782
Water consumption by source: groundwater[5]	m^3	5,043	17,938
Water consumption intensity	m^3/USD0'000 revenue	2.79	3.27
Packaging Materials Management[6]			
Paper waybills	tonnes	21,116.64	26,124.52
Sealing tags	tonnes	46.26	564.67
Waterproof bags and woven bags	tonnes	322.84	4,442.63
Fully degradable waterproof bags	tonnes	41.50	67.78
Tapes	tonnes	418.55	946.85
Degradable tapes	tonnes	7.13	25.20
File envelopes	tonnes	35.18	90.58
Reusable bags and reusable boxes	tonnes	4,555.31	3,808.26

[1] The scope of the statistics covers J&T's global business, which includes the office areas of operating companies in 13 countries, as well as our subsidiaries, Yunyi Transportation, Shanghai Jiexiao and all transfer centers in China. Based on the optimized statistical methodology of this year, the 2023 data has been restated to improve data accuracy.

[2] Hazardous waste is mainly generated from operations, including waste lamps, waste oil/grease, waste batteries, and waste from delivery, which is calculated based on the estimation of each operation site.

[3] Non-hazardous waste mainly consists of recyclable cartons, food waste and construction waste generated from the operation, which is calculated based on the estimation of each operation site.

[4] The scope of the statistics for water resources is J&T Express global business, which includes the office areas of operating companies in 13 countries, as well as its subsidiaries, Yunyi Transportation, Shanghai Jiexiao, and all sorting centers in China. We have made efforts to improve our data coverage, and since the management of water resources is not a highly substantive issue for us, we have not required sorting centers to report relevant data, but some of the data reported by our sorting centers on their own have been included.

[5] Part region of Vietnam and Indonesia draws groundwater for operational clean water, which is drawn in accordance with local compliance requirements.

[6] The statistical scope covers all types of express packaging materials required for J&T Express's business operations, with data sourced from the centralized procurement volume recorded in the company's system. The 2024 data shows an overall upward trend compared to 2023, primarily attributed to the continued expansion of J&T Express's global operations in 2024. Additionally, this year's statistical coverage has been expanded from J&T Express's domestic operations in China to its global operations, including operating companies in 13 countries. Fluctuations in data of this year compared to that of the previous year are primarily influenced by actual operational demand.

Corporate Governance Performance

Anti-corruption[1]

Indicators	Unit	2023	2024
Number of Board members	person	7	7
Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period[2]	case	18	12
Number of employees participating in anti-corruption related training[3]	person-times	58,986	94,146
Total anti-corruption training hours received by employees	hour	26,499	31,355
Average anti-corruption training hours received by employees	hour/person	0.45	0.33
Number of directors participating in anti-corruption related training	person	7	7
Percentage of Board members participating in anti-corruption training	%	100	100
Total anti-corruption training hours received by all directors	hour	7	11
Average anti-corruption training hours completed per director	hour/person	1.00	1.50

[1] The scope of the statistics is J&T Express global business, as well as its subsidiaries, Yunyi Transportation and Shanghai Jiexiao.

[2] The 12 corruption litigation cases, all involving occupational misappropriation, were resolved in favor of J&T Express, with penalties including compensation, fines, or criminal punishment imposed on the relevant employees.

[3] In 2024, as J&T Express continues to expand its global operations, overseas countries are in the publicity and advocacy promotion stage, the scope of anti-corruption-related trainings conducted by each national companies has continued to expand, so there is a significant increase in the number of participants covered compared to the previous year.

INDEX TABLE OF HKEX ESG REPORTING CODE

Subject Area, Aspects, General Disclosures and KPIs		Related Sections
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	Reducing the Environmental Impact of Business Operations
KPI A1.1	The types of emissions and respective emissions data.	KPIs Table
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	KPIs Table
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	KPIs Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	KPIs Table
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Management System
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Management System
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Environmental Management System
KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	KPIs Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	KPIs Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Management System Green Management Throughout the Life Cycle
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Management System Green Management Throughout the Life Cycle
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	KPIs Table
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmental Management System
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management System

Subject Area, Aspects, General Disclosures and KPIs		Related Sections
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Topic: Climate-Related Disclosure
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Topic: Climate-Related Disclosure
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Management System
KPI B1.1	Total employees by gender, employment type (for example, full- or part-time), age group and geographical region.	KPIs Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	KPIs Table
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Safe Production Employee Benefits and Welfare
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	KPIs Table
KPI B2.2	Lost days due to work injury.	KPIs Table
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safe Production Employee Benefits and Welfare
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Employee Growth and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	KPIs Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	KPIs Table
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Employee Benefits and Welfare
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employee Benefits and Welfare
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	No Violations

Subject Area, Aspects, General Disclosures and KPIs		Related Sections
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Sustainable Supply Chain
KPI B5.1	Number of suppliers by geographical region.	KPIs Table
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Sustainable Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Service and Quality
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Company is a logistics service operator and this indicator is not relevant
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	KPIs Table
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Product Service and Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	KPIs Table
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and employee.	Business Ethics
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Welfare
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Topic: Co-creating a Better Chapter for Society Social Welfare
KPI B8.2	Resources contributed (e.g. money or time) to the focused area.	Social Welfare

Note: The Group has complied with the "comply or explain" provisions set out in Part C of the ESG Reporting Code (Appendix C2) of the Listing Rules.

IX. Independent Auditor's Report

羅兵咸永道

To the Shareholders of J&T Global Express Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of J&T Global Express Limited (the "Company") and its subsidiaries ("the Group"), which are set out on pages 212 to 322, comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition of express delivery services
- Goodwill impairment assessment

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition of express delivery services	
Refer to note 5 to the consolidated financial statements. For the year ended 31 December 2024, the Group had revenue amounting to approximately USD10,259 million, and around 97% of the revenue was generated from the Group's express delivery services. The Group provided express delivery services to its customers, including pick-up outlets of network partners, operating entities of regional sponsors, enterprise customers and individual customers. Such revenue was primarily driven by parcel volume, and factors including but not limited to size, weight, routes and distances to destinations. Due to the significant volume and complexity of transactions, the Group used various business systems to process and record its revenue transactions of express delivery services.	Our procedures to address this key audit matter included: We understood, evaluated and tested internal controls over revenue recognition of express delivery services, including information technology general controls related to complex IT environments, IT dependencies including system generated reports, interfaces between business and financial systems and key automated controls related to revenue recognition of express delivery services, with the assistance of our internal information technology specialists. We performed risk based analytical procedures over revenue from express delivery services, at a disaggregated level, to evaluate the overall trend of revenue and gross margin fluctuations. We reconciled express delivery revenue transaction data from business systems to general ledgers to test the completeness of revenue.

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition of express delivery services (Continued)	
We identified revenue recognition of express delivery services as a key audit matter, as auditing revenue from express delivery services required a significant extent of effort due to the large volume and complexity of transactions and the involvement of the complex information systems.	We understood the Group's accounting policy on recognition of revenue from express delivery services, evaluated and tested revenue from express delivery services on a sample basis by: • Inquiring with main customers and examining customer contracts; • Testing the occurrence and accuracy of revenue from express delivery services by tracing to supporting documents including waybills, routes, applicable effective pricing policies, receipts of customers and relevant settlement records; • Testing whether the revenue transactions were recognized in the appropriate period by tracing to the supporting documents; and • Performing confirmation procedures with main customers for revenue from express delivery services and relevant account balances. We performed data analysis procedures on the operation data, including analysing patterns of the timing of the creation of express delivery orders, with the assistance of our internal information technology specialists and based on our industry knowledge. Based on the procedures performed above, we considered that revenue recognized in relation to express delivery services was supported by the evidence obtained.

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Goodwill impairment assessment	
Refer to notes 4(d), 17(d) and 44.5 to the consolidated financial statements. At 31 December 2024, the Group had goodwill amounting to approximately USD1,068 million, against which a provision of approximately USD114 million was recognised in the consolidated financial statements. The Group is required to perform goodwill impairment assessment both annually and whenever there is an indication that a cash-generating unit ("CGU") to which goodwill has been allocated may be impaired. The Group engaged an independent external valuer to assist the preparation of the goodwill impairment assessment. The recoverable amounts of CGUs were determined based on the value-in-use calculations using cash flow projections. The key assumptions used included annual revenue growth rate for the forecast period, gross profit margin rate, terminal revenue growth rate and pre-tax discount rate.	Our procedures to address this key audit matter included: We obtained an understanding of the management's internal control and assessment process of goodwill impairment and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud. We evaluated the outcome of prior period assessment of the goodwill to assess the effectiveness of the management's estimation process. We evaluated and tested the management's assessment including impairment indicator evaluation and management's internal controls over the impairment assessment of goodwill. We evaluated the independent valuer's objectivity, competence and capabilities. We assessed the reasonableness of management's identification of CGUs based on the understanding of the Group's business. We assessed the appropriateness of key assumptions adopted by management including annual revenue growth rate for the forecast period and gross profit margin rate by examining the approved business forecast and comparing actual results for the year against forecasts in prior years, taking into consideration of market trends and our industry knowledge.

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Goodwill impairment assessment (Continued)	
We identified goodwill impairment assessment as a key audit matter due to the magnitude of the carrying amount of goodwill and the estimation of recoverable amount is subject to relatively high degree of estimation uncertainty.	We assessed management's sensitivity analysis on the key assumptions to evaluate the potential impact on the recoverable amounts. We tested the accuracy of mathematical calculation applied in the valuation models and the calculation of the impairment assessment. With assistance of our internal valuation experts, we evaluated the appropriateness of the valuation methodologies and certain key assumptions, including terminal revenue growth rate and pre-tax discount rate. We assessed the adequacy of the disclosures related to goodwill impairment in the context of the applicable financial reporting framework. Based on the procedures performed above, we considered that the key assumptions adopted by management in the goodwill impairment assessment were supported by the evidence obtained.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Dou Wang, Angel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 5 March 2025

X. Financial Statements and Notes

For the year ended 31 December 2024

Consolidated Income Statement

For the year ended 31 December 2024

	Note	Year ended 31 December **2024** **USD'000**	 2023 USD'000
Revenue	5	**10,259,104**	8,849,251
Cost of revenue	9	**(9,180,889)**	(8,376,453)
Gross profit		**1,078,215**	472,798
Selling, general and administrative expenses	9	**(826,715)**	(2,157,413)
Research and development expenses	9	**(48,889)**	(46,091)
Net impairment losses on financial assets	11	**(11,266)**	(26,928)
Other income	6	**10,227**	46,263
Other gains/(losses) – net	7	**8,971**	(55,179)
Operating profit/(loss)		**210,543**	(1,766,550)
Finance income	10	**40,671**	24,755
Finance costs	10	**(126,175)**	(105,089)
Finance costs – net		**(85,504)**	(80,334)
Fair value change of financial assets and liabilities at fair value through profit or loss	23, 29	**4,463**	707,925
Share of results of associates		**(352)**	(237)
Profit/(loss) before income tax		**129,150**	(1,139,196)
Income tax expense	12	**(15,446)**	(17,182)
Profit/(loss) for the year		**113,704**	(1,156,378)
Attributable to:			
Owners of the Company		**100,559**	(1,100,988)
Non-controlling interests		**13,145**	(55,390)
		113,704	(1,156,378)
Earnings/(Losses) per share for profit/(loss) attributable to owners of the Company:			
Basic earnings/(losses) per share (USD cent)	13	**1.2**	(26.3)
Diluted earnings/(losses) per share (USD cent)	13	**0.6**	(26.3)

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 USD'000	2023 USD'000
Profit/(loss) for the year		**113,704**	(1,156,378)
Other comprehensive (loss)/income			
Item that may be reclassified subsequently to profit or loss			
Currency translation differences		**(84,949)**	13,963
Item that will not be reclassified subsequently to profit or loss			
Fair value changes of financial liabilities at fair value through profit or loss relating to the Group's credit risk	27	**(43)**	5,645
Others		**6,270**	(1,434)
Other comprehensive (loss)/income for the year, net of tax		**(78,722)**	18,174
Total comprehensive income/(loss) for the year		**34,982**	(1,138,204)
Attributable to:			
Owners of the Company		**20,694**	(1,085,723)
Non-controlling interests		**14,288**	(52,481)
		34,982	(1,138,204)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 December 2024

	Note	As at 31 December 2024 USD'000	2023 USD'000
ASSETS			
Non-current assets			
Investment properties	14	**243**	278
Property, plant and equipment	15	**1,385,538**	1,178,690
Right-of-use assets	16	**477,207**	503,073
Intangible assets	17	**1,118,688**	974,525
Investments accounted for using the equity method		**2,143**	2,729
Deferred income tax assets	30	**74,675**	53,813
Other non-current assets	20	**50,550**	25,423
Financial assets at fair value through profit or loss	23	**572,770**	725,577
		3,681,814	3,464,108
Current assets			
Inventories		**21,620**	34,756
Trade receivables	21	**680,180**	555,978
Prepayments, other receivables and other assets	22	**1,171,904**	971,496
Financial assets at fair value through profit or loss	23	**101,196**	49,957
Restricted cash	24	**40,861**	41,921
Cash and cash equivalents	24	**1,596,931**	1,483,198
		3,612,692	3,137,306
Total assets		**7,294,506**	6,601,414
EQUITY			
Equity attributable to owners of the Company			
Share capital	25	**18**	18
Share premium	25, 27	**9,061,736**	9,061,736
Treasury shares	27	**(19,420)**	–
Other reserves	27	**(190,781)**	(185,273)
Accumulated losses		**(6,026,240)**	(6,126,799)
		2,825,313	2,749,682
Non-controlling interests		**(302,765)**	(270,083)
Total equity		**2,522,548**	2,479,599

		As at 31 December	
		2024	2023
	Note	**USD'000**	USD'000
LIABILITIES			
Non-current liabilities			
Borrowings	28	**1,320,550**	1,071,313
Lease liabilities	16	**296,728**	304,316
Employee benefit obligations		**6,350**	13,082
Financial liabilities – redemption liabilities of shares of JNT KSA	29	**65,958**	36,740
Financial liabilities at fair value through profit or loss	29	**649,161**	595,782
Deferred tax liabilities	30	**15,312**	15,808
		2,354,059	2,037,041
Current liabilities			
Trade payables	31	**589,860**	466,904
Advances from customers	32	**322,333**	272,231
Accruals and other payables	33	**1,023,909**	888,942
Financial liabilities at fair value through profit or loss	29	**11,332**	10,519
Current income tax liabilities		**35,381**	30,601
Borrowings	28	**262,642**	211,236
Lease liabilities	16	**172,442**	204,341
		2,417,899	2,084,774
Total liabilities		**4,771,958**	4,121,815
Total equity and liabilities		**7,294,506**	6,601,414

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 212 to 322 were approved by the Board of Directors on 5 March 2025 and were signed on its behalf.

Alice Yu-fen Cheng
Director

Jet Jie Li
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

		Attributable to owners of the Company						
	Note	Share capital USD'000	Share premium USD'000	Other reserves USD'000	Accumulated losses USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance as at 1 January 2023		14	603,829	(434,108)	(5,016,768)	(4,847,033)	(137,215)	(4,984,248)
Comprehensive income								
Loss for the year		–	–	–	(1,100,988)	(1,100,988)	(55,390)	(1,156,378)
Other comprehensive loss:								
Items that may be reclassified subsequently to profit or loss								
Currency translation differences		–	–	10,942	–	10,942	3,021	13,963
Item that will not be reclassified subsequently to profit or loss								
Other comprehensive loss – resulted from change of credit risk of financial liabilities measured at fair value	29	–	–	5,645	–	5,645	–	5,645
Others		–	–	(1,322)	–	(1,322)	(112)	(1,434)
Total comprehensive income		–	–	15,265	(1,100,988)	(1,085,723)	(52,481)	(1,138,204)
Transactions with owners in their capacity as owner:								
Capital injection from non-controlling shareholders		–	–	–	–	–	251	251
Transactions with non-controlling interests	35	–	–	49,450	–	49,450	(54,417)	(4,967)
Dividends of subsidiaries		–	–	–	–	–	(26,221)	(26,221)
Employee benefit expenses – Share-based compensation expenses	26	–	–	45,850	–	45,850	–	45,850
Repurchase of ordinary shares and convertible preferred shares	25, 26, 29	–	(5,573)	(39,982)	–	(45,555)	–	(45,555)
Issuance of convertible preferred shares	25	3	–	(3)	–	–	–	–
Issuance of ordinary shares pursuant to the 2022 Incentive Plan	26	–	12,884	169,212	–	182,096	–	182,096
Net proceeds from Global Offering		1	486,104	–	–	486,105	–	486,105
Conversion of convertible preferred shares upon Global Offering		–	7,964,492	9,043	(9,043)	7,964,492	–	7,964,492
Total transactions with owners in their capacity as owner		4	8,457,907	233,570	(9,043)	8,682,438	(80,387)	8,602,051
Balance as at 31 December 2023		18	9,061,736	(185,273)	(6,126,799)	2,749,682	(270,083)	2,479,599

	Note	Attributable to owners of the Company						Non-controlling interests USD'000	Total equity USD'000
		Share capital USD'000	Share premium USD'000	Treasury shares USD'000	Other reserves USD'000	Accumulated losses USD'000	Total USD'000		
Balance as at 1 January 2024		18	9,061,736	–	(185,273)	(6,126,799)	2,749,682	(270,083)	2,479,599
Comprehensive income									
Profit for the year		–	–	–	–	100,559	100,559	13,145	113,704
Other comprehensive loss:									
Items that may be reclassified subsequently to profit or loss									
Currency translation differences		–	–	–	(85,940)	–	(85,940)	991	(84,949)
Item that will not be reclassified subsequently to profit or loss									
Other comprehensive loss – resulted from change of credit risk of financial liabilities measured at fair value	29	–	–	–	(43)	–	(43)	–	(43)
Others		–	–	–	6,118	–	6,118	152	6,270
Total comprehensive income		–	–	–	(79,865)	100,559	20,694	14,288	34,982
Transactions with owners in their capacity as owner:									
Capital injection from non-controlling shareholders		–	–	–	–	–	–	(66)	(66)
Transactions with non-controlling interests	35	–	–	–	(22,662)	–	(22,662)	(19,978)	(42,640)
Dividends of subsidiaries		–	–	–	–	–	–	(26,926)	(26,926)
Employee benefit expenses – Share-based compensation expenses	26	–	–	–	86,629	–	86,629	–	86,629
Repurchase of ordinary shares and convertible preferred shares	25, 26, 29	–	–	(19,420)	–	–	(19,420)	–	(19,420)
Issuance of ordinary shares pursuant to the 2022 Incentive Plan	26	–	–	–	10,390	–	10,390	–	10,390
Total transactions with owners in their capacity as owner		–	–	(19,420)	74,357	–	54,937	(46,970)	7,967
Balance as at 31 December 2024		18	9,061,736	(19,420)	(190,781)	(6,026,240)	2,825,313	(302,765)	2,522,548

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 USD'000	2023 USD'000
Cash flows generated from operating activities			
Cash generated from operations	34	**831,179**	399,414
Interest received		**40,721**	24,923
Income tax paid		**(64,472)**	(82,384)
Net cash flows generated from operating activities		**807,428**	341,953
Cash flows used in investing activities			
Purchase of financial assets at fair value through profit or loss		**(758,418)**	(569,756)
Redemption of financial assets at fair value through profit or loss		**826,080**	284,207
Investment in associates		**(21)**	(282)
Loans to third parties		**(169,010)**	(111,456)
Repayment of loans by third parties and interests received		**19,802**	21,834
Purchase of property, plant and equipment		**(553,864)**	(470,438)
Purchases of investment properties		**(355)**	–
Proceeds from disposal of long-term assets		**51,543**	53,130
Purchases of intangible assets		**(1,071)**	(4,145)
Acquisition of subsidiaries, net of cash paid	17, 36	**11,467**	(61,984)
Disposals of subsidiaries and associates		**218**	43
Net cash flows used in investing activities		**(573,629)**	(858,847)

	Note	Year ended 31 December 2024 USD'000	2023 USD'000
Cash flows generated from financing activities			
Restricted cash placed		**(1,058)**	(13,155)
Restricted cash withdrawn		**1,382**	218
Proceeds from borrowings		**1,737,712**	363,137
Repayment of borrowings		**(1,421,264)**	(180,878)
Interest paid for borrowings		**(84,350)**	(63,802)
Dividends paid		**(27,608)**	(25,530)
Net proceeds from issuance of various preferred shares	25, 29	**–**	200,000
Net proceeds from issuance of convertible loan of JNT KSA	29	**–**	10,000
Net proceeds received related to the issuance of shares of JNT KSA	29	**–**	15,000
Cash refund to network partners related to forfeited shares		**–**	(840)
Principal elements of lease payments		**(246,501)**	(254,585)
Interest elements of lease payments		**(31,330)**	(29,521)
Capital injection from non-controlling interests		**–**	173
Capital withdrawal of non-controlling interests		**(103)**	–
Repurchase of ordinary shares	25, 26	**(19,420)**	–
Listing expenses		**–**	(458)
Net proceeds from issuance of ordinary shares in global offering		**–**	486,105
Cash paid in transactions with non-controlling interests	35	**(7,424)**	(4,967)
Net cash flows (used in)/generated from financing activities		**(99,964)**	500,897
Net increase/(decrease) in cash and cash equivalents		**133,835**	(15,997)
Cash and cash equivalents at the beginning of the year		**1,483,198**	1,504,048
Effects of foreign exchange rate changes on cash and cash equivalents		**(20,102)**	(4,853)
Cash and cash equivalents at the end of the year		**1,596,931**	1,483,198

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

J&T Global Express Limited (the "Company"), was incorporated in the Cayman Islands on 24 October 2019 as an exempted company registered under the laws of the Cayman Islands. The address of the Company's registered office is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company acts as an investment holding company and its subsidiaries and consolidated affiliated entities, as set out in Note 18 (collectively, the "Group"), are principally engaged in express delivery services in the People's Republic of China (the "PRC", or "China"), Indonesia, the Philippines, Malaysia, Thailand, Vietnam, and countries including Saudi Arabia, UAE, Mexico, Brazil and Egypt (collectively, "New Markets").

The Company's shares have been listed on The Stock Exchange of Hong Kong Limited ("HKSE") since 27 October 2023.

Mr. Jet Li is the ultimate controlling shareholder of the Company as of the date of this report.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates respectively ("the functional currency"). The consolidated financial statements are presented in United States Dollars ("USD"), which is the Company's functional and presentation currency.

These consolidated financial statements have been approved for issue by the Board of Directors on 5 March 2025.

The regulations in certain jurisdictions have certain restrictions on foreign ownership of companies that provide express delivery services. In order to comply with relevant local regulations, the Company controls relevant subsidiaries in the PRC and Indonesia through certain contractual arrangements.

(a) Contractual agreements with the VIE in the PRC

In accordance with a series of contractual arrangements effective from 1 January 2020, entered into among a wholly owned subsidiary of the Company (the "HK Holding"), another wholly owned subsidiary and the parent company (the "China VIE") of the express delivery service licence holding company in the PRC and equity holders, the HK Holding and the Company were able to:

- exercise equity holders' voting rights of the China VIE;
- receive substantially all of the economic interest returns generated by the China VIE in consideration for the business support, technical and consulting services provided by the HK Holding;
- obtain an irrevocable and exclusive right to purchase all of the equity interests in the China VIE from its respective equity holders at a minimum purchase price when it is permitted under laws and regulations in the PRC, and the HK Holding may exercise such options at any time until it has acquired all equity interests of the China VIE; and
- obtain a pledge over the entire equity interests of the China VIE from its respective equity holders as collateral security for the due payment and timely performance by the China VIE and its equity holders in accordance with the terms in the contractual arrangements.

1. GENERAL INFORMATION (Continued)

(a) Contractual agreements with the VIE in the PRC (Continued)

The abovementioned arrangements were terminated on 22 April 2020 and in accordance with a series of contractual arrangements effective since then, entered into among a wholly owned subsidiary of the Company (the "China WFOE", a wholly foreign-owned enterprise in China), the China VIE and its equity holders, the China WFOE and the Company are able to:

- exercise equity holders' voting rights of the China VIE;
- receive substantially all of the economic interest returns generated by the China VIE in consideration for the business support, technical and consulting services provided by the China WFOE;
- obtain an irrevocable and exclusive right to purchase all of the equity interests in the China VIE from the respective equity holders at a minimum purchase price when it is permitted under laws and regulations in the PRC and the China WFOE may exercise such options at any time until it has acquired all equity interests of the China VIE; and
- obtain a pledge over the entire equity interests of the China VIE from its respective equity holders as collateral security for the due payment and timely performance by the China VIE and its equity holders in accordance with the terms in the contractual arrangements.

As a result of such contractual arrangements, the Company has the rights to exercise power over the China VIE and its subsidiaries, the right to receive variable returns from its involvement in the China VIE and its subsidiaries, and the ability to affect those returns through its power over the China VIE and its subsidiaries, and is therefore considered to control the China VIE and its subsidiaries. Consequently, the Company regards the China VIE and its subsidiaries as controlled entities and consolidated the assets, liabilities, and results of operations of the China VIE and its subsidiaries in the consolidated financial information of the Group.

1. GENERAL INFORMATION (Continued)

(b) Contractual agreements with the VIE in Indonesia

In accordance with a series of contractual arrangements effective from 15 August 2016, entered into among the HK Holding, the local holding companies of the relevant businesses in Indonesia (collectively, the "Indonesia VIE") and their equity holders, the HK Holding and the Company are able to:

- exercise substantially all the powers and rights associated to the portion of contributed capital held by equity holders of the Indonesia VIE;
- receive substantially all of the economic interest returns generated by the Indonesia VIE in consideration for the business support, technical and consulting services provided by the HK Holding;
- obtain an irrevocable and exclusive right to purchase all or part of the equity interests in the Indonesia VIE from its respective equity holders when it is permitted under laws and regulations in Indonesia. The HK Holding may exercise such options at any time until it has acquired all equity interests of the Indonesia VIE. The purchase price is set at HK Holding's discretion, subject to any restrictions imposed by Indonesian law; and
- obtain a pledge over the entire equity interests of the Indonesia VIE from its respective equity holders as collateral security for the due payment and timely performance by the Indonesia VIE and its equity holders in accordance with the terms in the contractual arrangements.

Starting from 29 March 2022, the abovementioned contractual arrangements were terminated, and as per a new series of contractual arrangements entered into among an Indonesian subsidiary of the HK Holding (the "Indonesia Holding"), the Indonesia VIE and their equity holders, with similar terms and clauses, the Indonesia Holding was able to exercise similar power and to be exposed to similar returns from the Indonesia VIE.

As a result of such arrangements, the Company has the rights to exercise power over the Indonesian VIE and its subsidiaries, the rights to receive variable returns from its involvement in the Indonesian VIE and its subsidiaries, and the ability to affect those returns through its power over the Indonesian VIE and its subsidiaries, and is therefore considered to control the Indonesian VIE and its subsidiaries. Consequently, the Company regards the Indonesian VIE and its subsidiaries as controlled entities and consolidated the assets, liabilities and results of operations of the Indonesian VIE and its subsidiaries in the consolidated financial information of the Group.

2. BASIS OF PREPARATION AND NEW OR AMENDED STANDARDS OR INTERPRETATIONS

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The consolidated financial statements of the Group have been prepared under the historical cost convention, except for financial assets and financial liabilities measured at fair value through profit or loss.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2. BASIS OF PREPARATION AND NEW OR AMENDED STANDARDS OR INTERPRETATIONS (Continued)

2.2 New or amended standards or interpretations

A number of new or amended standards became applicable for the current reporting period. The adoption of these new standards and amendments did not have material impact on the Group's financial position or operating result and did not require retrospective adjustment.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16	Lease liability in sale and leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 January 2024

Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2024 and have not been early adopted by the Group. Those new standards, amendments of standards and interpretations are as follows:

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts-referencing nature-dependent electricity	1 January 2026
Annual improvements project	Annual improvements to IFRS Accounting Standards-volumes 11	1 January 2026
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 10 and IFRS 28	Sale off Contribution of Assets between an Investor and its Associate or Joint venture	To be determined

The directors of the Company anticipate that the application of the above new standards, amendments and interpretations will have no material impact on the consolidated financial statements upon adoption, except IFRS 18, which mainly impacts the presentation of the Group's consolidated statement of comprehensive income and the Group is still in the process of assessing the impact.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

The Group's subsidiaries primarily operate in the PRC, Indonesia, the Philippines, Malaysia, Thailand, Vietnam and other countries. The transactions of those subsidiaries were generally settled in local currencies. Therefore, foreign exchange risk primarily arises from recognized assets and liabilities in the Group's subsidiaries in the abovementioned countries when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to overseas business partners.

For the Group's subsidiaries whose functional currency is RMB, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, the profit before income tax for the years ended 31 December 2024 and 2023, would have been approximately USD4,260,000 lower/higher and USD4,055,000 higher/lower respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

For the Group's subsidiaries whose functional currency is IDR, if IDR had strengthened/weakened by 5% against USD with all other variables held constant, the profit before income tax for the years ended 31 December 2024 and 2023 would have been approximately USD7,708,000 higher/lower and USD2,185,000 higher/lower respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

For the Group's subsidiaries whose functional currency is THB, if THB had strengthened/weakened by 5% against USD with all other variables held constant, the loss before income tax for the years ended 31 December 2024 and 2023 would have been approximately USD22,687,000 lower/higher and USD185,000 higher/lower respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

For the Group's subsidiaries whose functional currency is VND, if VND had strengthened/weakened by 5% against USD with all other variables held constant, the profit before income tax for the years ended 31 December 2024 and 2023 would have been approximately USD9,986,000 higher/lower and USD351,000 higher/lower, as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

For the Group's subsidiaries whose functional currency is MYR, if MYR had strengthened/weakened by 5% against USD with all other variables held constant, the profit before income tax for the year ended 31 December 2024 and loss before income tax for the year ended 31 December 2023 would have been approximately USD5,509,000 higher/lower and USD451,000 lower/higher as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

For the Group's subsidiaries whose functional currency is SGD, if SGD had strengthened/weakened by 5% against USD with all other variables held constant, the loss before income tax for the years ended 31 December 2024 and 2023 would have been approximately USD1,715,000 lower/higher and USD 35,000 higher/lower respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

For the Group's subsidiaries whose functional currency is PHP, if PHP had strengthened/weakened by 5% against USD with all other variables held constant, the profit before income tax for the years ended 31 December 2024 and 2023 would have been approximately USD5,260,000 higher/lower and USD4,454,000 lower/higher respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets/liabilities denominated in USD.

(ii) Interest rate risk

The Group's interest rate risk primarily arose from borrowings, loans to third parties, and cash and cash equivalents. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

The Group has limited cash flow interest rate risk as at 31 December 2024 and 2023.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

	Year ended 31 December 2024 USD'000	**% of total loans**	Year ended 31 December 2023 USD'000	% of total loans
Variable rate borrowings	**992,769**	**63%**	–	–
Fixed rate borrowings – repricing or maturity dates:				
Less than one year	**247,916**	**15%**	211,236	16%
1–2 years	**27,965**	**2%**	1,008,460	79%
2–5 years	**294,781**	**19%**	28,614	2%
Over 5 years	**19,761**	**1%**	34,239	3%
	590,423	**37%**	1,282,549	100%
	1,583,192	**100%**	1,282,549	100%

The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate movements.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, restricted cash, financial assets measured at fair value through profit or loss, other receivables and other assets.

(i) Risk management

The Group manages risk arising from cash and cash equivalents, restricted cash and bank wealth management products by only conducting transacts with state-owned or reputable financial institutions, which have no recent history of default.

The Group manages risk arising from trade receivables and financial assets included in other receivables and other assets by conducting transactions only with recognized and creditworthy third parties, or with other customers who passed the Group's creditability assessment. It is the Group's policy that all customers who wish to trade on credit terms or carry out other transactions need to be subject to certain creditability assessment.

The Group manages risk arising from investments included in financial assets measured at fair value through profit or loss by regularly monitoring of the financial performance and balance sheet positions of relevant significant investees, and conduct independent creditability assessment.

(ii) Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- trade receivables from the provision of express delivery services, cross-border services, sales of accessories, rentals and others; and

- other receivables and other non-current assets

While restricted cash and cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on aging and shared credit characteristics, which typically vary across countries or regions.

The expected loss rates are based on the historical credit losses and adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("GDP") and Consumer Price Index ("CPI") of the countries in which it provides its services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

On that basis, the loss allowance as at 31 December 2024 and 2023 was determined as follows for trade receivables:

China

As at 31 December 2024	Within 3 months USD'000	3-6 months USD'000	6-9 months USD'000	9-12 months USD'000	Above 12 months USD'000	Total USD'000
Expected loss rate						
Reputable customers (i)	1.10%	2.19%	7.83%	72.21%	N/A	
Other customers (i)	3.39%	29.78%	60.50%	82.06%	100.00%	
Terminated customers (credit impaired) (ii)	100.00%	100.00%	100.00%	N/A	N/A	
Gross amount						
Reputable customers	79,151	64,354	2,696	2,159	–	148,360
Other customers	46,598	3,895	1,681	1,477	2,468	56,119
Terminated customers (credit impaired)	1,666	122	84	–	–	1,872
Total gross amount	127,415	68,371	4,461	3,636	2,468	206,351
Loss allowance						
Reputable customers	870	1,412	211	1,559	–	4,052
Other customers	1,578	1,160	1,017	1,212	2,468	7,435
Terminated customers (credit impaired)	1,666	122	84	–	–	1,872
Total loss allowance	4,114	2,694	1,312	2,771	2,468	13,359

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

China (Continued)

As at 31 December 2023	Within 3 months USD'000	3-6 months USD'000	6-9 months USD'000	9-12 months USD'000	Above 12 months USD'000	Total USD'000
Expected loss rate						
Reputable customers (i)	0.77%	1.92%	N/A	N/A	N/A	
Other customers (i)	2.34%	28.74%	49.84%	66.87%	100.00%	
Terminated customers (credit impaired) (ii)	N/A	100.00%	N/A	N/A	N/A	
Gross amount						
Reputable customers	31,332	54,258	–	–	–	85,590
Other customers	43,211	2,321	3,112	3,541	2,897	55,082
Terminated customers (credit impaired)	–	15,182	–	–	–	15,182
Total gross amount	74,543	71,761	3,112	3,541	2,897	155,854
Loss allowance						
Reputable customers	240	1,041	–	–	–	1,281
Other customers	1,013	667	1,551	2,368	2,897	8,496
Terminated customers (credit impaired)	–	15,182	–	–	–	15,182
Total loss allowance	1,253	16,890	1,551	2,368	2,897	24,959

(i) In China, the Group categorised the customers as per the size of their capitals, transaction volumes, as well as historical settlement and etc.

(ii) For the year ended 31 December 2024 and 2023, the Group terminated business relationships with certain customers and the Group assessed the credit loss for such customers separately as the credit risk profile is different from other customers.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

South-East Asia

As at 31 December 2024	Within 3 months USD'000	3-6 months USD'000	6-9 months USD'000	9-12 months USD'000	Above 12 months USD'000	Total USD'000
Expected loss rate	0.72%	28.65%	56.94%	92.40%	100.00%	
Gross amount	362,905	2,304	1,433	895	1,537	369,074
Loss allowance	2,628	660	816	827	1,537	6,468

As at 31 December 2023	Within 3 months USD'000	3-6 months USD'000	6-9 months USD'000	9-12 months USD'000	Above 12 months USD'000	Total USD'000
Expected loss rate	0.84%	18.94%	57.42%	82.31%	100.00%	
Gross amount	283,489	4,473	620	537	683	289,802
Loss allowance	2,381	847	356	442	683	4,709

Other regions

As at 31 December 2024	Within 3 months USD'000	3-6 months USD'000	6-9 months USD'000	9-12 months USD'000	Above 12 months USD'000	Total USD'000
Expected loss rate	2.16%	24.42%	89.73%	100.00%	100.00%	
Gross amount	122,817	5,664	1,314	593	1,572	131,960
Loss allowance	2,651	1,383	1,179	593	1,572	7,378

As at 31 December 2023	Within 3 months USD'000	3-6 months USD'000	6-9 months USD'000	9-12 months USD'000	Above 12 months USD'000	Total USD'000
Expected loss rate	1.47%	21.67%	61.56%	100.00%	100.00%	
Gross amount	128,431	16,156	2,045	568	31	147,231
Loss allowance	1,882	3,501	1,259	568	31	7,241

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	Trade receivables	
	2024 USD'000	2023 USD'000
Opening loss allowance as at 1 January	**36,909**	47,212
Impairment losses recognized, net of reversal	**5,527**	21,677
Bad debt write-offs	**(15,182)**	(31,742)
Exchange difference	**(49)**	(238)
Closing loss allowance as at 31 December	**27,205**	36,909

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Impairment losses on trade receivables are presented as net impairment losses within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables and other non-current assets

The Group determines the credit risk of its other receivables and other non-current assets (if applicable) basing on factors including historical experience, internal/external credit rating, overdue status and nature of relevant other receivables and other non-current assets, and also other forward-looking information including macroeconomic factors.

Impairment on other receivables and other non-current assets is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other receivables and other non-current assets (Continued)

On that basis, the loss allowance as at 31 December 2024 and 2023 was determined as follows for other receivables and other non-current assets:

Risk rating as at 31 December 2024	**Expected credit loss rate**	**Gross carrying amount at default (stage 1)**	**Gross carrying amount at default (stage 2)**	**Gross carrying amount at default (stage 3)**
Low risk	**0.72%**	**465,947**	**N/A**	**N/A**
Moderate risk	**N/A**	**N/A**	**N/A**	**N/A**
High risk and credit impaired	**100.00%**	**N/A**	**N/A**	**5,165**

Risk rating as at 31 December 2023	Expected credit loss rate	Gross carrying amount at default (stage 1)	Gross carrying amount at default (stage 2)	Gross carrying amount at default (stage 3)
Low risk	1.53%	340,170	N/A	N/A
Moderate risk	N/A	N/A	N/A	N/A
High risk and credit impaired	N/A	N/A	N/A	N/A

Based on the management's experience and expectation, the deposits were exposed to minimal credit risk as at 31 December 2024 and 2023.

The above receivables with minimal credit risk are classified as stage one.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other receivables and other non-current assets (Continued)

The loss allowance for other receivables and other non-current assets at amortised cost as at 31 December reconciles to the opening loss allowance as follows:

	Loans to third parties USD'000	**Others** USD'000	**Total** USD'000
Opening loss allowance as at 1 January 2023	1,393	906	2,299
Increase in the allowance recognized in profit or loss during the year	1,897	3,354	5,251
Write-offs	–	(2,327)	(2,327)
Exchange difference	(13)	(5)	(18)
Closing loss allowance as at 31 December 2023	3,277	1,928	5,205
(Decrease)/increase in the allowance recognized in profit or loss during the year	**(3,226)**	**8,965**	**5,739**
Write-offs	**–**	**(2,354)**	**(2,354)**
Exchange difference	**(50)**	**(22)**	**(72)**
Closing loss allowance as at 31 December 2024	**1**	**8,517**	**8,518**

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Net impairment losses on financial assets recognized in profit or loss

The following losses were recognized in profit or loss in relation to impaired financial assets for the year ended 31 December 2024 and 2023:

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Impairment losses		
Movement in loss allowance for trade receivables	**5,527**	21,677
Movement in loss allowance for other receivables and other non-current assets	**5,739**	5,251
Impairment losses on financial assets at amortised cost	**11,266**	26,928

(iii) Financial assets at fair value through profit or loss

The entity is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents or adjust financing arrangements to meet the Group's liquidity requirements.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, except for financial liabilities at fair value through profit or loss that are disclosed at fair value.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

Non-derivatives	**Less than 1 year USD'000**	**Between 1 and 2 years USD'000**	**Between 2 and 5 years USD'000**	**More than 5 years USD'000**	**Total USD'000**
As at 31 December 2024					
Borrowings and interest payables	**266,386**	**63,460**	**1,375,658**	**97,752**	**1,803,256**
Trade payables	**589,860**	**–**	**–**	**–**	**589,860**
Accrued and other payables (excluding salary and welfare payables and other tax payables)	**655,697**	**–**	**–**	**–**	**655,697**
Advances from customers	**322,333**	**–**	**–**	**–**	**322,333**
Lease liabilities	**176,562**	**114,217**	**95,929**	**93,671**	**480,379**
Financial liabilities at fair value through profit or loss	**11,332**	**649,161**	**–**	**–**	**660,493**
Financial liabilities – redemption liabilities of shares of JNT KSA	**–**	**105,000**	**–**	**–**	**105,000**
Total	**2,022,170**	**931,838**	**1,471,587**	**191,423**	**4,617,018**

Non-derivatives	Less than 1 year USD'000	Between 1 and 2 years USD'000	Between 2 and 5 years USD'000	More than 5 years USD'000	Total USD'000
As at 31 December 2023					
Borrowings and interest payables	215,852	1,032,460	33,654	34,239	1,316,205
Trade payables	466,904	–	–	–	466,904
Accrued and other payables (excluding salary and welfare payables and other tax payables)	622,921	–	–	–	622,921
Advances from customers	272,231	–	–	–	272,231
Lease liabilities	208,738	125,643	105,563	79,659	519,603
Financial liabilities at fair value through profit or loss	10,519	–	595,782	–	606,301
Financial liabilities – redemption liabilities of shares of JNT KSA	–	–	60,000	–	60,000
Total	1,797,165	1,158,103	794,999	113,898	3,864,165

Details of the description of financial liabilities at fair value through profit or loss are presented in Note 29.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long-term.

The Group monitors capital (including share capital, share premium and convertible preferred shares on an as-if-converted basis) by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is relatively low.

The asset-liability ratios of the Group as at 31 December 2024 and 2023 are as follows:

	As at 31 December	
	2024	2023
	USD'000	USD'000
Total assets	**7,294,506**	6,601,414
Total liabilities	**4,771,958**	4,121,815
Asset-liability ratio	**65.4%**	62.4%

Asset-liability ratio is calculated by dividing total liabilities by total assets and multiplying by 100%. The asset-liability ratio in 2024 basically remains stable.

3.3 Fair value estimation

Fair value hierarchy

The table below analyses the Group's financial instruments carried at fair value as at each balance sheet date, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value on 31 December 2024:

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Assets				
Non-current financial assets at fair value through profit or loss (Note 23)	**41,174**	**–**	**531,596**	**572,770**
Current financial assets at fair value through profit or loss (Note 23)	**57,373**	**–**	**–**	**57,373**
Short-term investments measured at fair value through profit or loss (Note 23)	**–**	**43,823**	**–**	**43,823**
	98,547	**43,823**	**531,596**	**673,966**
Liabilities				
Financial liabilities at fair value through profit or loss (Note 29)	**–**	**–**	**660,493**	**660,493**

The following table presents the Group's assets and liabilities that are measured at fair value on 31 December 2023:

	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Assets				
Non-current financial assets at fair value through profit or loss (Note 23)	–	–	725,577	725,577
Short-term investments measured at fair value through profit or loss (Note 23)	–	49,957	–	49,957
	–	49,957	725,577	775,534
Liabilities				
Financial liabilities at fair value through profit or loss (Note 29)	–	–	606,301	606,301

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

As at 31 December 2024, level 1 instruments of the Group's assets included the Group's other investments classified as current assets and certain investments in Windfall T&L SPC (Note 23).

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value of an instrument are observable, the instrument is included in level 2.

For the years ended 31 December 2024 and 2023, level 2 instruments of the Group's assets mainly include wealth management products offered by banks, classified as financial assets at fair value through profit or loss.

(c) Financial instruments in level 3

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and

- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

As at 31 December 2024 and 2023, level 3 instruments of the Group's assets included the Group's certain investments in Windfall T&L SPC, the convertible bonds of Yimi Global Limited (formerly known as Huisen Global Limited) and other investments classified as non-current assets (Note 23), and liabilities mainly included convertible preferred shares (Note 29).

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the years ended 31 December 2024 and 2023.

The carrying amounts of the Group's financial assets including cash and cash equivalents, restricted cash, trade receivables, other receivables, other assets and other non-current assets, and the Group's financial liabilities, including borrowing, trade payables, lease liabilities, advances from customers, financial liabilities – redemption liabilities of shares of JNT KSA, accruals and other payables, approximate their fair values due to their short maturities or that the contract interest rates (if applicable) are generally close to the market interest rates.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Consolidation of affiliated entities

The Group conducts a substantial part of the business in countries including the PRC, Indonesia, Thailand, the Philippines, and Vietnam, where there are certain regulatory restrictions on foreign ownerships in express delivery and relevant businesses. The Group has entered into certain contractual arrangements with relevant local entities and their respective registered shareholders. The directors of the Company determine that the Group is able to control such entities by assessing and concluding that the Group has the rights to exercise power over such entities, to receive variable returns from its involvement in such entities, and has the ability to affect those returns through its power over such entities. Consequently, the Company consolidates the assets, liabilities and results of operations of such entities in the consolidated financial information of the Group.

Nevertheless, uncertainties presented by the local legal system could impede the Group's beneficiary rights in the results, assets and liabilities of the local entities. The directors of the Company, based on the advice of its legal counsels, have exercised judgement and consider that the abovementioned contractual arrangements, relevant agreements or constitutional documents are in compliance with relevant local laws and regulations, and are legally binding and enforceable.

(b) Fair value of financial assets and liabilities at fair value through profit or loss

The Group's financial assets and liabilities at fair value through profit or loss are not traded in an active market and the respective fair value is substantially determined by using valuation techniques. During the reporting period, the Company appointed an external valuer to provide assistance in the valuation of the fair value of relevant financial assets and liabilities at fair value through profit or loss. The discounted cash flow method is normally adopted to determine the underlying equity value of the Company or relevant business, and equity allocation model is adopted to determine the fair value of the preferred shares of the Company and its subsidiaries. Key assumptions, such as discount rate, lack of marketability discount and volatility are disclosed in Note 23 and Note 29.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(c) Current and deferred income taxes

The Group is subject to income taxes in different jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

For temporary differences which give rise to deferred tax assets, the Group assesses the likelihood that the deferred income tax assets could be recovered. Deferred tax assets are recognized based on the Group's estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future.

(d) Impairment of goodwill and other non-financial assets

The Group tests annually, or more frequently if events or changes in circumstances indicate that they might be impaired, whether goodwill has suffered any impairment. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is determined as higher of fair value less costs of disposal and value in use amount. These calculations require use of estimates.

For the purposes of determining the value in use of cash-generating unit or group of cash-generating units, expected cash flows generated by relevant assets are discounted to their present value, which requires significant estimates related to growth rate, gross margin, discount rate and other factors in the cash flow projection. Fair value less costs of disposal is calculated by benchmarking against the price quotation of a comparable model in the second-hand market, adjusting the estimated disposal costs.

The revision to the major assumptions adopted may result in recognition of impairment against goodwill, and recognition or reversal of impairment against other non-financial assets.

5. REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer (the "CEO") that makes strategic decisions.

The CEO examines the Group's performance from a geographic perspective and has identified three reportable segments of its business generally basing on territories in which the Group operates.

The CEO assesses the performance of the abovementioned segments mainly based on segment revenue, segment gross (loss)/profit, adjusted segment EBITDA and adjusted segment EBIT.

The abovementioned adjusted EBITDA is defined as net profit or loss to exclude the following items (the "Adjustments"):

- Income tax expense
- Finance income/costs – net
- Depreciation and amortisation
- Share-based compensation expenses – employee benefit expenses
- Share-based compensation expenses – related to equity transactions
- Fair value change of financial liabilities at fair value through profit or loss of the Company
- Other gains, expenses or losses the Group and the CEO deem to be one-off

The abovementioned adjusted EBIT is defined as adjusted segment EBITDA to include relevant depreciation and amortisation.

During the reporting period, certain expenses, gains and losses incurred at corporate and holding companies' level including the Company, the BVI Holdco, the HK Holding and etc. and the fair value changes of financial assets and financial liabilities of the Group that would not be converted into equity of the Company, were defined as un-allocated items.

The revenue from external customers is measured as segment revenue, which is the revenue derived from the customers in each operating segment respectively.

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information

The geographical segment information for the years ended 31 December 2024 and 2023 is as follows:

	Year ended 31 December 2024				
	South-East Asia USD'000	China USD'000	New Markets USD'000	Cross-border USD'000	Total USD'000
Segment revenue	3,220,892	6,388,135	575,550	74,527	10,259,104
Segment cost of revenue	(2,587,661)	(5,965,746)	(545,886)	(81,596)	(9,180,889)
Segment gross profit/(loss)	633,231	422,389	29,664	(7,069)	1,078,215
Adjusted segment EBITDA	455,630	427,290	(42,997)	(28,972)	810,951
Unallocated					(32,672)
Total adjusted EBITDA					778,279
Adjusted segment EBIT	302,744	147,199	(76,465)	(39,244)	334,234
Unallocated					(32,951)
Total adjusted EBIT					301,283

	Year ended 31 December 2023				
	South-East Asia USD'000	China USD'000	New Markets USD'000	Cross-border USD'000	Total USD'000
Segment revenue	2,633,417	5,229,255	326,802	659,777	8,849,251
Segment cost of revenue	(2,163,087)	(5,170,433)	(325,152)	(717,781)	(8,376,453)
Segment gross profit/(loss)	470,330	58,822	1,650	(58,004)	472,798
Adjusted segment EBITDA	375,685	30,730	(81,662)	(106,961)	217,792
Unallocated					(71,098)
Total adjusted EBITDA					146,694
Adjusted segment EBIT	203,343	(236,488)	(111,331)	(118,968)	(263,444)
Unallocated					(71,317)
Total adjusted EBIT					(334,761)

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Adjusted EBITDA		
South-East Asia	**455,630**	375,685
China	**427,290**	30,730
New Markets	**(42,997)**	(81,662)
Cross-border	**(28,972)**	(106,961)
Un-allocated	**(32,672)**	(71,098)
Total adjusted EBITDA	**778,279**	146,694
Adjustments:		
Depreciation and amortization	**(476,996)**	(481,455)
Share-based compensation expenses – related to employee benefit expenses (Note 8)	**(86,629)**	(45,850)
Share-based compensation expense related to regional sponsors	**–**	(158,442)
Share-based compensation expenses – related to equity transactions (Note 9)	**–**	(1,258,131)
Fair value change of financial liabilities of the Company	**–**	746,712
Listing expenses	**–**	(8,390)
Finance income	**40,671**	24,755
Finance costs	**(126,175)**	(105,089)
Income tax expense	**(15,446)**	(17,182)
Profit/(Loss) for the year	**113,704**	(1,156,378)

The total of non-current assets other than financial instruments and deferred tax assets, broken down by location of the assets, are shown in the following table:

	As at 31 December	
	2024	2023
	USD'000	USD'000
China	**1,737,864**	1,623,132
South-East Asia	**923,208**	876,097
Cross-border	**15,665**	28,053
New Markets	**333,681**	153,266
	3,010,418	2,680,548

5. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

During the year ended 31 December 2024 and 2023, Revenues of the Group derived from single external customers which accounts for over 10% of the Group's revenue are shown in the following table:

	Year ended 31 December			
	2024		2023	
	USD'000	**%**	USD'000	%
Customer A	**N/A (i)**	**N/A (i)**	1,113,228	13%
Customer B	**1,944,941**	**19%**	912,259	10%

(i) During the year ended at 31 December 2024, the Group's revenue derived from Customer A accounts for less than 10% of the Group's revenue.

(c) Revenue during the year ended 31 December 2024 and 2023

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Type of revenue:		
Express delivery services	**9,980,319**	8,086,778
Cross-border services	**74,527**	659,777
Rental income	**71,178**	54,924
Sale of accessories	**64,048**	33,177
Others	**69,032**	14,595
	10,259,104	8,849,251
Timing of revenue recognition:		
Overtime	**9,926,530**	8,643,018
At a point in time	**261,396**	151,309
Rental income	**71,178**	54,924
	10,259,104	8,849,251

5. REVENUE AND SEGMENT INFORMATION (Continued)

(d) Accounting policies of revenue recognition

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- The Group's performance creates or enhances an asset that the customer controls as the Group performs; or

- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct goods or services.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

5. REVENUE AND SEGMENT INFORMATION (Continued)

(d) Accounting policies of revenue recognition (Continued)

(1) Express delivery services

(i) Services provided to pick-up outlets of network partners in China and other countries

The Group offers an integrated express delivery service to pick-up outlets of network partners in China and other countries, such service includes parcel sorting, line-haul transportation, dispatching and other relevant network management services. The Group generally involves other outlets of network partners in dispatching. The Group is acting as principal in providing the entire express delivery service as the Group controls the dispatching services from other outlets of network partners to integrate into one complete express delivery service and is primarily responsible for the fulfilment of the express delivery service.

The Group charges pick-up outlets fees based on the parcel's size, weight, route to the end recipient's destination and other factors. The Group satisfies the performance obligation of express delivery service and recognises revenue over time and uses an output method of progress based on time-in-transit for express delivery service. The Group generally requires prepayment of such service fees.

In addition, the Group also earns non-refundable fees for initial operating training and other initial services to outlets of network partners, and such fees are generally recognized as revenue when the services are completed.

(ii) Services provided to operating entities of regional sponsors in certain countries

The Group provides network services to operating entities of regional sponsors in certain countries, which include providing system support and continuous training, granting access to the Group's logos and brand names, and general network arrangement and oversight services. The Group is not responsible and not acting as principal for relevant express delivery services regarding orders made by the operating entities of regional sponsors through the network performed by other operating entities of regional sponsors. The Group charges fees from operating entities of regional sponsors based on parcel volumes. The network service is considered as a series of network management and oversight services as they are substantially the same and have same pattern of transfer to the customers. The revenue from the network service is recognized on monthly basis according to monthly fees chargeable to the operating entities of regional sponsors.

5. REVENUE AND SEGMENT INFORMATION (Continued)

(d) Accounting policies of revenue recognition (Continued)

(1) Express delivery services (Continued)

(ii) Services provided to operating entities of regional sponsors in certain countries (Continued)

In some routes, the operating entities of regional sponsors will use the sorting centers operated by the Group, and in such situation, the Group is responsible for the express delivery service provided by its sorting centers, including parcel sorting, line-haul transportation and other services contained in the service contracts, and charges for such service based on parcel's size, weight, route to the end recipient's destination and other factors. Such express delivery service is considered a separated performance obligation in addition to the network service. The Group satisfies the performance obligation of such express delivery service and recognises revenue over time and uses an output method of progress based on time-in-transit for the express delivery service.

The Group issues billings on a monthly basis and grants certain credit periods to such operating entities of regional sponsors.

(iii) Services provided to enterprise customers/individual customers

The Group also provides an integrated express delivery service directly to certain enterprise/individual customers in China, Indonesia, Thailand and other countries, and directly to enterprise/individual customers in the Philippines, Malaysia, Vietnam and other countries. The Group involves other outlets of network partners or operating entities of regional sponsors in pick-up, dispatching and other services. The Group is acting as principal in providing the entire express delivery service as the Group controls relevant services from other outlets of network partners or operating entities of regional sponsors to integrate into one complete express delivery service and is primarily responsible for the fulfilment of the express delivery service.

The Group charges the customers based on parcel's size, weight, route to the end recipient's destination and other factors. The Group generally issues billings on a regular basis and grants certain credit periods to such customers. The Group satisfies the performance obligation of such express delivery service and recognises revenue over time and uses an output method of progress based on time-in-transit for the express delivery service.

5. REVENUE AND SEGMENT INFORMATION (Continued)

(d) Accounting policies of revenue recognition (Continued)

(1) Express delivery services (Continued)

(iv) Cash on delivery services

For cash on delivery services, the Group is generally engaged by its customers (normally on-line shopping platforms or on-line merchants) to collect cash payment for the merchandise from end-users, then disburse the cash payment to such customers, and charges certain proportion of the cash payments as service fees as a value-added service on top of the express delivery services. Generally all of such service contracts include only one performance obligation as normally the abovementioned or other relevant promises contained in the service contracts are considered to be not separately identifiable due to the fact that such promises are highly interrelated, and generally the customer expects the Group to deliver services with integration of such promises.

For cash on delivery services, the Group generally satisfies a performance obligation and recognises revenue at a point in time once such services are completed.

The Group provides customers with certain volume-based incentives in relation to express delivery services, which represent variable considerations and are recorded as reductions to the related revenue. The Group estimates the variable considerations to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. As the incentives are generally determined on a monthly basis, the uncertainty in estimating the variable considerations to be recorded is very limited.

(2) Cross-border services

For its cross-border services provided to its customers, the Group is generally acting as principal in providing cargo or parcel collection, transportation and warehousing, customs clearances, dispatching and other relevant services to such customers as the Group is primarily responsible for and has control over the services. A substantial part of such service contracts includes only one performance obligation as normally the abovementioned or other relevant promises contained in the service contracts are considered to be not separately identifiable due to the fact that such promises are highly interrelated, and generally the customer expects the Group to deliver services with integration of such promises.

For such service, the Group generally satisfies a performance obligation and recognises revenue over time as it transfers control of such service over time, since the customers receive the benefit of the service as the goods are transported from one location to another. Revenue is recognized based on the extent of progress towards completion of the performance obligation. The Group uses an output method of progress based on time-in-transit as it best depicts the transfer of control to the customers.

(3) The Group's revenue also includes sales of accessories, such as J&T-branded packing supplies and apparels. Revenue from sales of accessories is recognized when control of the product is transferred to the customer and in an amount the Group expects to earn in exchange for the product.

6. OTHER INCOME

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Interest income on loans to third parties	**5,479**	4,643
Subsidy income	**4,748**	41,620
	10,227	46,263

The subsidy incomes were mainly related to incentives provided by governments in the PRC based on the amounts of value added tax paid, and subsidies provided by local governments for relevant economy recovery plans. The Group has received all the subsidy incomes in full and there was no future obligation related to these subsidy incomes.

7. OTHER GAINS/(LOSSES) – NET

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Exchange gains/(losses) – net	**4,228**	(26,078)
Net gains/(losses) on disposal of long-term assets	**5,425**	(8,822)
Taxes and surcharges	**(9,623)**	(6,781)
Compensation to network partner	**–**	(7,454)
Others	**8,941**	(6,044)
	8,971	(55,179)

8. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Salaries and bonuses	**1,165,121**	1,016,510
Pension cost – defined contribution plans (i)	**48,908**	48,645
Share-based compensation expenses (Notes 26 (i), (ii))	**86,629**	45,850
Medical and other benefits	**84,625**	83,025
	1,385,283	1,194,030

(i) The Group's subsidiaries have to make contribution to certain social security plans managed by relevant local government authorities in accordance with the relevant rules and regulations. Contributions to these plans are charged to the consolidated income statement as and when incurred. The Group has no legal or constructive obligations to pay further contributions. The Group's contributions to the defined contribution plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

9. EXPENSES BY NATURE

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Fulfilment costs	**5,069,992**	4,172,929
Line-haul costs	**1,841,330**	2,190,025
Employee benefit expenses (Note 8)	**1,385,283**	1,194,030
Other labour costs	**647,684**	513,922
Depreciation and amortization (Note 34 (a))	**476,996**	481,455
Short-term leases	**194,693**	129,121
Materials	**115,892**	107,752
Advertising and marketing expenses	**13,810**	37,469
Auditors' remuneration	**2,650**	2,982
Share-based compensation expenses		
– related to regional sponsors (Notes 26 (v))	**–**	158,442
Share-based compensation expenses		
– related to equity transactions (Notes 26 (iii), (iv))	**–**	1,258,131
Listing expenses	**–**	8,390
Others	**308,163**	325,309
	10,056,493	10,579,957

10. FINANCE COSTS – NET

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Finance income		
Interest income from bank deposits	**40,671**	24,755
Finance costs		
Interest expenses on lease liabilities (Note 16)	**(31,330)**	(29,521)
Interest expenses on borrowings		
Includes: Interest expense on borrowings from financial institutions	**(78,560)**	(66,956)
Interest expense on borrowings from third parties	**(16,285)**	(8,612)
Total finance costs	**(126,175)**	(105,089)
Finance costs – net	**(85,504)**	(80,334)

11. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Impairment losses recognized, net of reversal, on:		
– trade receivables	**5,527**	21,677
– other receivables and other non-current assets	**5,739**	5,251
	11,266	26,928

12. INCOME TAX EXPENSE

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The amount of income tax charged to the consolidated income statement represents:

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Current tax on profits for the year	**37,624**	35,177
Deferred income tax (Note 30)	**(22,178)**	(17,995)
	15,446	17,182

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial information. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

12. INCOME TAX EXPENSE (Continued)

(b) Deferred income tax (Continued)

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The Group considers the lease as a single transaction in which the assets and liabilities are integrally linked. There is no net temporary difference at inception. Subsequently, when differences on settlement of the liabilities and the amortisation of right-of-use assets arise, there will be a net temporary difference on which deferred tax is recognized.

Taxes on profits assessable have been calculated at the rates of tax prevailing in the jurisdictions in which relevant entities operate.

(i) Cayman Islands profits tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and is exempted from payment of the Cayman Islands income tax.

(ii) British Virgin Islands ("BVI") profits tax

The Company's subsidiaries incorporated in the BVI are exempted from BVI income tax, as they are incorporated under the International Business Companies Act of the BVI.

(iii) Hong Kong profits tax

The Company's subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 8.25% on assessable profits up to HK$2,000,000, and 16.5% on any part of assessable profits over HK$2,000,000 for the reporting period.

12. INCOME TAX EXPENSE (Continued)

(b) Deferred income tax (Continued)

(iv) PRC corporate income tax ("PRC CIT")

The Group's subsidiaries in the PRC are subject to PRC CIT which is calculated based on the applicable tax rate of 25% on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulations for the reporting period, except for disclosed below.

One subsidiary of the Group in the PRC is qualified as a software enterprise under the relevant laws and regulations in the PRC. Accordingly, applicable profits, may be exempted from PRC CIT for two years since the first profit-making year, followed by a 50% reduction in the PRC CIT tax rate of 25% for the next three years, starting from year 2023.

Besides, certain Group's subsidiaries benefit from preferential tax rate of 15% under the CIT Law if they are located in applicable PRC regions, such as certain western regions and special economic zone, as specified in the relevant catalogue of encouraged industries, subject to certain general restrictions described in the CIT Law and the related regulations.

For the reporting period, several subsidiaries in the PRC were qualified as small and micro enterprises under the PRC CIT regime, which enjoyed a 50%-87.5% reduction in certain statutory taxable income, with a preferential income tax rate of 20%.

(v) Indonesia corporate income tax ("Indonesia CIT")

The Group's subsidiaries in Indonesia are subject to Indonesia CIT which is calculated based on the applicable tax rate of 22% on the assessable profits of the subsidiaries in accordance with Indonesia tax laws and regulations for the reporting period.

(vi) Malaysia corporate income tax ("Malaysia CIT")

The Group's subsidiaries in Malaysia are subject to Malaysia CIT which is calculated based on the applicable tax rate of 24% on the assessable profits of the subsidiaries in accordance with Malaysia tax laws and regulations for the reporting period.

(vii) Vietnam corporate income tax ("Vietnam CIT")

The Group's subsidiaries in Vietnam are subject to Vietnam CIT which is calculated based on the applicable tax rate of 20% on the assessable profits of the subsidiaries in accordance with Vietnam tax laws and regulations for the reporting period.

(viii) Thailand corporate income tax ("Thailand CIT")

The Group's subsidiaries in Thailand are subject to Thailand CIT which is calculated based on the applicable tax rate of 20% on the assessable profits of the subsidiaries in accordance with Thailand tax laws and regulations for the reporting period.

(ix) The Philippines corporate income tax ("the Philippines CIT")

The Group's subsidiaries in Philippines are subject to Philippines CIT which is calculated based on the applicable tax rate of 25% on the assessable profits of the subsidiaries in accordance with Philippines tax laws and regulations for the reporting period.

12. INCOME TAX EXPENSE (Continued)

(b) Deferred income tax (Continued)

(x) Withholding income tax

As at 31 December 2024 and 2023, the Group's major business is still in a loss position except for the business in Indonesia and the Philippines.

According to the Indonesia CIT Law, a 20% withholding tax will be levied on the immediate holding companies established outside Indonesia when their Indonesian subsidiaries declare dividends out of their profits, and the rate could be lowered to 5% when certain conditions are met in accordance with Hong Kong – Indonesia Double Tax Treaty.

During the years ended 31 December 2024 and 2023, no dividend withholding tax for Indonesia companies was provided as the directors have confirmed that the Group does not expect those subsidiaries to distribute the retained earnings as at 31 December 2024 and 2023 in the foreseeable future. Unremitted earnings that deferred income tax liabilities have not been recognized totalled USD277,459,829 and USD242,761,000 as at 31 December 2024 and 2023, respectively.

According to the Philippine CIT Law, withholding tax will be levied on the immediate holding companies established outside the Philippines when their Philippine subsidiaries declare dividends out of their profits. The withholding tax rates is 15% or 25% for the years ended 31 December 2024 and 2023.

During the years ended 31 December 2024 and 2023, no dividend withholding tax for the Philippine companies was provided as the directors have confirmed that the Group does not expect those subsidiaries to distribute the retained earnings as at 31 December 2024 and 2023 in the foreseeable future. Unremitted earnings that deferred income tax liabilities have not been recognized totalled USD77,055,661 and USD122,301,000 as at 31 December 2024 and 2023, respectively.

The difference between the actual income tax expense charged to the consolidated income statement and the amounts which would result from applying the enacted tax rates to profit/(loss) before income tax can be reconciled as follows:

	Year ended 31 December	
	2024 USD'000	2023 USD'000
Profit/(loss) before income tax	**129,150**	(1,139,196)
Income tax expenses calculated at applicable tax rates	**27,123**	(105,391)
Additional deduction of research and development expense	**(4,206)**	(5,841)
Costs, expenses and losses not deductible for tax purposes	**22,175**	23,221
Previously unrecognized tax losses and deductible temporary differences utilised	**(60,844)**	(30,349)
Previously unrecognized tax losses and deductible temporary differences recognized as deferred tax assets	**(47,179)**	(42,072)
Deductible temporary differences for which no deferred tax asset was recognized	**2,859**	4,874
Tax losses for which no deferred tax asset was recognized	**75,518**	172,740
	15,446	17,182

12. INCOME TAX EXPENSE (Continued)

(b) Deferred income tax (Continued)

The Group is within the scope of the OECD Pillar Two model rules, and it applies the IAS 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Pillar Two legislation came into effect from 1 January 2024 in certain countries, including Vietnam and certain European countries.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Proposal ('GloBE') effective tax rate for each jurisdiction and the 15% minimum rate. The Group has estimated that they might not be exposed to pay Pillar Two income taxes in the jurisdictions in which it operates with effective Pillar Two legislation.

Based on management's assessment, the application of the Pillar Two legislation will not be expected to increase the Group's annual effective tax rate for the fiscal year of 2024. In addition, based on the current assessment there is no material impact from exposure to Pillar Two legislation on the going concern assessment or on any asset impairment.

13. EARNINGS/(LOSSES) PER SHARE

(a) Basic

Basic earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, excluding relevant treasury shares if applicable.

	Year ended 31 December	
	2024	2023
Net profit/(loss) attributable to owners of the Company (USD'000)	**100,559**	(1,100,988)
Weighted average number of ordinary shares (thousands):		
Class A Ordinary Shares outstanding	–	1,824,675
Class B Ordinary Shares outstanding	–	761,260
Class A Shares outstanding	**892,534**	177,085
Class B Shares outstanding	**7,817,178**	1,416,350
Total weighted average number of shares outstanding	**8,709,712**	4,179,370
Basic earnings/(losses) per share (USD cent)	**1.2**	(26.3)

The weighted average number of ordinary shares for the year ended 31 December 2023 for the purpose of calculating the basic and diluted earnings/(losses) per share had been adjusted to account for the effect of the share subdivision of the capital of the Company (Note 25).

13. EARNINGS/(LOSSES) PER SHARE (Continued)

(b) Diluted

The calculation of the diluted earnings/(losses) per share is based on the profit/(loss) attributable to equity holders of the Company, adjusted to reflect the impact from any dilutive potential ordinary shares that would have been outstanding, as appropriate. The weighted average number of ordinary shares used in calculating diluted earnings/(losses) per share is the weighted average number of ordinary shares, as used in the basic earnings/(losses) per share calculation, and the weighted average number of relevant dilutive ordinary shares assumed to have been issued on the deemed earliest exercise or conversion date.

	Year ended 31 December	
	2024	2023
Net profit/(loss) attributable to owners of the Company (USD'000)	**100,559**	(1,100,988)
Adjustment for fair value change of JET Global's convertible preferred shares through profit or loss	**(41,119)**	–
Adjustment for fair value change of JET Global's convertible note through profit or loss	**4**	–
Net profit/(loss) attributable to owners of the Company (USD'000)	**59,444**	(1,100,988)
Weighted average number of shares (thousands):		
Weighted average number of shares outstanding	**8,709,712**	4,179,370
Adjustment for convertible preferred shares of JET Global	**426,763**	–
Adjustment for convertible note of JET Global	**57,235**	–
Adjustment for ordinary shares with vesting schedules	**131,176**	–
Weighted average number of shares for calculation of diluted earnings/(losses) per share	**9,324,886**	4,179,370
Diluted earnings/(losses) per share (USD cent)	**0.6**	(26.3)

For the year ended 31 December 2024, the Group had potential ordinary shares of the Company including Series A Preferred Shares of JET Global (Note 29), convertible notes of JET Global (Note 29), redemption liabilities of shares of JNT KSA (Note 29), convertible loans of JNT KSA (Note 29) and ordinary shares with vesting schedules (Note 26), among which Series A Preferred Shares of JET Global, convertible notes of JET Global and ordinary shares with vesting schedules were dilutive with relevant impact described above, and redemption liabilities of shares of JNT KSA and convertible loans of JNT KSA were anti-dilutive mainly due relevant interest expenses incurred.

For the year ended 31 December 2023, the Group had potential ordinary shares of the Company, including convertible preferred shares of the Company prior to listing, Series A Preferred Shares of JET Global (Note 29), redemption liabilities of shares of JNT KSA (Note 29), redeemable shares of JNT KSA to be issued (Note 29), convertible loans of JNT KSA (Note 29) and ordinary shares with vesting schedules (Note 26), all of which were anti-dilutive mainly due to the fact that the Group incurred a total loss attributable to owners of the Company.

14. INVESTMENT PROPERTIES

The Group's investment properties are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

	As at 31 December	
	2024 USD'000	2023 USD'000
Investment properties		
Opening balance	**278**	507
Addition	**356**	–
Transferred from property, plant and equipment (Note 15)	**86**	–
Transferred to property, plant and equipment (Note 15)	**(80)**	(182)
Depreciation	**(387)**	(53)
Exchange differences	**(10)**	6
Closing balance	**243**	278
Cost	**1,085**	425
Accumulated depreciation	**(842)**	(147)
Net book amount	**243**	278

Investment properties mainly represent buildings and warehouses held by the Group in Indonesia erected on freehold land and include the cost of land, buildings and warehouses. The fair values as at 31 December 2024 and 2023 were determined by management's self-assessment using discounted cash flow projection based on significant unobservable inputs.

The fair values of the investment properties were set out as follows:

	As at 31 December	
	2024 USD'000	2023 USD'000
Fair value	**369**	452

(i) Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly, generally with fixed monthly payments and the lease term of around one year. As at 31 December 2024, the remaining leasing arrangements have lease terms less than 5 years.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

The minimum lease receivable on leases of investment properties is nil and USD215,000 as at 31 December 2024 and 2023, respectively.

No major or significant contractual obligation for future repairs and maintenance is committed.

Lease income amounting to approximately USD74,000 and USD42,000 for the years ended 31 December 2024 and 2023, respectively, were related to the lease of investment properties.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings and warehouses USD'000	Logistic equipment USD'000	Vehicles USD'000	Leasehold improvements USD'000	Office equipment USD'000	Land USD'000	Others USD'000	Construction in progress USD'000	Total USD'000
Cost									
As at 1 January 2023	65,622	843,230	421,644	89,853	111,935	58,944	2,243	131,289	1,724,760
Acquisition of subsidiaries	–	953	–	–	2,909	–	–	–	3,862
Transfer from investment properties	467	–	–	–	–	–	–	–	467
Transfer upon completion	888	130,130	33,511	26,177	1,754	–	–	(192,460)	–
Other additions	379	85,323	48,840	15,674	33,760	32,732	147	218,998	435,853
Disposal of subsidiaries	–	(33)	(9)	–	(3)	–	–	–	(45)
Other disposals	–	(159,915)	(32,072)	(26,478)	(10,438)	–	(1,992)	(16,984)	(247,879)
Exchange differences	1,762	(14,864)	(5,946)	(2,155)	126	(429)	611	(333)	(21,228)
As at 31 December 2023	69,118	884,824	465,968	103,071	140,043	91,247	1,009	140,510	1,895,790
Acquisition of subsidiaries	–	–	6,108	16	2,448	–	–	505	9,077
Transfer from investment properties	133	–	–	–	–	–	–	–	133
Transfer to investment properties	(461)	–	–	–	–	–	–	–	(461)
Transfer upon completion	57,991	134,890	55,749	14,555	4,269	–	–	(267,454)	–
Other additions	–	15,780	120,281	18,672	16,607	–	–	346,223	517,563
Other disposals	(610)	(48,643)	(46,527)	(6,385)	(9,217)	–	–	(1,434)	(112,816)
Exchange differences	(3,928)	(17,349)	(13,682)	(3,691)	(5,707)	(172)	(26)	(1,944)	(46,499)
As at 31 December 2024	122,243	969,502	587,897	126,238	148,443	91,075	983	216,406	2,262,787
Depreciation									
As at 1 January 2023	(9,989)	(91,616)	(141,054)	(34,191)	(45,954)	–	(531)	–	(323,335)
Transfer from investment properties	(285)	–	–	–	–	–	–	–	(285)
Charge for the year	(4,336)	(80,853)	(88,638)	(19,244)	(26,093)	–	(342)	–	(219,506)
Disposal of subsidiaries	–	6	9	–	7	–	–	–	22
Other disposals	–	21,445	14,702	3,690	4,987	–	422	–	45,246
Exchange differences	(235)	3,878	2,718	1,176	274	–	(48)	–	7,763
As at 31 December 2023	(14,845)	(147,140)	(212,263)	(48,569)	(66,779)	–	(499)	–	(490,095)
Transfer from investment properties	(53)	–	–	–	–	–	–	–	(53)
Transfer to investment properties	375	–	–	–	–	–	–	–	375
Charge for the year	(6,698)	(86,102)	(94,270)	(25,267)	(28,300)	–	(244)	–	(240,881)
Other disposals	–	15,134	25,070	4,465	4,214	–	–	–	48,883
Exchange differences	732	4,768	3,357	1,883	2,804	–	4	–	13,548
As at 31 December 2024	(20,489)	(213,340)	(278,106)	(67,488)	(88,061)	–	(739)	–	(668,223)
Impairment									
As at 1 January 2023	(1,353)	(280,108)	(220)	(19,854)	(4,596)	–	–	(42,410)	(348,541)
Transfer upon completion	–	(9,093)	–	–	–	–	–	9,093	–
Other disposals	–	111,234	92	4,390	684	–	–	939	117,339
Currency translation differences	–	3,690	1	157	198	–	–	151	4,197
As at 31 December 2023	(1,353)	(174,277)	(127)	(15,307)	(3,714)	–	–	(32,227)	(227,005)
Transfer upon completion	–	(5,428)	–	–	–	–	–	5,428	–
Other disposals	228	15,123	–	–	147	–	–	–	15,498
Currency translation differences	490	1,744	9	113	87	–	–	38	2,481
As at 31 December 2024	(635)	(162,838)	(118)	(15,194)	(3,480)	–	–	(26,761)	(209,026)
Net book amount									
As at 31 December 2024	101,119	593,324	309,673	43,556	56,902	91,075	244	189,645	1,385,538
As at 31 December 2023	52,920	563,407	253,578	39,195	69,550	91,247	510	108,283	1,178,690

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives as follows:

Buildings and warehouses	10-20 years
Logistic equipment	3-10 years
Vehicles	3-10 years
Office equipment	2-5 years
Freehold Land	Infinite useful life
Leasehold improvements	Estimated useful lives or remaining lease terms, whichever is shorter

Depreciation expenses have been charged to the consolidated income statement as follows:

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Cost of revenue	**217,187**	197,208
Selling, general and administrative expenses	**23,178**	21,960
Research and development expenses	**516**	338
	240,881	219,506

As at 31 December 2024 and 2023, property, plant and equipment with carrying amount of USD108,588,000 and USD112,799,000 were pledged as securities for the Group's borrowings from financial institutions (Note 28) respectively.

16. LEASES

(i) Relevant right-of-use assets and lease liabilities recognized in the consolidated balance sheet are as follows:

	As at 31 December	
	2024	2023
	USD'000	USD'000
Right-of-use assets		
Buildings and warehouses	**416,773**	428,385
Vehicles	**850**	7,570
Land	**58,466**	60,958
Equipment and others	**1,118**	6,160
	477,207	503,073
Lease liabilities		
Current lease liabilities	**172,442**	204,341
Non-current lease liabilities	**296,728**	304,316
	469,170	508,657

Additions to the right-of-use assets during the financial years ended 31 December 2024 and 2023 were USD209,091,000 and USD297,729,000 respectively.

(ii) Relevant depreciation charge of right-of-use assets, interest expense, expenses relating to short-term leases recognized in the consolidated income statement are as follows:

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Depreciation charge of right-of-use assets		
Buildings and warehouses	**207,850**	218,823
Vehicles	**1,467**	7,120
Land	**1,188**	1,575
Equipment and others	**4,949**	8,884
	215,454	236,402
Interest expense (Note 10)	**31,330**	29,521
Expense relating to short-term leases (included in cost of revenue, selling, general and administrative expenses, research, and development expenses)	**142,600**	86,377

16. LEASES (Continued)

(ii) Relevant depreciation charge of right-of-use assets, interest expense, expenses relating to short-term leases recognized in the consolidated income statement are as follows: (Continued)

For the year ended 31 December 2024, around USD 1,021,000 of the depreciation charge of right-of-use assets was included in property, plant and equipment. (2023: USD 1,089,000)

The total cash outflows for leases payments for the years ended 31 December 2024 and 2023 were USD422,253,000 and USD406,771,000 respectively. For the years ended 31 December 2024 and 2023, among the cash outflow for lease payments, cash outflow for the principal elements of lease payments were USD246,501,000 and USD254,585,000 respectively, which is presented in cash flows from financing activities. The lease payments related to short-term leases were USD175,752,000 and USD122,665,000 for the years ended 31 December 2024 and 2023, which are presented in cash flows from operating activities.

As at 31 December 2024, right-of-use assets with carrying amount of USD 8,284,000 was pledged as securities for the Group's borrowings from financial institutions (Note 28). (2023: USD 8,459,000)

(iii) The group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, vehicles, land and equipment. Lease contracts are typically made for fixed periods of 1 year to 6 years but may have extension options as described in (v) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Under certain circumstances, certain amount of deposits is required to be paid to the lessors. Generally leased assets may not be used as security for borrowing purposes.

(iv) Variable lease payments

The Group's property leases generally do not contain material variable payment terms that are linked to sales generated.

(v) Extension and termination options

The majority of extension and termination options held are exercisable by mutual agreement of the Group and the respective lessors.

(vi) Residual value guarantees

The Group generally does not provide residual value guarantees in relation to equipment leases.

17. INTANGIBLE ASSETS

	Software	Goodwill	Customer relationship	Trademark	License and others	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Cost						
As at 1 January 2023	16,831	920,940	167,277	1,367	1,719	1,108,134
Acquisition of subsidiaries (b)	4,230	33,629	–	–	–	37,859
Other additions	4,049	–	–	–	96	4,145
Other disposals	(7,436)	–	–	–	–	(7,436)
Exchange differences	1,331	608	(1,321)	(17)	(24)	577
As at 31 December 2023	**19,005**	**955,177**	**165,956**	**1,350**	**1,791**	**1,143,279**
Acquisition of subsidiaries (c)	**41**	**127,917**	**53,000**	**–**	**–**	**180,958**
Other additions	**1,085**	**–**	**–**	**–**	**–**	**1,085**
Other disposals	**(252)**	**–**	**–**	**(122)**	**–**	**(374)**
Exchange differences	**(303)**	**(15,001)**	**(3,825)**	**(27)**	**(21)**	**(19,177)**
As at 31 December 2024	**19,576**	**1,068,093**	**215,131**	**1,201**	**1,770**	**1,305,771**
Amortization						
As at 1 January 2023	(4,681)	–	(17,949)	(335)	(514)	(23,479)
Additions	(9,317)	–	(16,508)	(271)	(487)	(26,583)
Other disposals	172	–	–	–	–	172
Exchange differences	(49)	–	197	4	15	167
As at 31 December 2023	**(13,875)**	**–**	**(34,260)**	**(602)**	**(986)**	**(49,723)**
Additions	**(1,788)**	**–**	**(18,834)**	**(392)**	**(281)**	**(21,295)**
Other disposals	**147**	**–**	**–**	**81**	**–**	**228**
Exchange differences	**146**	**–**	**752**	**7**	**20**	**925**
As at 31 December 2024	**(15,370)**	**–**	**(52,342)**	**(906)**	**(1,247)**	**(69,865)**
Impairment						
As at 1 January 2023	–	(117,502)	(3,584)	–	–	(121,086)
Exchange differences	–	1,959	96	–	–	2,055
As at 31 December 2023	**–**	**(115,543)**	**(3,488)**	**–**	**–**	**(119,031)**
Exchange differences	**–**	**1,699**	**114**	**–**	**–**	**1,813**
As at 31 December 2024	**–**	**(113,844)**	**(3,374)**	**–**	**–**	**(117,218)**
Carrying values						
As at 31 December 2024	**4,206**	**954,249**	**159,415**	**295**	**523**	**1,118,688**
As at 31 December 2023	5,130	839,634	128,208	748	805	974,525

17. INTANGIBLE ASSETS (Continued)

The abovementioned software was all externally acquired rather than internally developed.

Goodwill is measured as described in Note 44.2 Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method over the estimated life. The Group's customer relationships were mainly related to several business combinations, representing relevant customers acquired. Because the annual churn rate of such customers was around 9% historically prior to relevant business combinations, the same assumptions were applied for the Company (i.e., customers would keep exiting the network at a rate of 9% each year), which means it will take around 10-12 years for such customers to exit completely.

(a) During the year ended 31 December 2024 and 2023, no development costs were capitalised as intangible assets.

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Software	2-5 years
Customer relationship	10-12 years
Trademark	10-20 years
Licence	5-7 years

Amortization expenses have been charged to the consolidated income statement as follows:

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Cost of revenue	**381**	603
Selling, general and administrative expenses	**20,914**	25,980
	21,295	26,583

(b) Acquisition of Shenzhen Fengwang Information Technology Company Limited ("Fengwang Information")

In June 2023, the Group acquired Fengwang Information, a subsidiary of S.F. Holding Co., Ltd., with a total cash payment of approximately USD 63,789,000.

With the assistance from an external valuer appointed by the Group, the Group applied the discounted cash flow method to determine the underlying equity value of Fengwang Information. Accordingly, relevant goodwill with an amount of USD 33,629,000 was recognised.

17. INTANGIBLE ASSETS (Continued)

(c) Acquisition of the operating entity of Mexico regional sponsors

In July 2024, the Group acquired the operating entity of Mexico regional sponsors (the "Mexico Acquiree"). As the consideration of this transaction, the subsidiary of the Company, JET Global Express Limited, issued 12,162,913 convertible notes to acquire 100% equity interests of the Mexico Acquiree, along with the settlement of certain pre-existing relationships (Note 36).

With the assistance from an external valuer appointed by the Group, the Group applied the discounted cash flow method to determine the underlying equity value of the Mexico Acquiree. The fair value of relevant net identifiable assets acquired was around USD 84,061,000 (Note 36).

The fair value of the abovementioned consideration exceeded the fair value of relevant net identifiable assets acquired by USD 127,917,000, which was recognised as goodwill.

(d) Impairment test for goodwill

A cash-generating unit (CGU) is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets.

Goodwill is allocated to cash-generating units or groups of CGUs for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 5).

Goodwill is allocated to the Group's CGUs or groups of CGUs identified according to the territories in which the Group operates:

	As at 31 December	
	2024 USD'000	2023 USD'000
China (included in China segment)	**478,715**	485,859
Indonesia (included in South-East Asia segment)	**195,588**	202,695
Mexico (included in New Markets segment)	**127,917**	–
Thailand (included in South-East Asia segment)	**93,013**	92,058
Brazil (included in New Markets segment)	**56,569**	56,569
Others	**2,447**	2,453
	954,249	839,634

17. INTANGIBLE ASSETS (Continued)

(d) Impairment test for goodwill (Continued)

The movement of carrying amount of goodwill for each respective CGUs is set out below:

	China USD'000	Indonesia USD'000	Mexico USD'000	Thailand USD'000	Brazil USD'000
As at 31 December 2022	459,428	199,012	–	90,937	51,829
Acquisition of subsidiaries	33,629	–	–	–	–
Impairment of goodwill	–	–	–	–	–
Exchange differences	(7,198)	3,683	–	1,121	4,740
As at 31 December 2023	485,859	202,695	–	92,058	56,569
Acquisition of subsidiaries	**–**	**–**	**127,917**	**–**	**–**
Impairment of goodwill	**–**	**–**	**–**	**–**	**–**
Exchange differences	**(7,144)**	**(7,107)**	**–**	**955**	**–**
As at 31 December 2024	**478,715**	**195,588**	**127,917**	**93,013**	**56,569**

The recoverable amount of a CGU or a group of CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on certain assumptions made by management covering a five-year period (the "Period"). The key assumptions used for value-in-use calculations for the reporting period (if applicable) are as follows:

17. INTANGIBLE ASSETS (Continued)

(d) Impairment test for goodwill (Continued)

2024

	China	Indonesia	Mexico	Thailand	Brazil
Annual growth rate within the Period	**4.4%-19.1%**	**9.8%-14.8%**	**10.0%-181.1%**	**2.4%-31.0%**	**10.0%-97.1%**
Growth rate to extrapolate cash flows beyond the Period	**2.0%**	**2.5%**	**3.0%**	**2.0%**	**3.0%**
Gross margin	**7.0%-7.6%**	**21.6%-23.6%**	**24.9%-27.0%**	**9.5%-16.6%**	**12.1%-24.1%**
Pre-tax discount rate	**17.32%**	**18.05%**	**26.70%**	**20.39%**	**27.59%**
Excess of recoverable amount over carrying value (USD 000)	**574,371**	**1,386,711**	**59,896**	**140,069**	**7,869**

2023

	China	Indonesia	Thailand	Brazil
Annual growth rate within the Period	6.1%-29.4%	13.1%-32.7%	17.6%-35.8%	29.4%-46.1%
Growth rate to extrapolate cash flows beyond the Period	2.2%	1.6%	2.0%	3.0%
Gross margin	5.7%-7.6%	17.2%-22.7%	-2.9%-23.3%	14.9%-21.7%
Pre-tax discount rate	17.06%	18.02%	19.75%	27.91%
Excess of recoverable amount over carrying value (USD 000)	51,758	2,024,808	299,123	8,536

Management determined budgeted gross margin and growth rates based on past performance and its expectations of market development. The growth rates to extrapolate cash flows beyond the Period are consistent with published forecasted economic data. The discount rates used are pre-tax after reflecting specific risks of the relevant CGUs and groups of CGUs.

17. INTANGIBLE ASSETS (Continued)

(d) Impairment test for goodwill (Continued)

The recoverable amount of the following CGUs would equal its carrying amount if the key assumptions were to change relatively as follows:

	As at 31 December 2024				
	China	**Indonesia**	**Mexico**	**Thailand**	**Brazil**
Decrease in annual growth rate within the Period	**(25%)**	**(248%)**	**(14%)**	**(112%)**	**(3%)**
Decrease in growth rate to extrapolate cash flows beyond the Period	**(283%)**	**N/A[i]**	**(283%)**	**(1110%)**	**(47%)**
Decrease in gross margin	**(12%)**	**(51%)**	**(11%)**	**(21%)**	**(1%)**
Increase in pre-tax discount rate	**38%**	**193%**	**57%**	**43%**	**3%**

	As at 31 December 2023			
	China	Indonesia	Thailand	Brazil
Decrease in annual growth rate within the Period	(2%)	(173%)	(71%)	(3%)
Decrease in growth rate to extrapolate cash flows beyond the Period	(18%)	N/A[i]	N/A[i]	(34%)
Decrease in gross margin	(1%)	(59%)	(30%)	(2%)
Increase in pre-tax discount rate	3%	253%	48%	2%

(i) As per relevant assessment, the headroom would not decrease to zero even if growth rate in extrapolate cash flows beyond the Period dropped to minus 10%.

As at 31 December 2024 and 2023, it is unlikely that any reasonable possible changes in key assumptions would lead to impairment for the goodwill of the Group.

18. MAJOR SUBSIDIARIES AND CONTROLLED ENTITIES

The Company's investments in subsidiaries are as follows:

	As at 31 December	
	2024	2023
	USD'000	USD'000
Investment in Onwing Global Limited	**1,053,676**	1,048,704
Investment in J&T International Logistics Limited	**124,506**	124,506
	1,178,182	1,173,210

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Controlled entities of the Group

There are entities controlled by the Company under certain contractual arrangements. The Company does not have legal ownership in equity of these entities or their subsidiaries. There are also entities controlled by the Company where the Company is holding less than 50% of their equity interests respectively due to certain local restrictions on foreign ownership of companies that provide express delivery services. Nevertheless, under certain contractual arrangements or shareholder's agreements entered into with the registered owners or together with other local owners of these entities, the Company and its other legally owned subsidiaries control these entities by way by controlling their major corporate governance and decision-making processes and directing the results of such processes, governing their major operating, investment, and financing policies and etc. In addition, the Company and its other legally owned subsidiaries are also exposed to variable returns in such companies through certain service contracts, which constitute substantially all the net income of such companies, dividend income as a result of its direct shareholding and as per relevant shareholder's agreements, and etc. Therefore, the Group has rights to exercise power over these entities, receives variable returns from its involvement in these entities, and has the ability to affect those returns through its power over these entities. As a result, they are presented as controlled entities of the Group.

18. MAJOR SUBSIDIARIES AND CONTROLLED ENTITIES (Continued)

Controlled entities of the Group (Continued)

As at 31 December 2024 and 2023, and as at the date of this report, the Company had the following major subsidiaries (including controlled structured entities):

Name of entity	Type of legal entity	Country/Place of operation and date of incorporation	Paid-in capital As at 31 December 2024	Paid-in capital As at 31 December 2023	Percentage of Attributable equity interest to the Company As at 31 December 2024	Percentage of Attributable equity interest to the Company As at 31 December 2023	Principal activities
Indirectly held:							
J&T International Logistics Limited (Note 2)	Limited Liability Company	The PRC, 10 January 2018	**CNY200,020,000**	CNY200,020,000	**100%**	100%	Cross-border services
Thuan Phong Express Company Limited	Limited Liability Company	Vietnam, 13 January 2016	**VND112,500,000,000**	VND112,500,000,000	**100%**	100%	Express delivery services
PH Global Jet Express Inc. doing business under the name and style of J&T Express (PH GJE)	Limited Liability Company	The Philippines, 14 September 2018	**PHP39,375,000**	PHP39,375,000	**99.97%**	99.97%	Express delivery services
J&T Express (Malaysia) Sdn.Bhd.	Limited Liability Company	Malaysia, 10 January 2018	**MYR3,878,075**	MYR3,878,075	**100%**	100%	Express delivery services
Global Jet Express (Thailand) Co., Ltd.	Limited Liability Company	Thailand, 17 August 2018	**THB123,507,750**	THB123,507,750	**Note 1**	Note 1	Express delivery services
Controlled entities:							
J&T Express China Co., Ltd. (Note 2)	Limited Liability Company	The PRC, 29 September 2007	**CNY10,000,000**	CNY10,000,000	**100%**	100%	Courier and warehousing services
J&T Express (Jinhua) Supply Chain Co., Ltd. (Note 2)	Limited Liability Company	The PRC, 28 October 2019	**CNY10,000,000**	CNY10,000,000	**100%**	100%	Courier and warehousing services
J&T Express (Hebei) Acme Supply Chain Management Co., Ltd. (Note 2)	Limited Liability Company	The PRC, 13 November 2019	**CNY10,000,000**	CNY10,000,000	**85%**	85%	Courier and warehousing services
J&T Express (Shandong) Supply Chain Co., Ltd. (Note 2)	Limited Liability Company	The PRC, 31 October 2019	**CNY10,000,000**	CNY10,000,000	**85%**	85%	Courier and warehousing services
J&T Express (Henan) Acme Supply Chain Co., Ltd. (Note 2)	Limited Liability Company	The PRC, 1 November 2019	**CNY10,000,000**	CNY10,000,000	**85%**	85%	Courier and warehousing services
J&T Express (Jieyang) Supply Chain Management Co., Ltd. (Note 2)	Limited Liability Company	The PRC, 5 November 2019	**CNY6,600,000**	CNY6,600,000	**85%**	85%	Courier and warehousing services
J&T Express (Guangzhou) Supply Chain Co., Ltd. (Note 2)	Limited Liability Company	The PRC, 18 October 2019	**CNY10,000,000**	CNY10,000,000	**100%**	100%	Courier and warehousing services
J&T Express (Fujian) Supply Chain Management Co., Ltd. (Note 2)	Limited Liability Company	The PRC, 7 November 2019	**CNY10,000,000**	CNY10,000,000	**85%**	85%	Courier and warehousing services
Pt. Global Jet Express	Limited Liability Company	Indonesia, 20 December 2006	**IDR3,000,000,000**	IDR3,000,000,000	**100%**	100%	Express delivery services

18. MAJOR SUBSIDIARIES AND CONTROLLED ENTITIES (Continued)

Controlled entities of the Group (Continued)

Notes:

(1) As at 31 December 2024 and 2023, the Company indirectly owns around 74% shareholding of Global Jet Express (Thailand) Co., Ltd., and according to relevant investment agreements, the Company indirectly enjoys substantially 100% of the dividend interests of Global Jet Express (Thailand) Co., Ltd..

(2) The English names of the companies referred above represent the best effort made by the management of the Company to directly translate the Chinese names as they have not registered any official English names.

19. FINANCIAL INSTRUMENTS BY CATEGORY

		As at 31 December	
		2024	2023
Financial Assets	*Note*	**USD'000**	USD'000
Financial assets at amortised cost			
Trade receivables	21	**680,180**	555,978
Other receivables and other assets (excluding prepayments)	22	**438,643**	330,795
Other non-current assets (excluding prepayments)	20	**23,951**	4,170
Restricted cash	24	**40,861**	41,921
Cash and cash equivalents	24	**1,596,931**	1,483,198
Financial assets at fair value through profit or loss	23	**673,966**	775,534
		3,454,532	3,191,596

19. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial Liabilities	Note	As at 31 December 2024 USD'000	2023 USD'000
Financial Liabilities at amortised cost			
Trade payables	31	**589,860**	466,904
Accruals and other payables (excluding salary and welfare payables, tax payables and other non-financial liabilities)	33	**653,795**	622,921
Advances from customers	32	**322,333**	272,231
Borrowings	28	**1,583,192**	1,282,549
Lease liabilities	16	**469,170**	508,657
Financial liabilities – redemption liabilities of shares of JNT KSA	29	**65,958**	36,740
Financial liabilities at fair value through profit or loss	29	**660,493**	606,301
		4,344,801	3,796,303

20. OTHER NON-CURRENT ASSETS

	As at 31 December 2024 USD'000	2023 USD'000
Prepayments for constructions	**26,599**	21,253
Deposits	**23,650**	4,016
Others	**301**	154
	50,550	25,423

As at 31 December 2024, deposits were substantially placed as securities for the Group's non-current portion borrowings from financial institutions (Note 28).

21. TRADE RECEIVABLES

	As at 31 December	
	2024	2023
	USD'000	USD'000
Trade receivables	**707,385**	592,887
Less: provision for impairment	**(27,205)**	(36,909)
	680,180	555,978

The majority of the balances of trade receivables are generally due from customers of cross-border services and enterprise or other direct customers of express delivery services in China, Indonesia, Thailand, the Philippines, Malaysia and other countries, and customers of other services, to whom the Group generally grants a credit period of 30 to 120 days.

For outlets of network partners in China, service fees are typically required to be prepaid.

The aging analysis of trade receivables based on invoice date is as follows:

	As at 31 December	
	2024	2023
	USD'000	USD'000
Within 1 month	**380,008**	319,037
1–4 months	**261,764**	219,765
4–6 months	**47,704**	40,050
6–9 months	**7,208**	5,777
9–12 months	**5,124**	4,647
Above 12 months	**5,577**	3,611
Less: provision for impairment	**(27,205)**	(36,909)
Total	**680,180**	555,978

The Group applies the simplified approach under IFRS 9, which requires lifetime expected losses to be recognized from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and forward-looking estimates. At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Information about the impairment of trade receivables and the Group's exposure to credit risk is described in Note 3.1.

The carrying amounts of the Group's trade receivables approximated their fair values as at the balance sheet dates.

22. PREPAYMENTS, OTHER RECEIVABLES, AND OTHER ASSETS

	As at 31 December	
	2024	2023
	USD'000	USD'000
Loans to third parties	**115,279**	133,034
Prepaid VAT and other taxes	**650,679**	555,361
Deposits	**98,648**	81,640
Prepaid expenses	**82,582**	85,340
Others	**233,234**	121,326
Less: allowance for credit losses	**(8,518)**	(5,205)
	1,171,904	971,496

As at 31 December 2024 and 2023, loans to third parties due within one year were included in current assets, and those due over one year would be included in non-current assets.

Terms for loans to third parties were negotiated on a case-by-case basis and during the reporting period, the Group and the Company entered into loan agreements with third parties with terms ranging from 11 months to 14 months, with annual interest rates from 0.5% to 6% per annum and unsecured.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2024	2023
	USD'000	USD'000
Current		
Bank wealth management products (i)	**43,823**	49,957
Other investments (iv)	**57,373**	–
	101,196	49,957
Non-current		
Investments in the convertible bonds of Yimi Global Limited (ii)	**476,409**	483,487
Investments in Windfall T&L SPC (iii)	**86,539**	159,054
Other investments (iv)	**9,822**	83,036
	572,770	725,577
	673,966	775,534

(i) Bank wealth management products purchased by the Group were issued by major and reputable commercial banks without guaranteed returns. The Group manages and evaluates the performance of investments on a fair value basis in accordance with the Group's risk management and investment strategy. The fair values of part of the bank wealth management products are based on cash flow discounted using the expected return based on observable market inputs and are within level 2 of the fair value hierarchy.

(ii) The Group invested around USD457,000,000 in 2022 and further invested around USD58,000,000 in May 2023 in the convertible bonds issued by Yimi Global Limited, a related party, engaged in the industry of freight less-than truckload delivery business, which was accounted for as financial assets at fair value through profit or loss.

The bond matures in seven years after its issuance and may be extended at the holder's discretion, the interest of which is 1.5% per annum. At the discretion of the holder, the entire principal amount may be converted into preferred shares to be issued by the Yimi Global Limited in the event of any of its future equity financing transaction, with the conversion price as 80% of the price at its latest equity financing immediately prior to it.

The movements of investments in the convertible bonds of Yimi Global Limited are set out below:

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Carrying amount at the beginning of the year	**483,487**	428,678
Purchase the convertible bonds of Yimi Global Limited	**–**	58,000
Changes in fair value – profit or loss	**(7,078)**	(3,191)
Carrying amount at the end of the year	**476,409**	483,487

23.FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

With the assistance from an external valuer appointed by the Group, the Group applied the discounted cash flow method to determine the underlying equity value of Yimi Global Limited, and adopted equity allocation model (if applicable) to determine the fair value of the abovementioned convertible bonds.

In determining the fair value of the abovementioned convertible bonds, one or more of the significant inputs are not based on observable market data, and therefore the Group included the abovementioned investments in level 3 financial instruments. Key assumptions are set out as below:

	As at 31 December		Relationship of unobservable inputs to fair value
	2024	2023	
Discount rate	**14.6%**	15.0%	The higher the discount rate, the lower the fair value
Discount of lack of marketability ("DLOM")	**24.0%**	25.0%	The higher the DLOM, the lower the fair value
Expected volatility	**48.3%**	46.8%	The higher the expected volatility, the lower the fair value

Discount rate was estimated by weighted average cost of capital as at the valuation date. The DLOM was estimated based on the option-pricing method. Under the option pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount. Expected volatility was estimated based on annualized standard deviation of daily stock price return of comparable companies for the period before respective valuation date and with similar span as time to expiration. In addition to the assumptions adopted above, the Yimi Global Limited's projections of future performance were also factored into the determination of the underlying equity value of Yimi Global Limited on the valuation date.

The estimated carrying amount of relevant convertible bonds as at 31 December 2024 and 2023 would have been USD13,067,000 lower/USD14,844,000 higher and USD12,213,000 lower/USD14,782,000 higher, respectively, should the discount rate used in discounted cash flow analysis be higher/lower by 100 basis points from management's estimates.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(iii) During year 2024, the Group redeemed around USD112,917,000 from Windfall T&L SPC, a private equity fund focusing on investing in industries such as logistics and its upstream and downstream industry chains, and further invested around USD59,500,000 in this equity fund.

The movements of investments in Windfall T&L SPC are set out below:

	Year ended 31 December	
	2024 USD'000	2023 USD'000
Carrying amount at the beginning of the year	**159,054**	52,372
Investment in Windfall T&L SPC	**59,500**	112,917
Redemption of investments	**(112,917)**	–
Changes in fair value – profit or loss	**(19,098)**	(6,235)
Carrying amount at the end of the year	**86,539**	159,054

As the abovementioned fund is specialized in making investments in the abovementioned private sectors, the Group does not seek control or significant influence over it. As per relevant agreements and contracts, the Group does not take any board seats and is not involved in relevant decision-making process of the abovementioned investees. As a result, the Group does not have control or significant influence over the fund, and accounts for such investment as financial assets at fair value through profit or loss.

In determining the fair value of the abovementioned investments, one or more of the significant inputs are not based on observable market data, and therefore the Group included the abovementioned investments in level 3 financial instruments. These quantitative and unobservable inputs are not developed by the Group. Key assumptions are set out as below:

		Relationship of unobservable inputs to fair value
Discount rate	Not observable	The higher the discount rate, the lower the fair value
Discount of lack of marketability ("DLOM")	Not observable	The higher the DLOM, the lower the fair value
Expected volatility	Not observable	The higher the expected volatility, the lower the fair value

(iv) Other investments comprise the financial instruments in level 1 and level 3 (Note 3.3).

The Group included the relevant investments in level 1 financial instruments, as the investments are traded in active markets and the fair value of the investments is based on quoted market prices at each of the reporting dates.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The Group included the relevant investments in level 3 financial instruments, as one or more of the significant inputs are not based on observable market data. These quantitative and unobservable inputs are not developed by the Group. Key assumptions are set out as below:

The movements of investments included in other investments are set out below:

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Carrying amount at the beginning of the year	**83,036**	–
Investments made	**76,822**	**103,000**
Redemption of investments	**(83,000)**	**(20,000)**
Changes in fair value – profit or loss	**(9,663)**	**36**
Carrying amount at the end of the year	**67,195**	**83,036**

In determining the fair value of the abovementioned investments, one or more of the significant inputs of certain investments are not based on observable market data, and therefore the Group included the abovementioned investments in level 3 financial instruments. These quantitative and unobservable inputs are not developed by the Group. Key assumptions are set out as below:

		Relationship of unobservable inputs to fair value
Discount rate	Not observable	The higher the discount rate, the lower the fair value
Discount of lack of marketability ("DLOM")	Not observable	The higher the DLOM, the lower the fair value
Expected volatility	Not observable	The higher the expected volatility, the lower the fair value

The Group classifies financial instruments based on the expected holding period. Financial instruments that are intended to be held for the short term are categorized as current assets, while those expected to be held for the long term are classified as other non-current assets.

24. RESTRICTED CASH AND CASH AND CASH EQUIVALENTS

	As at 31 December	
	2024	2023
	USD'000	USD'000
Restricted cash		
Cash at banks	**40,861**	41,921
Cash and cash equivalents		
Cash on hand and at banks	**1,596,931**	1,483,198
Total	**1,637,792**	1,525,119

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

As at 31 December 2024 and 2023, restricted cash with a total amount of USD12,830,000 and USD13,155,000, respectively were pledged as collaterals for the Group's borrowings (Note 28).

As at 31 December 2024 and 2023, restricted cash with a total amount of USD12,772,000 and USD12,948,000, respectively, were placed as securities of the Group's certain guarantees and commitments.

As at 31 December 2024 and 2023, restricted cash with a total amount of USD3,874,000 and USD6,500,000, respectively, were pledged as collateral for the Group's bank acceptance notes.

As at 31 December 2024 and 2023, restricted cash with a total amount of USD11,385,000 and USD9,318,000 was placed under restriction, due to a number of on-going legal claims, for which management has made relevant provisions.

25. SHARE CAPITAL

Authorised

	Ordinary shares								Preferred shares																
	Number of Class A Ordinary Shares ('000)	Nominal value of Class A Ordinary Shares USD'000	Number of Class B Ordinary Shares ('000)	Nominal value of Class B Ordinary Shares USD'000	Number of Class A Shares ('000)	Nominal value of Class A Shares USD'000	Number of Class B Shares ('000)	Nominal value of Class B Shares USD'000	Number of Series Pre-A1 Preferred Shares ('000)	Nominal value of Series Pre-A1 Preferred Shares USD'000	Number of Series Pre-A2 Preferred Shares ('000)	Nominal value of Series Pre-A2 Preferred Shares USD'000	Number of Series A Preferred Shares ('000)	Nominal value of Series A Preferred Shares USD'000	Number of Series B Preferred Shares ('000)	Nominal value of Series B Preferred Shares USD'000	Number of Series B+ Preferred Shares ('000)	Nominal value of Series B+ Preferred Shares USD'000	Number of Series C1 Preferred Shares ('000)	Nominal value of Series C1 Preferred Shares USD'000	Number of Series C2 Preferred Shares ('000)	Nominal value of Series C2 Preferred Shares USD'000	Number of Series D Preferred Shares ('000)	Nominal value of Series D Preferred Shares USD'000	Total number of shares ('000)
As at 1 January 2023	3,852,854	38	184,950	2	-	-	-	-	74,667	1	54,267	1	269,921	3	22,462	-	255,864	3	212,765	2	72,250	1	-	-	5,000,000
Reclassification and re-designation upon issuance of the Class B Ordinary Shares[1]	(10,917)	-	10,917	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification and re-designation upon issuance of the Series C1 Preference Shares[1]	(53,408)	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,408	1	-	-	-	-	-
Reclassification and re-designation upon issuance of the Series C2 Preference Shares[1]	(43,082)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,082	-	-	-	-
Reclassification and re-designation upon issuance of the Series D Preference Shares[1]	(26,144)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,144	-	-
Reclassification and re-designation in connection of the Company's listing[2]	(3,719,303)	(37)	(195,867)	(2)	195,867	2	4,804,133	48	(74,667)	(1)	(54,267)	(1)	(269,921)	(3)	(22,462)	-	(255,864)	(3)	(266,173)	(3)	(115,332)	(1)	(26,144)	-	-
Share subdivision in connection of the Company's listing[2]	-	-	-	-	783,466	-	19,216,534	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000,000
As at 31 December 2023	-	-	-	-	979,333	2	24,020,667	48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000,000
As at 1 January 2024 and 31 December 2024	-	-	-	-	979,333	2	24,020,667	48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000,000

(1) In May 2023, the Company redesignated and reclassified 10,916,682 Class A Ordinary Shares from its authorized ordinary shares into Class B Ordinary Shares, 53,408,460 Class A Ordinary Shares from its authorized ordinary shares into Series C1 Preferred Shares, 43,082,204 Class A Ordinary Shares from its authorized ordinary shares into Series C2 Preferred Shares and 26,143,791 Class A Ordinary Shares from its authorized ordinary shares into Series D Preferred Shares.

(2) In October 2023, in connection with the Company's listing, the Company underwent a Reclassification, Redesignation and Share Subdivision pursuant to the resolutions in writing of all shareholders, whereby the Company's authorized share capital of USD50,000 was amended from 3,852,853,461 Class A Ordinary Shares, 184,950,000 Class B Ordinary Shares, 74,666,665 Series Pre-A1 Preferred Shares, 54,266,667 Series Pre-A2 Preferred Shares, 269,921,165 Series A Preferred Shares, 22,462,293 Series B Preferred Shares, 255,864,131 Series B+ Preferred Shares, 212,765,236 Series C1 Preferred Shares and 72,250,382 Series C2 Preferred Shares of par value of USD0.00001 each, into 979,333,410 Class A Shares and 24,020,666,590 Class B Shares of a par value of USD0.000002 each. Class A Shares and Class B shares are having the same dividend rights but different voting rights. The holders of Class A Shares and Class B Shares shall at all times vote together as one class on all resolutions, and each Class A Share shall entitle its holder to ten votes and each Class B Share shall entitle its holder to one vote.

25. SHARE CAPITAL (Continued)

Issued

	Number of Class A Ordinary Shares ('000)	Nominal value of Class A Ordinary Shares USD'000	Number of Class B Ordinary Shares ('000)	Nominal value of Class B Ordinary Shares USD'000	Number of Class A Shares ('000)	Nominal value of Class A Shares USD'000	Number of Class B Shares ('000)	Nominal value of Class B Shares USD'000	Number of Series Pre-A1 Preferred Shares ('000)	Nominal value of Series Pre-A1 Preferred Shares USD'000	Number of Series Pre-A2 Preferred Shares ('000)	Nominal value of Series Pre-A2 Preferred Shares USD'000	Number of Series A Preferred Shares ('000)	Nominal value of Series A Preferred Shares USD'000	Number of Series B Preferred Shares ('000)	Nominal value of Series B Preferred Shares USD'000	Number of Series B+ Preferred Shares ('000)	Nominal value of Series B+ Preferred Shares USD'000	Number of Series C1 Preferred Shares ('000)	Nominal value of Series C1 Preferred Shares USD'000	Number of Series C2 Preferred Shares ('000)	Nominal value of Series C2 Preferred Shares USD'000	Number of Series D Preferred Shares ('000)	Nominal value of Series D Preferred Shares USD'000
As at 1 January 2023	466,240	4	173,865	2	-	-	-	-	70,707	1	51,389	-	255,607	3	21,271	-	242,296	3	147,428	1	55,528	-	-	-
Repurchase of ordinary shares and preferred shares[1]	(3,351)	-	(2,556)	-	-	-	-	-	(1,192)	-	(867)	-	(4,311)	-	(359)	-	(4,086)	-	-	-	-	-	-	-
Issuance of Series D Preferred Shares[2]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,144	-
Share-based compensation for employees[3,4]	261	-	24,558	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Series C1 Preferred Shares[5]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	118,746	2	-	-	-	-
Issuance of Series C2 Preferred Shares[1, 5]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,804	1	-	-
Reclassification and re-designation in connection of the Company's listing[6]	(463,150)	(4)	(195,867)	(2)	195,866	2	1,501,256	15	(69,515)	(1)	(50,522)	-	(251,296)	(3)	(20,912)	-	(238,210)	(3)	(266,174)	(3)	(115,332)	(1)	(26,144)	-
Share subdivision in connection of the Company's listing[6]	-	-	-	-	783,467	-	6,005,026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of shares by Global Offering[7]	-	-	-	-	-	-	326,550	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2023	-	-	-	-	979,333	2	7,832,832	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 1 January 2024	-	-	-	-	**979,333**	**2**	**7,832,832**	**16**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares pursuant to the 2024 Incentive Plan[8]	-	-	-	-	-	-	**85,994**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redesignation of Class A and B Shares[9]	-	-	-	-	**(1,574)**	-	**1,574**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 December 2024	-	-	-	-	**977,759**	**2**	**7,920,400**	**16**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

25. SHARE CAPITAL (Continued)

Issued (Continued)

(1) In May 2023, the Company further entered into agreements with certain personals and third-party investors to repurchase 3,351,470 Class A Ordinary Shares, 2,556,199 Class B Ordinary Shares, 1,192,408 Series Pre-A1 Preferred Shares, 866,626 Series Pre-A2 Preferred Shares, 4,310,571 Series A Preferred Shares, 358,716 Series B Preferred Shares and 4,086,085 Series B+ Preferred Shares, and issued 16,722,075 Series C2 Preferred Shares as the consideration (Note 26 (iii)).

(2) In May 2023, the Company entered into share purchase agreements with the Series D Preferred Shares investor and pursuant to which, the Company issued 26,143,791 shares of Series D Preferred Shares with the total consideration of USD200,000,000, recognized as financial liabilities at fair value through profit or loss. (Note 29).

(3) In May 2023, the Company granted 261,438 Class A Ordinary Shares to employees of the Group at par value, and the shares granted were fully vested on the grant date (Note 26 (i)).

(4) In May 2023, the Company granted 24,557,934 Class B Ordinary Shares to Mr. Jet Li at par value and the shares granted were to vest within the four year period commencing on the date of initial public filing of the Company (Note 26 (i)).

(5) In May 2023, the Company entered into agreements with the existing Series C1 and C2 Preferred Share holders to further issue 118,745,672 Series C1 Preferred Shares and 43,082,204 Series C2 Preferred Shares respectively at par value (Note 26 (iv)).

(6) In October 2023, in connection with the Company's listing, the Company underwent a Reclassification, Redesignation and Share Subdivision pursuant to the resolutions in writing of all shareholders, whereby the Company (i) reclassed and redesignated 195,866,682 Class B Ordinary Shares into Class A Shares and subdivided each such Class A Shares of a par value of US$0.00001 each into five Class A Shares of a par value of US$0.000002 each; (ii) reclassed and redesignated all of the Class A Ordinary Shares and convertible preferred shares of the Company into Class B Shares of a par value of US$0.00001 each and subdivided each such Class B Shares of a par value of US$0.00001 each into five Class B Shares of a par value of US$0.000002 each. All the convertible preferred shares of the Company were converted into ordinary shares at offering price HK$12.0 per share upon the completion of Global Offering. The difference between HK$12.0 and the par value of each share were capitalized as share premium. In addition, the cumulative fair value changes due to credit risk related to the convertible preferred shares were transferred from other reserve to accumulated losses on the same date.

(7) In connection with the Company's listing, 326,550,400 Class B Shares of the Company at US$0.000002 par value each were issued at HK$12.0 per share for a total cash consideration of HK$3,918,605,000 (equivalent to USD501,219,000) in October 2023. Netting off underwriting commissions and other issuance costs through equity with the amount of USD15,114,000, the Group received USD 486,105,000. Excluding the par value, the amount was recorded as share premium.

(8) In August 2024, as per J&T Global Express Limited 2024 Share Incentive Plan, the Company granted 85,994,057 Class B Shares to employees of the Group at par value, and the shares granted shall vest within a period between 0 month and 54 months after the grant date (Note 26 (ii)).

(9) In November and December 2024, 1,574,170 Class A shares were converted to Class B shares as per relevant agreement.

26. SHARE-BASED COMPENSATION

The Group operates share incentive plans, under which it receives services from employees as consideration for equity instruments of the Company. The fair value of the equity instruments received in exchange for the services is recognized as an expense on the consolidated income statement with a corresponding increase in equity.

In terms of the equity instruments awarded to employees, the total amount to be expensed is determined by reference to the fair value of equity instruments granted.

The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied if applicable.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-marketing vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

In some circumstances, employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date.

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Share-based compensation – related to employee benefit expenses (Note 8):		
Employee benefit expenses – shares granted to employees under "J&T Global Express Limited 2020 Share Incentive Plan" ("2020 Plan") (i)	**62,909**	45,850
Employee benefit expenses – shares granted to employees under "J&T Global Express Limited 2024 Share Incentive Plan" ("2024 Plan") (ii)	**23,720**	–
	86,629	45,850
Share-based compensation – related to equity transactions (Note 9):		
Ordinary shares and preferred shares repurchased accompanying Series C2 Preferred Shares issuance (iii)	**–**	22,960
Issuance of preferred shares (iv)	**–**	1,235,171
	–	1,258,131
Issuance of ordinary shares to network partners and regional sponsors under "J&T Global Express Limited Equity Incentive Plan" ("2022 Incentive Plan") (v)		
– deducting revenue	**750**	2,177
– recognising in selling, general and administrative expenses	**–**	158,442
	87,379	1,464,600

26. SHARE-BASED COMPENSATION(CONTINUED)

(i) Shares granted to employees under 2020 Plan

In December 2020, the board of directors of the Company approved the establishment of 2020 Plan with the purpose of attracting, motivating, retaining, and rewarding certain members of management and employees. The awards that may be awarded or granted under 2020 plan include options, RSUs, restricted shares, dividend equivalents, deferred shares, share payments, share appreciation rights and other awards. Pursuant to the Second Amended and Restated Shareholder Agreement signed on 30 December 2020, the maximum number of shares that may be issued under 2020 Plan shall be 101,088,653 Class A Ordinary Shares, which was further expanded in February 2021 accompanying the closing of Series B+ financing, and during October 2021 to March 2022 accompanying the closing of Series C1 financing, and in May 2023 accompanying the closing of Series D financing, and certain extraordinary general meetings of the shareholders of the Company.

Through January to March 2022, the Company further granted 20,947,465 Class A Ordinary Shares to Mr. Jet Li at par value. These shares granted were fully vested on relevant grant dates, then registered in March 2022 and redesignated as Class B Ordinary Shares on the same date (Note 25).

On 8 April 2022 and 17 May 2023, the Company granted 1,474,280 and 261,438 Class A Ordinary Shares, respectively, to employees of the Group at par value, and the shares granted were fully vested on the grant date. The shares were registered in April 2022 and May 2023 respectively (Note 25).

On 17 May 2023, the Company granted 24,557,934 Class B Ordinary Shares to Mr. Jet Li at par value. Pursuant to relevant award agreements, the vesting schedule is as follows, on the condition that Mr. Jet Li will remain in service as the chairman of the board of the Company, or as the chief executive officer or such other position equivalent ("Executive Position") within the four year period commencing on the date of initial public filing of the Company ("Listing Date") (Note 25).

Vesting date	Percentage of shares vested
the 1st anniversary of the Listing Date	25%
the 2nd anniversary of the Listing Date	25%
the 3rd anniversary of the Listing Date	25%
the 4th anniversary of the Listing Date	25%

Upon the termination of service as Executive Position, Mr. Jet Li shall return the unvested portion of ordinary shares to the Company at par value.

26. SHARE-BASED COMPENSATION (Continued)

(i) Shares granted to employees under 2020 Plan (Continued)

The fair values of the Company's ordinary shares granted under 2020 Plan are as follows:

	Number of ordinary shares	Weighted average fair value per share in USD
Granted during year 2023	24,819,372	6.94

The Company appointed an external valuer to provide assistance in the valuation of the fair value of its ordinary shares at the grant dates. The discounted cash flow method was adopted to determine the underlying equity fair value of the Group and the equity allocation model was applied to determine the fair value of the underlying ordinary shares of the Company. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the Company with best estimate.

The total expenses recognized in the consolidated income statement with a corresponding increase in share-based compensation reserve for the abovementioned share-based awards granted were USD62,909,000 and USD45,850,000 for the years ended 31 December 2024 and 2023, respectively. Except for the abovementioned 24,557,934 Class B Ordinary Shares granted to Mr. Jet Li, all shares were vested upon the grant date without any outstanding unvested shares as at 31 December 2024 and 2023.

(ii) Shares granted to employees under 2024 Plan

The 2024 Share Incentive Plan was approved by shareholders at the 2024 annual general meeting. The Share Incentive Plan is designed to align the personal interests of these Grantees to those of the Shareholders, motivate their outstanding performance, attract and retain talents for the continuous operation and development of the Group, with a view to further promote the Group's success and development, enhance values of the Company, and generate returns to the Shareholders.

On 20 August 2024, the Company granted Awards relating to a total of 85,994,057 Class B Shares to 251 Grantees, which are employees of the Group, under the 2024 Share Incentive Plan. The Class B Shares granted to the Grantees shall vest within a period between 0 month and 54 months after the grant date pursuant to the vesting schedule specified in the Award Agreement. The fair value at grant date of such shares was based on HKD6.8 per share. The total expense recognized in the consolidated income statement in respect of the 2024 plan was USD23,720,000, which is included in selling, general and administrative expenses.

26. SHARE-BASED COMPENSATION (Continued)

(iii) Repurchase of ordinary shares and preferred shares in relation to Series C2 Preferred shares issuance

In May 2023, the Company further entered into agreements with certain personals and third-party investors to repurchase 3,351,470 Class A Ordinary Shares, 2,556,199 Class B Ordinary Shares, 1,192,408 Series Pre-A1 Preferred Shares, 866,626 Series Pre-A2 Preferred Shares, 4,310,571 Series A Preferred Shares, 358,716 Series B Preferred Shares and 4,086,085 Series B+ Preferred Shares, and issued 16,722,075 Series C2 Preferred Shares as the consideration. The difference between such consideration and the fair value of the repurchased shares amounted to USD22,960,000, which was recognized as share-based compensation expenses during the year ended 31 December 2023.

	Fair value as at the repurchase date USD'000	Number of shares	Repurchase consideration USD'000	Share-based compensation expenses USD'000
Class A Ordinary Shares	25,843	3,351,470	31,166	5,323
Class B Ordinary Shares	19,712	2,556,199	23,771	4,059
Series Pre-A1 Preferred Shares	9,359	1,192,408	11,089	1,730
Series Pre-A2 Preferred Shares	6,802	866,626	8,059	1,257
Series A Preferred Shares	34,309	4,310,571	40,086	5,777
Series B Preferred Shares	2,882	358,716	3,336	454
Series B+ Preferred Shares	33,638	4,086,085	37,998	4,360
	132,545	16,722,075	155,505	22,960

(iv) Issuance of preferred shares

In May 2023, accompanying Series D financing, the Company entered into agreements with the existing Series C1 and C2 Preferred Share holders to further issue 118,745,672 Series C1 Preferred Shares and 43,082,204 Series C2 Preferred Shares respectively at par value, representing both the exercise of relevant anti-dilution arrangements included in the Company's shareholder agreement and an additional compensation to such shareholders, accordingly share-based compensation expenses with an amount of USD1,235,171,000 were recognized, representing the fair value of the additional shares issued as compensation.

26. SHARE-BASED COMPENSATION (Continued)

(v) Issuance of ordinary shares to network partners and regional sponsors under 2022 Incentive Plan

In 2022, the board of directors of the Company approved the establishment of the 2022 Incentive Plan for the purpose of enhancing the bonding between the interests of the Group and relevant regional sponsors and network partners.

Pursuant to the 2022 Incentive Plan, the maximum number of shares that may be issued shall be 38,000,000 Class A Ordinary Shares.

Shares granted to network partners

Ordinary shares granted to network partners with vesting schedule

On 28 September 2022, the Company granted certain network partners 6,330,100 ordinary shares under the abovementioned plan with the total consideration of USD44,579,000. Pursuant to relevant award agreements, the vesting schedule is as follows, on the condition that the network partners will remain in service.

Vesting date	Percentage of shares vested
28 September 2023	30%
28 September 2024	30%
28 September 2025	40%

Upon the termination of service, the unvested portion of ordinary shares shall be returned to the Company, and the Company shall also refund the relevant purchase price.

Pursuant to the relevant agreements, the unvested portion of the ordinary shares are not entitled to any voting power or dividends.

A summary of activities of the shares granted under such plan is presented as follows:

	Year ended 31 December 2024		Year ended 31 December 2023	
	Number of ordinary shares	**Weighted average grant-date fair value USD per share**	Number of ordinary shares	Weighted average grant-date fair value USD per share
At beginning of the period	**4,205,670**	**7.59**	6,330,100	7.59
Vested	**(1,682,250)**	**–**	(1,892,430)	–
Forfeited	**(140,300)**	**7.59**	(232,000)	7.59
At end of the period	**2,383,120**	**7.59**	4,205,670	7.59

In addition to the abovementioned shares granted with considerations and vesting schedule listed above, the 2022 Incentive Plan also include certain number of ordinary shares to be granted with various vesting arrangements and with nil consideration.

26. SHARE-BASED COMPENSATION (Continued)

(v) Issuance of ordinary shares to network partners and regional sponsors under 2022 Incentive Plan (Continued)

Shares granted to network partners (Continued)

Ordinary shares granted to network partners with "fast-track" vesting schedule

On 28 September 2022, the Company granted certain network partners 90,000 ordinary shares at nil consideration, the fair value of which was USD683,000. Pursuant to the relevant award agreements, these ordinary shares would fully vest on 28 September 2023 on the condition that the network partners remained in service. Upon the termination of service, the unvested portion of ordinary shares shall be returned to the Company. Pursuant to the relevant agreements, the unvested portion of the ordinary shares are not entitled to any voting power or dividends.

On 28 September 2023, the abovementioned ordinary shares fully vested.

Ordinary shares granted to network partners with no vesting schedule

On 28 September 2022, the Company granted certain network partners 8,497,340 ordinary shares at nil consideration, the fair value of which was USD64,498,000. Pursuant to the relevant award agreements, these shares granted immediately vest upon the grant date.

As the shares granted to network partners in 2022 under the 2022 Incentive Plan were not linked to distinct goods or services, such shares granted were considered as payments to customers. Revenue with a total amount of approximately USD750,000 and USD2,177,000 was reduced for the year ended 31 December 2024 and 2023 respectively, representing the difference between the total consideration received and the fair value of the abovementioned vested shares at the grant date, with a corresponding increase in share-based compensation reserve.

Shares granted to regional sponsors

Ordinary shares granted to regional sponsors with no vesting schedule

On 27 June 2023, the Company granted certain regional sponsors 23,104,560 ordinary shares at nil consideration. Pursuant to the relevant award agreements, these shares granted immediately vest upon the grant date, with a fair value amount of USD158,442,000 and fully charged to share-based compensation expenses during the year ended 31 December 2023.

The Company appointed an external valuer to provide assistance in the valuation of the fair value of its ordinary shares at the grant dates. The discounted cash flow method was adopted to determine the underlying equity fair value of the Group and the equity allocation model was applied to determine the fair value of the underlying ordinary shares of the Company. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the Company with best estimate.

27. SHARE PREMIUM, TREASURY SHARES AND OTHER RESERVES

(a) Share premium

	Total USD'000
As at 1 January 2023	603,829
Repurchase of ordinary shares (Notes 25, 26 and 29)	(5,573)
Conversion of preferred shares upon global offering	7,964,492
Issuance of ordinary shares pursuant to the 2022 Incentive Plan	12,884
Net proceeds from Global Offering	486,104
As at 31 December 2023	**9,061,736**
As at 1 January 2024 and 31 December 2024	**9,061,736**

(b) Treasury shares

	Total **USD'000**
As at 1 January 2024	**–**
Repurchase of shares	**(19,420)**
As at 31 December 2024	**(19,420)**

On 29 October 2024, the Board of Directors of the Company approved the "Proposed Share Buy-back Plan" to purchase on-market Class B Shares, not exceeding 10% of the total number of issued shares of the Company (excluding treasury shares) as at the date of the Company's annual general meeting held on 18 June 2024. During the year ended 31 December 2024, the Company repurchased 27,070,600 of its own shares from the market, all of which had not been cancelled as at 31 December 2024. The repurchased shares were acquired at prices ranging from HKD5.63 to HKD6.34 per share, with an average price of HKD5.99 per share, and included in treasury shares.

27. SHARE PREMIUM, TREASURY SHARES AND OTHER RESERVES (Continued)

(c) Other reserves

	Share-based compensation reserve USD'000	Translation reserve USD'000	Others USD'000	Total USD'000
As at 1 January 2023	770,631	(273,444)	(931,295)	(434,108)
Other comprehensive loss – resulted from change of credit risk of financial liabilities measured at fair value	–	–	5,645	5,645
Share-based compensation (Note 26)	45,850	–	–	45,850
Transaction with non-controlling interests (Note 35)	–	–	49,450	49,450
Repurchase of ordinary shares and convertible preferred shares (Notes 25 and 26) (i)	–	–	(39,982)	(39,982)
Issuance of ordinary shares pursuant to the 2022 Incentive Plan	–	–	169,212	169,212
Issuance of convertible preferred shares	–	–	(3)	(3)
Conversion of preferred shares upon global offering	–	–	9,043	9,043
Currency translation differences	–	10,942	–	10,942
Others	–	–	(1,322)	(1,322)
At 31 December 2023	816,481	(262,502)	(739,252)	(185,273)

	Share-based compensation reserve USD'000	**Translation reserve USD'000**	**Others USD'000**	**Total USD'000**
As at 1 January 2024	**816,481**	**(262,502)**	**(739,252)**	**(185,273)**
Other comprehensive loss – resulted from change of credit risk of financial liabilities measured at fair value	**–**	**–**	**(43)**	**(43)**
Share-based compensation (Note 26)	**86,629**	**–**	**–**	**86,629**
Transaction with non-controlling interests (Note 35)	**–**	**–**	**(22,662)**	**(22,662)**
Issuance of ordinary shares pursuant to the 2022 Incentive Plan	**–**	**–**	**10,390**	**10,390**
Currency translation differences	**–**	**(85,940)**	**–**	**(85,940)**
Others	**–**	**–**	**6,118**	**6,118**
At 31 December 2024	**903,110**	**(348,442)**	**(745,449)**	**(190,781)**

27. SHARE PREMIUM, TREASURY SHARES AND OTHER RESERVES (Continued)

(c) Other reserves (Continued)

(i) In January, March, August and September 2022 and May 2023, the Company repurchased certain number of ordinary shares and preferred shares. For those repurchased ordinary shares, the differences between the carrying values (historical cost) and the fair values of such repurchased shares as at repurchase date were substantially recorded in other reserves, while the differences between the fair values of such repurchased shares as at repurchase date and the relevant repurchase considerations of such shares were substantially recorded as share-based compensation expenses. For those repurchased preferred shares which were already carried at fair value and recognised as financial liabilities at fair value through profit or loss, the difference between the carrying values (fair values) as at repurchase date and relevant repurchase considerations of such shares were substantially recorded as share-based compensation expenses.

28. BORROWINGS

	As at 31 December	
	2024	2023
	USD'000	USD'000
Non-current		
Borrowings from financial institutions (i)	**1,320,550**	1,071,313
Current		
Borrowings from financial institutions (i)	**262,642**	203,636
Borrowings from third parties (ii)	**–**	7,600
	262,642	211,236
Total borrowings	**1,583,192**	1,282,549

(i) As at 31 December 2024, current portion of borrowings from financial institutions of USD262,642,000, were substantially secured by the pledges of bank deposits (Note 24), property, plant and equipment (Note 15), right-of-use assets (Note 16), and non-current portion of borrowings from financial institutions of USD1,320,550,000 were substantially secured by the Group's certain other non-current assets (Note 20).

As at 31 December 2023, borrowings from financial institutions of USD1,274,949,000, were substantially secured by the pledges of bank deposits (Note 24), property, plant and equipment (Note 15), right-of-use assets (Note 16), and debentures over the items including but not limited to the shares the Company holds in certain subsidiaries, certain receivables, material intellectual property and other assets of the Group, and supported by guarantees from certain regional sponsors.

The Group was in compliance with the relevant borrowing covenants during the years ended 31 December 2024 and 2023.

28. BORROWINGS (Continued)

(ii) As at 31 December 2023, the borrowings from third parties were generally due within 1 year, and the borrowings from related parties and third parties were not secured. The weighted average interest rates per annum as at 31 December 2024 and 2023 were 5.67% and 6.12% respectively.

(iii) At 31 December 2024 and 2023, the Group's borrowings were repayable as follows:

	As at 31 December	
	2024	2023
	USD'000	USD'000
Within 1 year	**262,642**	211,236
Between 1 and 2 years	**58,560**	1,008,460
Between 2 and 5 years	**1,197,439**	28,614
Over 5 years	**64,551**	34,239
	1,583,192	1,282,549

The fair values of the borrowings were not materially different from their carrying amounts since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

29. FINANCIAL LIABILITIES

(a) Financial liabilities at fair value through profit or loss

	As at 31 December	
	2024	2023
	USD'000	USD'000
Liabilities of the Company's subsidiaries		
– Series A Preferred Shares of JET Global	**539,707**	580,782
– Convertible notes of JET Global	**109,454**	–
– Convertible loans of JNT KSA	**11,332**	10,519
– Redeemable Shares of JNT KSA (Note 29 (b))	**–**	15,000
	660,493	606,301

29. FINANCIAL LIABILITIES (Continued)

(a) Financial liabilities at fair value through profit or loss (Continued)

Liabilities of the Company's subsidiaries

Series A Preferred Shares of JET Global

JET Global Express Limited ("JET Global") is the holding company of the Group's business in Mexico, Egypt, Brazil and Middle East ("New Markets").

In July 2021, JET Global entered into agreements with third-party investors to raise Series A financing, with total consideration of USD283,620,000 by issuance of 283,620,000 JET Global Series A Preferred Shares. These financing proceeds were divided into four parts with certain investment allocation ratio, and allocated among the businesses of the four regions, namely Mexico, Egypt, Brazil, and Middle East ("Allocated Investment"). Major operations in such regions substantially started in 2022.

The rights, preferences, and privileges of the JET Global Series A Preferred Shares are as follows:

Dividend rights
The directors of JET Global may from time to time declare dividends (including interim dividends) and distributions on JET Global' s shares. No dividend will be declared and paid on JET Global' s ordinary shares unless and until a dividend is declared and paid on JET Global Series A Preferred Shares.

Voting rights
The holder of each share issued and outstanding, including JET Global' s ordinary share and JET Global Series A Preferred Share, shall have one vote for each share held by such holder.

Liquidation preference
In the liquidation, dissolution or winding up of substantially all regional entities of a given region, prior and in preference to any distribution of any of the available funds and assets to any other holders of shares, each JET Global Series A Preferred Share holder shall be entitled to receive for each issued and outstanding JET Global Series A Preferred Share, the amount equal to one hundred percent (100%) of the Allocated Investment, plus (a) all interest that would accrue on the Allocated Investment during the period from the relevant issue date to the date of receipt by the holder thereof of the full liquidation amount at a rate of 6% per annum, plus (b) declared but unpaid dividends for such portion of preferred shares, respectively.

If the available funds and assets of liquidated regions are insufficient for the full payment to all JET Global Series A Preferred Shareholders, then these available funds and assets shall be distributed among the JET Global Series A Preferred Shareholders in proportion. After distributing or paying in full the liquidation preference amount to JET Global Series A Preferred Shareholders, the remaining available funds, and assets, if any, shall be distributed shall be distributed among the holders of the JET Global' s ordinary shares and preferred shares on a pro rata basis, based on the number of ordinary shares then held by each holder on an as-converted basis.

29. FINANCIAL LIABILITIES (Continued)

(a) Financial liabilities at fair value through profit or loss (Continued)

Liabilities of the Company's subsidiaries (Continued)

Series A Preferred Shares of JET Global (Continued)

Conversion rights

Each preferred share may, at the option of the holder thereof, be converted at any time after the date of issuance of such preferred shares into ordinary shares of JET Global, or shall automatically be converted into ordinary shares of JET Global upon the closing of an IPO of JET Global.

The conversion ratio for the preferred shares to the ordinary shares is 1:1 if no adjustments to conversion price have occurred. As at 31 December 2024, each convertible preferred share is convertible into one ordinary share of JET Global.

Exit right

During two thirty-day periods following receipt of the annual regional financial statements of all abovementioned regions after the fifth and sixth anniversary of the closing date, each JET Global Series A Preferred Shareholders will have an exit right for the purpose of disposing of all (but not less than all) of their JET Global Series A Preferred Shares.

The exit price will be subject to certain agreements between the group and the third-party investors.

Upon receiving the exit right exercise notice, the Company shall issue to the exiting JET Global Series A Preferred Shareholders a number of shares of the Company substantially equal to the result of (i) the sum of all regional exit prices for each unliquidated region, divided by (ii) the applicable share price of the Company. If the Company is not publicly listed as at the exit date, the satisfactory information evidencing the Company's share price shall be provided to the exiting shareholder.

Convertible notes of JET Global

On 25 September 2024, JET Global entered into agreements with certain third-party investor to issue convertible notes with the principal sum of USD57,514,530, which were accounted for as financial liabilities at fair value through profit or loss.

The convertible notes will automatically be converted to certain number of Series A-1 Preferred Shares of JET Global at a designated conversion date.

Convertible loans of JNT KSA

In April 2023, JNT KSA entered into agreements with its third-party shareholder to obtain a convertible loan with the amount of USD10,000,000, which approximated relevant fair value as at transaction date and was accounted for as financial liabilities at fair value through profit or loss.

The convertible loan's initial mature term was 12 months after initial issuance, and was subsequently extended to 24 months after initial insurance, the interest of which is 8% per annum, and the term may be adjusted under certain circumstance. Typically, the entire principal amount may be converted into the shares of JNT KSA upon the maturity date, with the conversion price as 80% of the fair market price per share of JNT KSA as determined per relevant agreements.

29. FINANCIAL LIABILITIES (Continued)

(a) Financial liabilities at fair value through profit or loss (Continued)

Liabilities of the Company's subsidiaries (Continued)

Convertible loans of JNT KSA (Continued)

The movements of financial liabilities at fair value through profit or loss are set out below:

	As at 31 December	
	2024 **USD'000**	2023 USD'000
Carrying amount at the beginning of the year	**606,301**	7,765,067
Issuance of Series C1 Preferred Shares	**–**	898,649
Issuance of Series C2 Preferred Shares	**–**	492,027
Issuance of Series D Preferred Shares	**–**	200,000
Repurchase of Series Pre-A1 Preferred Shares (Note 26(iii))	**–**	(9,359)
Repurchase of Series Pre-A2 Preferred Shares (Note 26(iii))	**–**	(6,802)
Repurchase of Series A Preferred Shares (Note 26(iii))	**–**	(34,309)
Repurchase of Series B Preferred Shares (Note 26(iii))	**–**	(2,882)
Repurchase of Series B+ Preferred Shares (Note 26(iii))	**–**	(33,638)
Redeemable shares of JNT KSA to be issued	**–**	15,000
Issuance of redeemable shares of JNT KSA	**(15,000)**	–
Issuance of convertible loans of JNT KSA	**–**	10,000
Issuance of convertible notes of JET Global	**109,450**	–
Conversion of Preferred Shares to Common shares upon Global Offering	**–**	(7,964,492)
Changes in fair value – profit or loss	**(40,301)**	(717,315)
Changes in fair value – other comprehensive loss	**43**	(5,645)
Carrying amount at the end of the year	**660,493**	606,301

Determination of fair value

With the assistance from an external valuer appointed by the Group, the Group applied the discounted cash flow method to determine the underlying equity value of the Company and its subsidiaries and adopted option-pricing method and equity allocation model to determine the fair value of the convertible preferred shares. Key assumptions in determining the fair value of Series A Preferred Shares and convertible notes of JET Global are set out as below:

Series A Preferred Shares of JET Global

	As at 31 December		Relationship of unobservable inputs to fair value
	2024	2023	
Discount rate	**19.0%**	20.0%	The higher the discount rate, the lower the fair value
Discount of lack of marketability ("DLOM")	**25.0%**	30.0%	The higher the DLOM, the lower the fair value
Expected volatility	**40.6%**	50.0%	The higher the expected volatility, the lower the fair value

29. FINANCIAL LIABILITIES (Continued)

(a) Financial liabilities at fair value through profit or loss (Continued)

Determination of fair value (Continued)

Series A Preferred Shares of JET Global (Continued)

Discount rate was estimated by weighted average cost of capital as at each valuation date. The DLOM was estimated based on the option-pricing method. Under the option pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount. Expected volatility was estimated based on annualised standard deviation of daily stock price return of comparable companies for the period before respective valuation date and with similar span as time to expiration. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of the preferred shares on each valuation date.

The estimated carrying amount of relevant preferred shares as at 31 December 2024 would have been USD33,385,000 lower/USD35,540,000 higher, respectively, should the discount rate used in discounted cash flow analysis be higher/lower by 100 basis points from management's estimates. (2023: USD35,900,000 lower/USD40,350,000 higher)

Convertible notes of JET Global

	As at 31 December		Relationship of unobservable inputs to fair value
	2024	2023	
Discount rate	**19.0%**	NA	The higher the discount rate, the lower the fair value
Discount of lack of marketability ("DLOM")	**25.0%**	NA	The higher the DLOM, the lower the fair value
Expected volatility	**40.6%**	NA	The higher the expected volatility, the lower the fair value

Discount rate was estimated by weighted average cost of capital as at each valuation date. The DLOM was estimated based on the option-pricing method. Under the option pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount. Expected volatility was estimated based on annualised standard deviation of daily stock price return of comparable companies for the period before respective valuation date and with similar span as time to expiration. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of the preferred shares on each valuation date.

The estimated carrying amount of relevant convertible notes as at 31 December 2024 would have been USD6,771,000 lower/USD7,208,000 higher, respectively, should the discount rate used in discounted cash flow analysis be higher/lower by 100 basis points from management's estimates.

29. FINANCIAL LIABILITIES (Continued)

(b) Financial liabilities – redemption liabilities of shares of JNT KSA

	As at 31 December	
	2024	2023
	USD'000	USD'000
Financial liabilities – redemption liabilities of shares of JNT KSA	**65,958**	36,740

JNT Express KSA LLC ("JNT KSA") is a non-wholly owned subsidiary of the Group operating in Saudi Arabia, established in 2021. The shares of JNT KSA held by a third-party investor were entitled to an exit right as below and were recognized as financial liabilities – redemption liabilities of shares of JNT KSA.

Exit right

After the fifth anniversary of relevant closing date respectively, and so long as JNT KSA maintains its business operation, the abovementioned investor shall have an exit right for the purpose of disposing of all (but not less than all) of its shares.

The exit price will be subject to certain agreements between the Group and the third-party investor. Upon receiving the exit right exercise notice, the Company shall issue to the abovementioned investor a number of shares of the Company substantially equal to the result of (i) the exit price divided by (ii) the applicable share price of the Company. If the Company is not publicly listed as at the exit date, the satisfactory information evidencing the Company's share price shall be provided to the exiting shareholder.

The first batch of the abovementioned shares were issued upon JNT KSA's establishment with a total consideration of USD20,000,000, and in January 2024, as per agreements entered into between JNT KSA and the abovementioned third-party shareholder, JNT KSA additionally issued a number of shares with similar exit right, with total consideration of USD15,000,000.

The Company accounted such shares and exit right as a redemption liability at initial recognition. As at 31 December 2024, the carrying amount of such redemption liability was USD65,958,000 (As at 31 December 2023: USD36,740,000).

30. DEFERRED INCOME TAX

(i) Deferred income tax assets

	As at 31 December	
	2024	2023
	USD'000	USD'000
The balance comprises temporary differences attributable to:		
Deductible tax losses	**83,123**	75,556
Lease liabilities	**120,748**	132,117
Provision and other temporary difference	**18,474**	6,917
Total deferred tax assets	**222,345**	214,590
Net-off with deferred tax liabilities	**(147,670)**	(160,777)
Net deferred tax assets	**74,675**	53,813

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates at which are expected to be applied at the time of reversal of the temporary differences. The analysis of deferred income tax assets is as follows:

	As at 31 December	
	2024	2023
	USD'000	USD'000
Deferred income tax assets		
– to be recovered after 12 months	**122,934**	95,384
– to be recovered within 12 months	**99,411**	119,206
	222,345	214,590

30. DEFERRED INCOME TAX (Continued)

(i) Deferred income tax assets (Continued)

The gross movements in deferred income tax assets before offsetting during the reporting period are as follows:

	Deductible tax losses USD'000	Lease liabilities USD'000	Provision and other temporary difference USD'000	Total USD'000
As at 1 January 2023	58,788	129,047	6,643	194,478
Credit/(charge) to consolidated income statement	17,686	2,319	224	20,229
Exchange differences	(918)	751	50	(117)
As at 31 December 2023 and 1 January 2024	75,556	132,117	6,917	214,590
Credit/(charge) to consolidated income statement	**8,344**	**(10,558)**	**11,759**	**9,545**
Exchange differences	**(777)**	**(811)**	**(202)**	**(1,790)**
As at 31 December 2024	**83,123**	**120,748**	**18,474**	**222,345**

Deferred income tax assets are recognized to the extent that the realisation of the related tax benefit through the future taxable profits is probable. Deferred income tax assets have not been recognized in respect of the following items:

	As at 31 December	
	2024 USD'000	2023 USD'000
Tax losses	**3,601,351**	3,736,953
Deductible temporary differences	**230,551**	248,963
	3,831,902	3,985,916

30. DEFERRED INCOME TAX (Continued)

(i) Deferred income tax assets (Continued)

As at 31 December 2024 and 2023, the unrecognized tax losses primarily arise from the Company's subsidiaries in the PRC, South-East Asia countries and other new market countries.

The expiry dates of the unrecognized tax losses are as follows:

	As at 31 December	
	2024	2023
	USD'000	USD'000
2024	**3,424**	83,442
2025	**262,611**	379,172
2026	**655,901**	907,497
2027	**1,394,490**	1,484,823
2028	**676,652**	692,611
2029	**268,364**	–
2031	**39,812**	3,358
2032	**42,396**	5,889
2033	**7,947**	15,342
2034	**5,126**	–
no expiry date	**244,628**	164,819
	3,601,351	3,736,953

(ii) Deferred income tax liabilities

	As at 31 December	
	2024	2023
	USD'000	USD'000
The balance comprises temporary differences attributable to:		
Right-of-use assets	**121,163**	140,933
Depreciation and other temporary difference	**41,819**	35,652
Total deferred tax liabilities	**162,982**	176,585
Net-off of deferred tax assets	**(147,670)**	(160,777)
Net deferred tax liabilities	**15,312**	15,808

30. DEFERRED INCOME TAX (Continued)

(ii) Deferred income tax liabilities (Continued)

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates at which are expected to be applied at the time of reversal of the temporary differences. The analysis of deferred income tax liabilities is as follows:

	As at 31 December	
	2024 **USD'000**	2023 USD'000
Deferred income tax liabilities		
– to be settled after 12 months	**113,663**	89,968
– to be settled within 12 months	**49,319**	86,617
	162,982	176,585

The gross movements in deferred income tax liabilities before offsetting during the reporting period are as follows:

	Right-of-use assets USD'000	**Depreciation and other temporary difference** USD'000	**Total** USD'000
As at 1 January 2023	130,805	42,973	173,778
Credit to consolidated income statement	9,855	(7,621)	2,234
Exchange differences	273	300	573
As at 31 December 2023 and 1 January 2024	140,933	35,652	176,585
Credit to consolidated income statement	**(18,993)**	**6,360**	**(12,633)**
Exchange differences	**(777)**	**(193)**	**(970)**
As at 31 December 2024	**121,163**	**41,819**	**162,982**

31. TRADE PAYABLES

The following is an aging analysis of the Group's trade payables presented based on the invoice issuance date:

	As at 31 December	
	2024	2023
	USD'000	USD'000
Within 3 months	**560,942**	433,167
3 to 6 months	**17,778**	18,311
6 to 9 months	**3,437**	8,596
9 to 12 months	**1,992**	3,117
Above 12 months	**5,711**	3,713
	589,860	466,904

The carrying amounts of trade payables approximated their fair values as at the balance sheet dates.

32. ADVANCES FROM CUSTOMERS

	As at 31 December	
	2024	2023
	USD'000	USD'000
Advances from customers for express delivery services	**322,333**	272,231

Advances from customers for express delivery services were mainly the advance payments from customers which can be refunded as per request by customers.

As at 31 December 2024 and 2023, the outstanding express delivery service orders would generally be completed within ten days, while other types of orders generally within one month.

All contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

33. ACCRUALS AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	USD'000	USD'000
Cash on delivery related payables	**331,150**	323,660
Salary and welfare payables	**299,716**	207,973
Deposits	**173,134**	159,995
Tax payables (excluding Corporate Income Tax)	**66,345**	42,517
Payables of long-term assets	**51,786**	55,438
Consideration received pursuant to Network Partner Plan (Note 26(v))	**4,053**	15,531
Others	**97,725**	83,828
	1,023,909	888,942

34. CASH FLOW INFORMATION

(a) Cash generated generated from operations

The reconciliation from profit/(loss) for the year to cash generated from operations is as follows:

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
Profit/(loss) for the year	**113,704**	(1,156,378)
Adjustments for:		
Income tax expense	**15,446**	17,182
Depreciation of property, plant and equipment	**240,881**	219,506
Depreciation of right-of-use assets	**215,454**	236,402
Depreciation of investment properties	**387**	53
Amortization of intangible assets	**21,295**	26,583
Impairment losses on financial assets	**11,266**	26,928
Accrual of inventory provisions	**47**	292
Finance income	**(40,671)**	(24,755)
Finance costs	**126,175**	105,089
Other income	**(10,227)**	(46,263)
Other gains – net	**(1,386)**	(1,576)
Share-based compensation	**87,379**	1,464,600
Net (gains)/loss on disposal of long-term assets	**(5,425)**	8,822
Fair value change of financial assets and liabilities at fair value through profit or loss	**(4,463)**	(707,925)
Share of results of associates	**352**	237
Foreign exchange (gains)/losses – net	**(4,228)**	26,078
Movements in working capital		
Decrease/(increase) in inventories	**12,670**	(5,826)
Increase in trade receivables	**(91,069)**	(54,971)
Increase in prepayments, other receivables, and other assets	**(163,724)**	(39,528)
Increase/(decrease) in trade payables	**76,318**	(17,524)
Increase in accruals and other payables	**188,652**	215,499
Increase in advances from customers	**41,629**	56,148
Return of restricted cash	**717**	50,741
Cash generated from operations	**831,179**	399,414

34. CASH FLOW INFORMATION (Continued)

(b) Net debt reconciliation

Net debt

	As at 31 December	
	2024	2023
	USD'000	USD'000
Cash and cash equivalents	**1,596,931**	1,483,198
Restricted cash	**40,861**	41,921
Financial assets at fair value through profit or loss	**673,966**	775,534
Borrowings	**(1,583,192)**	(1,282,549)
Lease liabilities	**(469,170)**	(508,657)
Financial liabilities at fair value through profit or loss	**(660,493)**	(606,301)
Financial liabilities – redemption liabilities of shares of JNT KSA	**(65,958)**	(36,740)
Net debt	**(467,055)**	(133,594)
Cash and financial assets at fair value through profit or loss	**2,311,758**	2,300,653
Gross debt – liabilities from financing activities	**(2,778,813)**	(2,434,247)
Net debt	**(467,055)**	(133,594)

34. CASH FLOW INFORMATION (Continued)

(b) Net debt reconciliation (Continued)

This section sets out the movements in net debt for each of the years presented.

	Liabilities from financing activities				Other assets			
	Borrowings	Lease liabilities	Financial liabilities at FVTPL	Financial liabilities – redemption liabilities of shares of JNT KSA	Cash and cash equivalents	Restricted cash	Financial assets at FVTPL	Total
As at 1 January 2023	(1,098,377)	(492,666)	(7,765,067)	(30,583)	1,504,048	79,725	497,490	(7,305,430)
Cash flows	(118,457)	284,106	(225,000)	–	5,701	(37,804)	285,549	194,095
New leases entered	–	(297,729)	–	–	–	–	–	(297,729)
Interest expenses	(69,411)	(29,521)	–	(6,157)	–	–	–	(105,089)
Lease modification	–	27,986	–	–	–	–	–	27,986
Repurchase of the preferred shares (Note 29)	–	–	86,990	–	–	–	–	86,990
Share-based compensation expense	–	–	(1,235,171)	–	–	–	–	(1,235,171)
Non-cash payment for Series C2 Preferred Shares	–	–	(155,505)	–	–	–	–	(155,505)
Fair Value Change	–	–	717,315	–	–	–	(9,390)	707,925
Fair Value Change – other comprehensive loss	–	–	5,645	–	–	–	–	5,645
Conversion of convertible preferred shares upon Global Offering	–	–	7,964,492	–	–	–	–	7,964,492
Acquisition of subsidiaries	–	(667)	–	–	(21,698)	–	–	(22,365)
Foreign exchange adjustments	3,696	(166)	–	–	(4,853)	–	1,885	562
As at 31 December 2023 and 1 January 2024	(1,282,549)	(508,657)	(606,301)	(36,740)	1,483,198	41,921	775,534	(133,594)
Cash flows	**(232,098)**	**277,831**	**–**	**–**	**122,368**	**(1,060)**	**(67,662)**	**99,379**
New leases entered	**–**	**(209,091)**	**–**	**–**	**–**	**–**	**–**	**(209,091)**
Interest expenses	**(80,627)**	**(31,330)**	**–**	**(14,218)**	**–**	**–**	**–**	**(126,175)**
Lease modification	**–**	**16,559**	**–**	**–**	**–**	**–**	**–**	**16,559**
Issuance of redeemable shares of JNT KSA	**–**	**–**	**15,000**	**(15,000)**	**–**	**–**	**–**	**–**
Settlement of borrowings through issuance of convertible notes of JET Global	**9,046**	**–**	**–**	**–**	**–**	**–**	**–**	**9,046**
Issuance of convertible notes of JET Global	**–**	**–**	**(109,450)**	**–**	**–**	**–**	**–**	**(109,450)**
Fair Value Change	**–**	**–**	**40,301**	**–**	**–**	**–**	**(35,838)**	**4,463**
Fair Value Change – other comprehensive loss	**–**	**–**	**(43)**	**–**	**–**	**–**	**–**	**(43)**
Acquisition of subsidiaries	**–**	**(17,222)**	**–**	**–**	**11,467**	**–**	**–**	**(5,755)**
Foreign exchange adjustments	**3,036**	**2,740**	**–**	**–**	**(20,102)**	**–**	**1,932**	**(12,394)**
As at 31 December 2024	**(1,583,192)**	**(469,170)**	**(660,493)**	**(65,958)**	**1,596,931**	**40,861**	**673,966**	**(467,055)**

35. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The material transactions with non-controlling interests during year ended 31 December 2024 are as follows:

Acquisition of non-controlling interests of the regional subsidiaries in Indonesia

In June 2024, the Group acquired additional 30.0% of the equity interests of certain subsidiaries in Indonesia, with a total cash payment of approximately USD7,424,000. After the transaction, the Group holds 100% of the equity interests of the abovementioned subsidiaries in Indonesia.

Immediately prior to the transaction, the carrying amount of the 30.0% non-controlling interest in the abovementioned subsidiaries was around USD45,499,000. The Group recognized a decrease in non-controlling interests by USD45,499,000 and an increase in other reserve by USD38,075,000.

Acquisition of non-controlling interests of the regional subsidiary in Brazil

In July 2024, the Group acquired an additional 19% of the equity interests of J&T Express Brazil LTDA by issuing principal amount of USD19,197,971 convertible notes. Immediately prior to the transaction, the carrying amount of the 19% non-controlling interest in J&T Express Brazil LTDA was negative USD13,823,000. The Group recognized an increase in non-controlling interests by USD13,823,000 and a decrease in other reserve by USD49,039,000.

The impact of the transactions with non-controlling interests on the equity attributable to the owners of the Company is summarised follows:

2024	**Acquisition of NCI of the regional subsidiaries in Indonesia USD'000**	**Acquisition of NCI of the Brazil subsidiary USD'000**	**Other immaterial transactions USD'000**	**Total USD'000**
Carrying amount of non-controlling interests debited/(credited)	**45,499**	**(13,823)**	**(11,698)**	**19,978**
Consideration paid to non-controlling interests in cash	**(7,424)**	**(35,216)**	**–**	**(42,640)**
(Increase)/decrease in other reserve	**(38,075)**	**49,039**	**11,698**	**22,662**

2023	Acquisition of NCI of the Philippines subsidiary USD'000	Other immaterial transactions USD'000	Total USD'000
Carrying amount of non-controlling interests debited/(credited)	62,378	(7,961)	54,417
Consideration paid to non-controlling interests in cash	–	(4,967)	(4,967)
(Increase)/decrease in other reserve	(62,378)	12,928	(49,450)

36. BUSINESS COMBINATION OF OPERATING ENTITIES OF MEXICO REGIONAL SPONSORS

(a) Summary of acquisition

On 26 July 2024, JET Global issued 12,162,913 convertible notes to acquire 100% equity interests of the operating entity of Mexico regional sponsors (the "Mexico Acquiree") to further structure its operations in such territory.

Details of the transaction are as follows:

Name of the acquiree	Transaction Date	Convertible notes issued	Fair value of convertible notes issued
			USD'000
Mexico Acquiree	26 July 2024	12,162,913	23,146
Settlement of pre-existing relationships			188,832
Total consideration			211,978

The pre-existing relationships of the acquiree comprise payables to the Group with an amount of USD188,832,000 as at 26 July 2024. No gain or loss is recognized on the settlement, because the net payables were effectively settled at the recorded amount.

The fair value of the 12,162,913 convertible notes issued as of the consideration paid for the Mexico Acquirees was USD1.9030 per note.

With the assistance from an external valuer appointed by the Group, the Group applied the discounted cash flow method to determine the underlying equity value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of the issued ordinary shares of the Company. Key assumptions are set out as below:

Discount rate	19.0%
DLOM	25.0%
Expected volatility	40.6%

36. BUSINESS COMBINATION OF OPERATING ENTITIES OF MEXICO REGIONAL SPONSORS (Continued)

(a) Summary of acquisition (Continued)

The assets and liabilities recognized as a result of the acquisition, excluding the pre-existing net payables of the acquirees to the Group are as follows:

	Fair value USD'000
Cash and cash equivalents	11,467
Trade receivables	18,739
Prepayments, other receivables, and other assets	39,145
Other non-current assets	253
Property, plant and equipment	9,077
Right-of-use assets	10,249
Intangible assets: customer relationship	53,000
Intangible assets: others	41
Trade Payables	(15,042)
Accruals and other payables	(24,629)
Advances from customers	(1,017)
Lease liabilities	(17,222)
Net identifiable assets acquired	84,061
Add: goodwill	127,917
Net assets acquired	211,978

The goodwill is attributable to the workforce and the expected future high profitability of the acquired business. It will not be deductible for tax purposes.

(i) Revenue and profit contribution

The acquired business contributed revenue of USD51,762,000, gross loss of USD3,443,000, loss before tax of USD21,806,000 and net loss of USD21,806,000 to the Group for the period from 26 July 2024 to 31 December 2024.

If the acquisition had occurred on 1 January 2024, consolidated pro-forma revenue, gross profit, profit before tax and net profit for the year ended 31 December 2024 would have been USD10,380,839,000, USD1,040,511,000, USD39,427,000 and USD23,981,000, respectively. These amounts have been calculated using the subsidiaries' results and adjusting them for:

- differences in the accounting policies between the Group and the subsidiaries, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 January 2024, together with the consequential tax effects.

36. BUSINESS COMBINATION OF OPERATING ENTITIES OF MEXICO REGIONAL SPONSORS (Continued)

(b) Purchase consideration – cash inflow

	USD'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	–
Add: Balances acquired – cash	11,467
Net inflow of cash – investing activities	11,467

37. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control.

Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the reporting period.

Name of related party	**Relationship with the Group**
Jet Commerce Group	Controlled by Mr. Jet Li
Jie Business Sdn Bhd	Controlled by Mr. Jet Li
J&T Courier Service Sdn Bhd	Under significant influence of Mr. Jet Li (i)
Yimi Global Limited	Under significant influence of Mr. Jet Li
Windfall T&L SPC	Under significant influence of Mr. Jet Li (Ceased to be related party in March 2024)

(i) During the year ended 31 December 2024, the companies are not significant related parties of the Group.

37. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

Save as disclosed in other notes of this report, related party transactions of the Group are listed as follows:

	Year ended 31 December	
	2024	2023
	USD'000	USD'000
(i) Rendering of services		
Jie Business Sdn Bhd	**1,656**	4,954
Jet Commerce Group	**78**	7
Others	**314**	694
	2,048	5,655
(ii) Receiving of services		
Jie Business Sdn Bhd	**3,780**	310
J&T Courier Service Sdn Bhd	**–**	238
Others	**–**	399
	3,780	947

(c) Balance with related parties

	As at 31 December	
	2024	2023
	USD'000	USD'000
(i) Bond receivables		
– Non-trade		
Yimi Global Limited (Note 24)	**476,409**	483,487

(d) Key management compensation

Key management includes directors (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	As at 31 December	
	2024	2023
	USD'000	USD'000
Salaries, bonuses and fees	**13,033**	7,531
Pension cost – defined contribution plans	**64**	65
Share-based compensation	**66,056**	44,057
	79,153	51,653

38. COMMITMENT

(a) Capital commitments

Capital expenditure contracted for as at 31 December 2024 and 2023 but not yet incurred is as follows:

	As at 31 December	
	2024	2023
	USD'000	USD'000
Buildings	**52,469**	117,311
Right-of-use assets	**4,039**	11,465
Vehicles	**24,892**	6,170
	81,400	134,946

(b) Short-term lease commitments

The Group leases certain warehouses and vehicles under non-cancellable short-term lease agreements. The lease terms are generally within one year.

The Group's future aggregate minimum lease payments under such non-cancellable short-term leases are as follows:

	As at 31 December	
	2024	2023
	USD'000	USD'000
Within one year	**81,334**	47,097

39. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration paid or payable to the directors of the Company (including emoluments for services as employee/ directors of the group entities prior to becoming the directors of the Company) during the years ended 31 December 2024 and 2023 was as follows.

	Year ended 31 December 2024				
Name	Fees USD'000	Salaries and bonuses USD'000	Pension cost – defined contribution plans USD'000	Share-based compensation USD'000	Total USD'000
Executive Director:					
Mr. Jet Jie Li	–	3,902	17	62,909	66,828
Non-executive Directors:					
Ms. Alice Yu-fen Cheng	81	–	–	–	81
Mr. Yuan Zhang	64	–	–	–	64
Ms. Qinghua Liao	64	–	–	–	64
Independent Non-executive Directors:					
Mr. Erh Fei Liu	64	–	–	–	64
Mr. Peng Shen	64	–	–	–	64
Mr. Charles Zhaoxuan Yang (i)	24	–	–	–	24
Mr. Peter Lai Hock Meng (i)	40	–	–	–	40
	401	3,902	17	62,909	67,229

39. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

	Year ended 31 December 2023				
Name	Fees USD'000	Salaries and bonuses USD'000	Pension cost – defined contribution plans USD'000	Share-based compensation USD'000	Total USD'000
Executive Director:					
Mr. Jet Jie Li	–	3,534	16	44,057	47,607
Non-executive Directors:					
Ms. Alice Yu-fen Cheng	12	17	–	–	29
Mr. Yuan Zhang	12	–	–	–	12
Ms. Qinghua Liao	12	–	–	–	12
Independent Non-executive Directors:					
Mr. Erh Fei Liu	12	–	–	–	12
Mr. Peng Shen	12	–	–	–	12
Mr. Charles Zhaoxuan Yang (i)	12	–	–	–	12
	72	3,551	16	44,057	47,696

Note:

(i) Mr. Charles Zhaoxuan Yang resigned from his position with effect from 18 May 2024, while Mr. Peter Lai Hock Meng was appointed as the independent non-executive Director of the Company, a member and the chairman of the audit committee of the Board and a member of the corporate governance committee of the Board since then.

(b) Directors' retirement and termination benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries' undertaking during the reporting period.

No payment was made to the directors as compensation for early termination of appointment during the reporting period.

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to third parties for making available directors' services at the end of each reporting period or at any time during the reporting period.

39. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(d) Information about loans, quasi-loans, and other dealings in favour of directors, their controlled bodies, and connected entities

There were no loans, quasi-loans, and other dealings in favour of directors, their controlled bodies corporate and connected entities at the end of each reporting period or at any time during the reporting period.

(e) Directors' material interests in transactions, arrangements, or contracts

There were no significant transactions, arrangements, and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of each reporting period or at any time during the reporting period.

40. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees include one director whose remuneration is set out in Note 39 for each of the years ended 31 December 2024 and 2023. All of these individuals including that director have not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office during the reporting period. None of the directors, the CEO and employees waived or agreed to waive any emoluments during the reporting period. The emoluments payable to the remaining four individuals, who are neither a director nor chief executive of the Company, during the reporting period, are as follows:

	Year ended 31 December	
	2024 **USD'000**	2023 USD'000
Salaries, bonuses and fees	**12,238**	8,285
Pension cost – defined contribution plans	**20**	48
Welfare, medical and other benefits	**21**	7
Share-based compensation	**5,138**	–
	17,417	8,340

40. FIVE HIGHEST PAID EMPLOYEES (Continued)

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	Year ended 31 December	
	2024	2023
Emolument bands (in HK dollar)		
HK$9,000,001 to HK$9,500,000	**–**	1
HK$12,000,001 to HK$12,500,000	**–**	1
HK$14,500,001 to HK$15,000,000	**–**	1
HK$19,000,001 to HK$19,500,000	**1**	–
HK$21,500,001 to HK$22,000,000	**1**	–
HK$29,000,001 to HK$29,500,000	**–**	1
HK$41,000,001 to HK$41,500,000	**1**	–
HK$50,000,001 to HK$50,500,000	**1**	–
	4	4

41. DIVIDENDS

No dividend has been paid or declared by the Company in the years ended 31 December 2023 and 2024.

42. CONTINGENT LIABILITIES

There are no significant contingent liabilities as at 31 December 2024 and 2023.

43. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

	Note	As at 31 December 2024 USD'000	2023 USD'000
ASSETS			
Non-current assets			
Loans to subsidiaries (i)		**4,827,438**	4,811,566
Financial assets at fair value through profit or loss – non current		**540,463**	642,576
Investments in subsidiaries	18	**1,178,182**	1,173,210
		6,546,083	6,627,352
Current assets			
Prepayments, other receivables, and other assets		**7,040**	668
Cash and cash equivalents		**118,974**	90,787
Financial assets at fair value through profit or loss – current		**40,459**	–
		166,473	91,455
Total assets		**6,712,556**	6,718,807
EQUITY			
Equity attributable to owners of the Company			
Share capital		**18**	18
Share premium (ii)		**9,063,062**	9,063,062
Treasury shares (iii)		**(19,420)**	–
Other reserves (iv)		**581,062**	484,043
Accumulated losses		**(2,917,948)**	(2,833,947)
Total equity		**6,706,774**	6,713,176
LIABILITIES			
Current liabilities			
Accruals and other payables		**5,782**	5,631
		5,782	5,631
Total liabilities		**5,782**	5,631
Total equity and liabilities		**6,712,556**	6,718,807

The balance sheet of the Company was approved by the Board of Directors on 5 March 2025 and was signed on its behalf.

Alice Yu-fen Cheng	**Jet Jie Li**
Director	*Director*

43. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(i) Loans to subsidiaries of the Company

During the years ended 31 December 2024 and 2023, loans to subsidiaries were interest free and repayable on demand, without securities. The Company classified such loans as non-current assets as the management does not expect to collect the loans within twelve months as at 31 December 2024 and 2023.

(ii) Share premium movement of the Company

	Total USD'000
As at 1 January 2023	605,155
Repurchase of ordinary shares (Notes 25, 26 and 29)	(5,573)
Conversion of preferred shares upon global offering	7,964,492
Issuance of ordinary shares pursuant to the 2022 Incentive Plan	12,884
Net proceeds from Global Offering	486,104
As at 31 December 2023	9,063,062
As at 1 January 2024 and 31 December 2024	9,063,062

(iii) Treasury shares

	Total USD'000
As at 1 January 2024	–
Repurchase of shares	(19,420)
As at 31 December 2024	(19,420)

43. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(iv) Other reserve movement of the Company

	Share-based compensation reserve USD'000	Others USD'000	Total USD'000
As at 1 January 2023	755,251	(460,743)	294,508
Share-based compensation (Note 26)	45,850	–	45,850
Repurchase of ordinary shares and preferred shares (Notes 25 and 26)	–	(39,982)	(39,982)
Issuance of ordinary shares pursuant to the 2022 Incentive Plan (Note 26)	–	169,212	169,212
Conversion of preferred shares upon global offering	–	9,043	9,043
Issuance of convertible preferred shares	–	(3)	(3)
Other comprehensive income – resulted from change of credit risk of financial liabilities measured at fair value	–	5,415	5,415
As at 31 December 2023	801,101	(317,058)	484,043
As at 1 January 2024	**801,101**	**(317,058)**	**484,043**
Share-based compensation (Note 26)	**86,629**	**–**	**86,629**
Issuance of ordinary shares pursuant to the 2022 Incentive Plan (Note 26)	**–**	**10,390**	**10,390**
As at 31 December 2024	**887,730**	**(306,668)**	**581,062**

44. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

44.1 Principles of consolidation

44.1.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 44.2).

Inter-company transactions, balances, and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

44.1.2 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

44. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

44.2 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

44. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

44.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement, within finance costs. All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

- all resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

44. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

44.3 Foreign currency translation (Continued)

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences is re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

44.4 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

44.5 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

44. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

44.6 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 21 for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

44.7 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade payables also include bank acceptance notes with trade nature and are due within 12 months.

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

44.8 Financial liabilities at fair value through profit or loss

Before and during the reporting period, the Group entered into a series of share purchase agreements with certain investors and issued Series Pre-A1 Preferred Shares, Series Pre-A2 Preferred Shares, Series A Preferred Shares, Series B Preferred Shares, Series B+ Preferred Shares, Series C1 Preferred Shares, Series C2 Preferred Shares, Series D Preferred Shares and JET Global Series A Preferred Shares.

The Group designated the convertible preferred shares, which the host contracts are financial liabilities, as financial liabilities at fair value through profit or loss, which are initially recognized at fair value. Any directly attributable transaction costs are recognized as finance costs in profit or loss.

The component of fair value changes relating to the Company's own credit risk is recognized in other comprehensive income/(loss). Amounts recorded in other comprehensive income/(loss) related to credit risk are not subject to recycling in profit or loss, but are transferred to retained earnings when realized. Fair value changes relating to market risk are recognized in profit or loss.

The convertible preferred shares are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

44.9 Financial liabilities – share redemption liabilities

A contract that contains an obligation for the Group to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount.

The financial liability is recognised initially at the present value of the redemption amount, and is reclassified from equity. Subsequently, the financial liability is measured at amortised cost. If the contract expires without delivery, the carrying amount of the financial liability is reclassified to equity. The Group's contractual obligation to purchase its own equity instruments gives rise to a financial liability for the present value of the redemption amount even if the obligation to purchase is conditional on the counterparty exercising a right to redeem.

44. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

44.10 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

44.11 Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

44.12 Provisions

Provisions for legal claims, service warranties and make good obligations are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

XI. Definitions

"2024 Share Incentive Scheme"	the 2024 share incentive scheme of the Company adopted and approved by the Shareholders at the annual general meeting held on 18 June 2024
"Articles" or "Articles of Association"	the Articles of Association of our Company effective on the Listing Date
"Audit Committee"	the audit committee of the Board
"Award(s)"	the award(s) in the form of RSU(s) pursuant to the 2024 Share Incentive Scheme and the award agreement entered into between the Company and the relevant grantees
"Class A Shares"	class A shares of the Company with a par value of US$0.000002 each, following the Reclassification, Redesignation and Share Subdivision, conferring weighted voting rights in the Company such that each Class A Share shall entitle its holder to ten votes on each resolution subject to a vote at the Company's general meetings, save for resolutions with respect to any Reserved Matters, in which case each Class A Share and each Class B Share shall entitle its holder to one vote on a poll at a general meeting
"Class B Shares"	Class B shares of the Company with a par value of US$0.000002 each, following the Reclassification, Redesignation and Share Subdivision, such that each Class B Share shall entitle its holder to one vote on each resolution subject to a vote at the Company's general meetings
"Companies Act"	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"Company", "our Company"	J&T Global Express Limited (極兔速遞環球有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 24 October 2019
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Consolidated Affiliated Entities" or "consolidated affiliated entities"	the entities we control through the Contractual Arrangements, namely the PRC Holdco and Indonesian Holdco and their respective subsidiaries. For further details of these entities, see the section headed "Directors' Report – Contractual Arrangements" of this annual report
"Contractual Arrangements"	the series of contractual agreements entered into by the PRC and Indonesian WFOE, the PRC Holdco, the Indonesian Holdco, the PRC Registered Shareholders and the Individual and Corporate Registered Shareholders of our Indonesian Holdco, please refer to the section headed "Directors' Report – Contractual Arrangements" in this annual report
"Corporate Governance Code" or "CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules

"Corporate Governance Committee"	the corporate governance committee of the Board
"Director(s)"	the director(s) of the Company
"Eligible Participant(s)"	the Employee Participant(s), Service Provider(s) and Related Entity Participant(s)
"Employee Participant(s)"	Director(s) and employee(s) of any member of the Group
"ESG"	environmental, social and governance
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "the Group", "J&T Express", "Company", "the Company" "we", "us", or "our"	our Company, its subsidiaries and consolidated affiliated entities, or where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries and consolidated affiliated entities, the subsidiaries and consolidated affiliated entities as if they were the subsidiaries and consolidated affiliated entities of our Company at the time
"HK$", "Hong Kong dollars" or "HK dollars"	the lawful currency of Hong Kong
"HKEX", "Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IDR"	the lawful currency of Indonesia
"IFRS"	International Financial Reporting Standards, amendments and interpretations issued by the International Accounting Standards Board
"Indonesian Opco"	PT Global Jet Express, a limited liability company incorporated under the laws of Indonesia, which obtained its legal entity status on 21 May 2015 and a consolidated affiliated entity of our Company
"Indonesian WFOE"	PT. Cahaya Global Berjaya, a limited liability company incorporated under the laws of the Republic of Indonesia on 11 June 2021 and our wholly-owned subsidiary
"J&T Express China"	J&T Express China Co., Ltd. (極兔速遞有限公司), a limited liability company incorporated under the laws of the PRC on 29 September 2007 and a consolidated affiliated entity of our Company
"Listing"	the listing of our Class B Shares on the Main Board of the Stock Exchange
"Listing Date"	27 October 2023
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)

"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"MYR"	the lawful currency of Malaysia
"New Markets"	Saudi Arabia, UAE, Mexico, Brazil and Egypt
"Nomination Committee"	the nomination committee of the Board
"PHP"	the lawful currency of the Philippines
"PRC" or "China"	the People's Republic of China, but for the purposes of this annual report only (unless otherwise indicated) excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"PRC Holdco" or "Shanghai Yishangshiye"	Shanghai Yishangshiye Co., Ltd. (上海邑商實業有限公司), a limited liability company incorporated under the laws of the PRC on 8 April 2014 and a holding company of certain PRC subsidiaries
"PRC WFOE" or "Chongqing Yunqing"	Chongqing Yunqing Supply Chain Management Co., Ltd. (重慶紜慶供應鏈管理有限公司), a limited liability company incorporated under the laws of the PRC on 22 April 2020 and our wholly-owned subsidiary
"Pre-IPO Share Incentive Plan"	the Network Partners Equity Incentive Plan, as adopted by our Shareholders on 26 February 2022 and amended by way of Directors' resolutions dated 31 May 2023
"prospectus"	the prospectus being issued in connection with the Hong Kong Public Offering
"Related Entity Participant(s)"	includes director(s) and employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	for the year ended 31 December 2024
"Reserved Matters"	those matters with respect to which each Class A Share and each Class B Share shall entitle its holder to one vote on a poll at general meetings of the Company pursuant to the Articles of Association, being: (i) any amendment to the Memorandum or Articles, including the variation of the rights attached to any class of shares, (ii) the appointment, election or removal of any independent non-executive Director, (iii) the appointment or removal of the Company's auditors, or (iv) the voluntary liquidation or winding-up of the Company
"RMB" or "Renminbi"	the lawful currency of the PRC

"Service Provider(s)"	person(s) and/or corporate entity(ies) who provide(s) services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, including: (1) Network Partners: business partners that own and operate pickup and delivery outlets in our network within their respective designated geographic regions; (2) Strategic Consulting Consultants: persons who provide strategic consulting services to the Group whose services will lead, collaborate with or optimize the businesses operated by the Group from time to time, and in the opinion of the Directors, the continuity and frequency of those services are akin to those of employees of the Group; (3) Industry Research Consultants: persons who provide industry research and strategic consulting services to the Group in relation to product, professional technology, research and development, operations, marketing, capital market, experience and other professional areas, and in the opinion of the Directors, the continuity and frequency of those services are akin to those of employees of the Group but excluding (for the avoidance of doubt) (i) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions, and (ii) professional service providers (such as auditors or valuers) who provide assurance, or are required to perform their services with impartiality and objectivity
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Shanghai Jiexiao" or "Technology Company"	Shanghai Jiexiao Information Technology Co., Ltd. (上海捷曉信息技術有限公司), a limited liability company incorporated under the laws of the PRC on 10 September 2019 and a subsidiary of our Company
"Share(s)"	the Class A Shares and/or Class B Shares in the share capital of the Company
"Shareholder(s)"	holder(s) of our Shares
"THB"	the lawful currency of Thailand
"US$", "USD" or "U.S. dollars"	the lawful currency of the United States
"WVR" or "weighted voting rights"	has the meaning ascribed to it under the Listing Rules
"WVR Beneficiary"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Jet Jie Li, being the beneficial owner of the Class A Shares, entitling him to weighted voting rights
"WVR Structure"	has the meaning ascribed to it under the Listing Rules
"Yimi"	Yimi Global Limited (formerly known as Huisen Global Limited), an exempted company incorporated in the Cayman Islands with limited liability on 16 April 2021
"Yunyi Transportation" or "Transportation Company"	Yunyi Transportation (Chongqing) Co., Ltd. (紜毅運輸(重慶)有限公司), a limited liability company incorporated under the laws of the PRC on 31 December 2019 and a subsidiary of our Company

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