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

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

OVERVIEW OF OUR BUSINESS

We are the leading technology-driven supply chain solutions and logistics services provider in China. We offer a full spectrum of supply chain solutions and high-quality logistics services enabled by technology, ranging from warehousing to distribution, spanning across manufacturing to end-customers, covering regular and specialized items. According to the CIC Report, we are the largest player, in terms of total revenue, in China's integrated supply chain logistics services industry with a market share of 2.7% in 2020. The integrated supply chain logistics service is a sub-segment of logistics services and accounted for roughly one-third of the outsourced logistics services spending in 2020, according to the CIC Report. Compared with other forms of logistics services, integrated supply chain logistics service possesses distinctive features such as end-to-end coverage, more advanced technologies, and higher requirements on industry know-how, all with the purpose to empower customers' business operations and meet their evolving needs.

Our value proposition is to empower our customers' supply chains and substantially improve their operational efficiencies, which in turn enhance their own customer experience and stickiness. We help our customers reduce redundant distribution layers, improve the agility of their supply chains, and optimize inventory management. Our solutions are powered by our proprietary technology, industry know-how and insights of product merchandizing. In 2020, we served more than 190,000 corporate customers across a wide array of industries, such as fast moving consumer goods (FMCG), apparel, home appliances, home furniture, 3C, automotive and fresh produce, among others.

Our journey began with the establishment of JD Group's in-house logistics department in 2007, and we have been continually building our logistics infrastructure, technologies, as well as operational and industry know-hows for over a decade. Starting from 2012, we helped JD Group maintain its inventory turnover days consistently below 40 days despite the significant increase in the number of SKUs. In 2020, approximately 90% of the total online retail orders processed for JD Group through our networks were delivered on the same day or the day after the order was placed. With the fundamental approaches of minimizing the number of transits and shortening the distance between merchandises and consumers, we led the upgrade of supply chains of the e-commerce industry in China. Through this process, we have built up our nationwide and strategically-located logistics infrastructure and technology platform from ground up, raised the industry standards for service quality, and accumulated deep know-hows in key industry verticals. We have then opened up our solutions and services to external customers since 2017 with the goal of empowering their supply chains.

We believe China's rapid digitalization of the economy has created increasingly multi-faceted customer demands. Such demands are currently serviced by a fragmented group of incumbent logistics players and are severely underserved, which present significant opportunities for supply chain solutions and logistics services providers like us. According to the CIC Report, the market size of the integrated supply chain logistics services industry is expected to grow from RMB2,026 billion in 2020 to RMB3,190 billion by 2025, representing a CAGR of 9.5%, which is approximately 1.8 times the growth of China's logistics spending over the same period. The integrated supply chain logistics services market in China is highly fragmented due to the vast size of the market and specific requirements across industry verticals. According to the CIC Report, the top ten players are primarily the logistics arms of large enterprises which were set up initially to serve internal logistics needs but gradually opened up to serve external customers, and supply chain service providers who are dedicated to serve external customers. The top ten players only accounted for 9.0% market share in terms of revenue in 2020.

Supply chain technology is the bedrock of our operations and differentiates us from our competitors. We leverage fundamental technologies such as 5G, AI, big data, cloud computing and IoT to continuously improve our capabilities in automation, digitalization, and intelligentization. We use advanced unmanned technologies and robotics, such as automated guided vehicles (AGVs), autonomous mobile robots (AMRs) and sorting robots, self-driving vehicles, among others, to deliver critical improvements in speed, accuracy and productivity in all key logistical operations including warehousing, transportation, sorting and delivery. As of December 31, 2020, we operated 32 Asia No. 1 smart mega warehouses covering 22 cities in China, including a fully unmanned warehouse located in Shanghai, which can process more than 1.3 million orders per day during peak seasons. Our proprietary warehouse management system (WMS), transportation management system (TMS) and order management system (OMS) support the digitalization of our customers' supply chains, and are coordinated and synchronized by our intelligent algorithms to enable centralized decision making in areas such as sales forecasting, merchandise distribution planning and supply chain network optimization. As of December 31, 2020, we were entitled to over 4,400 patents and computer software copyrights (including applications thereof), of which over 2,500 relate to our automation and unmanned technologies.

We have established six highly synergized logistics networks which are extensive, flexible and digitally integrated, providing us with strong competitive advantages in delivering compelling customer experience and serving as an effective entry barrier against our competitors. These six logistics networks are our warehouse network, line-haul transportation network, last-mile delivery network, bulky item logistics network, cold-chain logistics network and cross-border logistics network. Our logistics networks cover almost all districts and counties in China as well as China's total population. As of December 31, 2020, we operated over 900 warehouses, which covered an aggregate gross floor area of approximately 21 million square meters, including warehouse space managed under our Open Warehouse Platform. As of December 31, 2020, we had a team of over 190,000 delivery personnel and also connect with an extensive crowd-sourced on-demand delivery network.

While we control and operate our mission-critical logistics infrastructure to deliver high-quality services and best-in-class customer experiences, we embrace synergistic collaborations in building our supply chain network in order to bring together the complementary capabilities of various industry participants and strategic partners in China and globally. As an example, utilizing our Open Warehouse Platform, we can improve the operating efficiencies of our customers' warehouses through implementation of our advanced warehouse management systems. Furthermore, we also utilize capacity from these warehouses to further expand the reach of our warehouse network. As part of our global strategy, we are also continually building our international supply chain network, which covered more than 220 countries and regions as of December 31, 2020.

We have achieved rapid growth during the Track Record Period. Our revenue grew by 31.6% from RMB37.9 billion in 2018 to RMB49.8 billion in 2019, and further grew by 47.2% to RMB73.4 billion in 2020. Given the significant market opportunities in the integrated supply chain logistics service industry in China, we expect that, in the near-to-medium term, we will prioritize growth of our business and expansion of our market share over our profitability.

We incurred net losses of RMB2.8 billion, RMB2.2 billion and RMB4.0 billion in 2018, 2019 and 2020, respectively. We expect our net loss for the year ending December 31, 2021 will increase significantly compared to the year ended December 31, 2020, primarily as a result of (i) expected changes in fair value of convertible redeemable preferred shares, (ii) an expected decrease in gross profit margin in 2021, partly due to the expected reduction in benefits from COVID-19 related government support and (iii) an expected increase in general and administrative expenses, selling and marketing expenses and research and development expenses in 2021. Our convertible redeemable preferred shares will automatically be converted into ordinary shares upon the completion of the Listing, and no further such loss or gain is expected to be recognized afterwards. In addition, we expect to record a significant adjusted loss in 2021. See "—Non-IFRS Measure: Adjusted Profit/(Loss) For the Year." Given our focus on business growth and market share expansion over profitability in the near-to-medium term, we expect that there can be fluctuations in our profitability over shorter periods, which can be further compounded by seasonality factors. For example, in the three months ended March 31, 2021, our gross profit margin was materially lower than that of the same period in 2020. See also "Risk Factors—As we currently prioritize growth of our business and expansion of our market share over profitability, there can be significant fluctuations in our profitability profile in the near-to-medium term" for more details.

OUR VISION

We aim to become the world's most trusted supply chain solutions and logistics services provider.

OUR MISSION

We aim to drive superior efficiency and sustainability for global supply chain through technology.

OUR STRENGTHS

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

- Largest integrated supply chain logistics services provider
- Strong operational efficiency driving high service quality
- Superior brand image and customer experience
- Advanced proprietary technology empowering the entire supply chain
- Open supply chain solutions platform with synergistic partnerships
- Experienced and visionary management team and strong corporate culture

OUR STRATEGIES

Our growth strategies are centered on customer experience, technological capabilities and operational efficiency. We believe superior customer experience is the bedrock of our continued success, as we can only solidify our market leadership by achieving customer satisfaction. Our technological capabilities are the tools we utilize to drive the continuous improvements in our solutions and services, which ultimately leads to higher operational efficiency for ourselves and our customers. To achieve this goal, we intend to pursue the following strategies:

- Enhance our customers' supply chain efficiency by expanding the breadth and depth of our solutions and services
- Further invest in supply chain technologies to drive sustainable growth
- Continue to improve our operational efficiency through strengthening our logistics network
- Expand internationally to achieve global footprint

RISK FACTORS

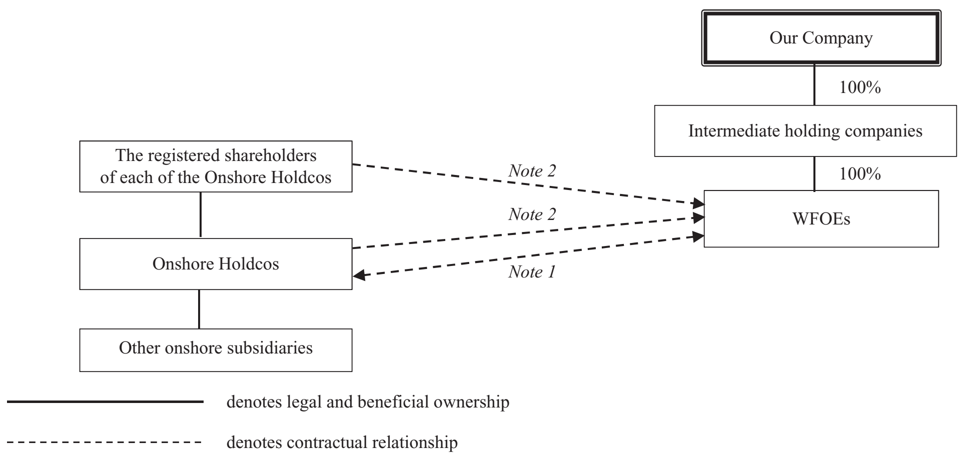
Our operations and the Global Offering involve certain risks and uncertainties, which are set out in the section headed "Risk Factors." You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include:

- the fact that our business and growth are significantly affected by the development of the e-commerce industry, as well as macroeconomic and other factors that affect demand for supply chain solutions and logistics services, in China and globally;
- intense competition that we face that could adversely affect our results of operations and market share;
- the fact that a significant portion of our revenue was associated with JD Group during the Track Record Period and significant portion of our revenue may continue to be associated with JD Group in the foreseeable future;
- the fact that we may have different development prospects or conflicts of interest with JD Group;
- any negative development with respect to our relationship with JD Group or negative publicity concerning JD Group;
- the fact that we incurred significant net losses in the past and may not be able to achieve or maintain profitability in the future;
- the fact that as we currently prioritize growth of our business and expansion of our market share over profitability, there can be significant fluctuations in our profitability profile in the near-to-medium term;
- the fact that our historical results of operations and financial performance are not indicative of future performance;
- our reliance on our technology infrastructure and platform in our business operations;
- the fact that our investments in warehouses and equipment may not match customer demand or there may be a lack of funding for these investments; and
- severe weather conditions and other natural disasters, health epidemics and other outbreaks, such as the outbreak of COVID-19.

CONTRACTUAL ARRANGEMENTS

Our Company operates or may operate in certain industries that are subject to restrictions under the current PRC laws and regulations. In order to comply with such laws, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entities through the Contractual Arrangements entered into on January 25, 2021. Hence, we do not directly own any equity interest in our Consolidated Affiliated Entities. Pursuant to the Contractual Arrangements, we have effective control over the financial and operational policies of our Consolidated Affiliated Entities and are entitled to all the economic benefits derived from the Consolidated Affiliated Entities' operations. For further details, please see section headed "Contractual Arrangements" in this document.

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 WFOE and Jingdong Logistics Supply Chain Co., Ltd. (京東物流供應鏈有限公司) provide business support, technical and consulting services in exchange for service fees from the Onshore Holdco and Guangdong Jingxi Logistics Technology Co., Ltd. (廣東京喜物流科技有限公司), respectively. Please refer to "Contractual Arrangements—Our Contractual Arrangements—Exclusive Business Cooperation Agreement".

(2) The Registered Shareholders, executed the exclusive option agreement in favor of the WFOE for the acquisition of all or part of the equity interests in and all or part of the assets in the Onshore Holdco. Jian Cui (崔建) and Dingkai Yu (禹定凱) executed the exclusive option agreement in favor of Jingdong Logistics Supply Chain Co., Ltd. (京東物流供應鏈有限公司) for the acquisition of all or part of the equity interests in and all or part of the assets in Guangdong Jingxi Logistics Technology Co., Ltd. (廣東京喜物流科技有限公司). See section headed "Contractual Arrangements—Our Contractual Arrangements—Exclusive Option Agreement".

The Registered Shareholders executed shareholders' rights entrustment agreement and the powers of attorney in favor of the WFOE, for the exercise of all shareholders' rights in the Onshore Holdco. Jian Cui (崔建) and Dingkai Yu (禹定凱) executed shareholders' rights entrustment agreement and the powers of attorney in favor of the Jingdong Logistics Supply Chain Co., Ltd. (京東物流供應鏈有限公司), for the exercise of all shareholders' rights in the Guangdong Jingxi Logistics Technology Co., Ltd. (廣東京喜物流科技有限公司). See section headed "Contractual Arrangements—Our Contractual Arrangements—Shareholders' Rights Entrustment Agreement and Powers of Attorney".

The Registered Shareholders granted security interests in favor of the WFOE, over the entire equity interests in the Onshore Holdco. Jian Cui (崔建) and Dingkai Yu (禹定凱) granted security interests in favor of Jingdong Logistics Supply Chain Co., Ltd. (京東物流供應鏈有限公司), over the entire equity interests in Guangdong Jingxi Logistics Technology Co., Ltd. (廣東京喜物流科技有限公司). See section headed "Contractual Arrangements—Our Contractual Arrangements—Share Pledge Agreement".

OUR CONTROLLING SHAREHOLDERS AND CONTINUING CONNECTED TRANSACTIONS

As of the date of this document, JD.com, through its wholly-owned subsidiary, Jingdong Technology Group Corporation, indirectly controlled in aggregate 71.57% of our issued Shares. Immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Pre-IPO ESOP, Post-IPO Share Option Scheme and Post-IPO Share Award Scheme), JD.com, through such wholly-owned subsidiary, will indirectly control in aggregate 64.42% of our issued Shares. Accordingly, our Company will remain as a subsidiary of JD.com after the Listing, and JD.com, Jingdong Technology Group Corporation, Fortune Rising Holdings Limited, Max Smart Limited and Mr. Richard Qiangdong Liu (劉強東) will constitute a group of Controlling Shareholders of our Company.

We have entered into a number of partially exempt or non-exempt connected transactions with JD Group and its associates, including (i) provision of supply chain solutions and logistics services, and advertising and promotional services to JD Group and its associates; (ii) various property leasing and shared services provided by JD Group; (iii) on-demand delivery services provided by Dada Group; and (iv) certain other partially exempt or non-exempt connected transactions. In 2018, 2019 and 2020, we have generated RMB26.6 billion, RMB30.8 billion and RMB39.4 billion of revenue attributable to JD Group and its associates, respectively, representing 70.1%, 61.9% and 53.8% of our total revenue, respectively. Excluding the amounts related to property leasing which consist of leasing expenses which are not capitalized and the one-off recognition of right-of-use assets in relation to the capitalization of operating lease under IFRS 16, in 2018, 2019 and 2020, we have incurred RMB9.2 billion, RMB3.6 billion and RMB4.6 billion of costs and expenses attributable to JD Group and its associates, respectively, representing 22.6%, 7.1% and 6.3% of our total cost of revenue and operating expenses, respectively. In relation to these transactions, we are of the view that we do not and will not significantly rely on JD Group. Please refer to the section headed "Relationship with our Controlling Shareholders—Operational Independence" and "Connected Transactions" in this document for further details.

We believe these connected transactions are mutually beneficial to our Group and JD Group. For our Group, we are able to (i) derive significant revenue from JD Group which improves our economies of scale and therefore competitiveness; (ii) rent warehouses in certain desirable locations and, in the case of Agency Lease Arrangements, receive favorable rental terms; (iii) use Dada Group's on-demand delivery services to supplement our last-mile delivery force; and (iv) enjoy certain cost effective back-office and administrative support functions from JD Group. For JD Group, they are able to (i) enjoy superior supply chain solutions and logistics services, and complementing advertising and promotional services; (ii) monetize their warehousing assets for investment incomes; (iii) in the case of Dada Group, derive significant business volume; and (iv) enjoy better economies of scale on certain back-office and administrative support functions. Please refer to the section headed "Relationship with our Controlling Shareholders" and "Connected Transactions" in this document for further details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Selected Combined Statements of Profit or Loss Items

The following table sets forth our combined statements of profit or loss with line items in absolute amounts and as percentages of our revenue for the years indicated:

	For the Year Ended December 31,					
	2018		2019		2020	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Revenue	37,873,445	100.0	49,847,639	100.0	73,374,716	100.0
Cost of revenue	(36,793,265)	(97.1)	(46,415,425)	(93.1)	(67,081,077)	(91.4)
Gross profit	**1,080,180**	**2.9**	**3,432,214**	**6.9**	**6,293,639**	**8.6**
Selling and marketing expenses	(593,809)	(1.6)	(946,853)	(1.9)	(1,815,760)	(2.5)
Research and development expenses	(1,519,528)	(4.0)	(1,677,949)	(3.4)	(2,054,325)	(2.8)
General and administrative expenses	(1,731,098)	(4.6)	(1,874,391)	(3.8)	(1,678,921)	(2.3)
Other income, gains/(losses), net	28,441	0.1	(527,977)	(1.1)	542,668	0.7
Finance income	326,519	0.9	386,140	0.8	264,395	0.4
Finance costs	(63,224)	(0.2)	(430,105)	(0.9)	(454,774)	(0.6)
Fair value changes of convertible redeemable preferred shares	(239,142)	(0.7)	(315,477)	(0.6)	(4,861,109)	(6.6)
Impairment losses under expected credit loss model, net of reversal	(52,330)	(0.1)	(137,131)	(0.3)	(221,040)	(0.3)
Share of results of an associate and joint ventures	—	—	(68,627)	(0.1)	(64,069)	(0.1)
Loss before income tax	**(2,763,991)**	**(7.3)**	**(2,160,156)**	**(4.3)**	**(4,049,296)**	**(5.5)**
Income tax (expense)/credit	(556)	(0.0)	(77,330)	(0.2)	12,007	0.0
Loss for the year	**(2,764,547)**	**(7.3)**	**(2,237,486)**	**(4.5)**	**(4,037,289)**	**(5.5)**
Owners of the Company	(2,764,547)	(7.3)	(2,233,900)	(4.5)	(4,133,995)	(5.6)
Non-controlling interests	—	—	(3,586)	(0.0)	96,706	0.1
Non-IFRS Measure:(1)						
Adjusted (loss)/profit for the year (unaudited)	**(1,615,020)**	**(4.3)**	**(924,097)**	**(1.9)**	**1,709,668**	**2.3**

(1) See "—Non-IFRS Measure: Adjusted Profit/(Loss) For the Year."

Non-IFRS Measure: Adjusted Profit/(Loss) For The Year

To supplement our combined financial statements, which are presented in accordance with IFRSs, we also use adjusted profit/(loss) as an additional financial measure, which is not required by, or presented in accordance with IFRSs. We believe adjusted profit/(loss) facilitates comparisons of operating performance from period to period and from company to company by eliminating potential impacts of items which our management considers non-indicative of our operating performance.

We believe adjusted profit/(loss) provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, our presentation of adjusted profit/(loss) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit/(loss) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRSs.

We define adjusted profit/(loss) as profit/(loss) for the year, excluding share-based payments, fair value changes of convertible redeemable preferred shares and listing expenses. We exclude these items because they are either non-operating in nature or not indicative of our core operating results and business outlook, or do not generate any cash outflows. We account for the compensation cost from share-based payment transactions with employees based on the grant-date fair value of the equity instrument issued by JD.com, Inc., us and Kuayue Express. The grant-date fair value of the award is recognized as compensation expense, net of forfeitures, over the period during which an employee is required to provide service in exchange for the award, which is generally the vesting period. Share-based payments are non-cash in nature and do not result in cash outflow, and the adjustment has been consistently made during the Track Record Period, which complies with GL103-19. In particular, because of varying valuation methodologies and assumptions and the variety of award types that different companies can use, we believe that excluding share-based payments allows investors to make more meaningful comparisons between our operating results and those of other companies. Accordingly, we believe that excluding share-based payments provides investors and management with greater visibility to the underlying performance of our business operations, facilitates comparison of our results with other periods, and may also facilitate comparison with the results of other companies in our industry. In addition, we account for the convertible redeemable preferred shares as financial liabilities at fair value through profit or loss. The fair value of convertible redeemable preferred shares has been determined by using the income approach and is affected primarily by the changes in our equity value. The convertible redeemable preferred shares will automatically convert into ordinary shares upon the completion of the Listing, and no further loss or gain on fair value changes is expected to be recognized afterwards. Fair value changes of convertible redeemable preferred shares are non-cash, non-recurring and do not result in cash outflow, the exclusion of which complies with GL103-19. In particular, we exclude fair value changes of convertible redeemable preferred shares because we do not believe this item is reflective of ongoing operating results, as this non-cash item is affected by varying valuation methodologies and assumptions and has no direct correlation to the operation of our business. Further, we exclude listing expense as this item, which arises from activities relating to the Listing, is one-off and non-recurring.

The following table (in absolute amounts and as percentages of total revenue for the year indicated) reconciles our adjusted profit/(loss) for the year presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs, which is loss for the year:

	For the Year Ended December 31,					
	2018		2019		2020	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Reconciliation of loss to adjusted (loss)/profit:						
Loss for the year	(2,764,547)	(7.3)	(2,237,486)	(4.5)	(4,037,289)	(5.5)
Add:						
Share-based payments	910,385	2.4	997,912	2.0	877,594	1.2
Fair value changes of convertible redeemable preferred shares	239,142	0.6	315,477	0.6	4,861,109	6.6
Listing expense	—	—	—	—	8,254	0.0
Adjusted (loss)/profit for the year	**(1,615,020)**	**(4.3)**	**(924,097)**	**(1.9)**	**1,709,668**	**2.3**

During the Track Record Period, in addition to our core operating activities, our performance has also been affected by: (i) "fair value changes of financial assets at fair value through profit or loss", (ii) "impairment of investments", (iii) "amortization of intangible assets resulting from acquisitions", and (iv) "reconciling items on the share of results of an associate."

Given the central role of inventory management in our integrated supply chain solutions and logistics services, we categorize our customers based on whether they have utilized our warehouse or inventory management related services. We review our customers on a regular basis, and customers who have utilized our warehouse or inventory management related services in the recent past are classified as our integrated supply chain customers. During the Track Record Period, revenue from integrated supply chain customers accounted for a substantial majority of our total revenue in each of 2018, 2019 and 2020.

The following table sets forth a breakdown of our revenue by integrated supply chain customers and other customers, both in absolute amount and as a percentage of our total revenue for the years presented.

	For the Year Ended December 31,					
	2018		2019		2020	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Revenue:						
From integrated supply chain customers	34,151,014	90.2	41,837,437	83.9	55,619,685	75.8
From other customers	3,722,431	9.8	8,010,202	16.1	17,755,031	24.2
Total	**37,873,445**	**100.0**	**49,847,639**	**100.0**	**73,374,716**	**100.0**

In addition, the following table sets forth a breakdown of our revenue by (i) JD Group and other significant related parties of our Company and (ii) others, both in absolute amount and as a percentage of our total revenue for the years presented.

	For the Year Ended December 31,					
	2018		2019		2020	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Revenue:						
From JD Group and other significant related parties of our Company	26,846,834	70.9	31,009,223	62.2	39,517,314	53.9
From others	11,026,611	29.1	18,838,416	37.8	33,857,402	46.1
Total	**37,873,445**	**100.0**	**49,847,639**	**100.0**	**73,374,716**	**100.0**

Furthermore, the following table sets forth the number of and the revenue contributed collectively by external integrated supply chain customers who each contributed more than RMB1 million in annual revenue.

	For the Year Ended December 31		
	2018	2019	2020
Number of external integrated supply chain customers who contributed more than RMB1 million in annual revenue	1,123	1,548	2,306
Revenue contributed collectively (in billions of RMB)	4.4	7.2	11.2

During the Track Record Period, our warehousing and distribution services accounted for 50% to 70% of our revenue for each of the year. Our top three industry verticals are: (i) FMCG, (ii) home appliances and home furniture, and (iii) 3C, which together contributed to over 70% of our revenue from external integrated supply chain customers for each year during the Track Record Period. FMCG, which is our top industry vertical, contributed to 30-40% of our revenue from external integrated supply chain customers for each year during the Track Record Period.

We incurred net losses of RMB2.8 billion, RMB2.2 billion and RMB4.0 billion in 2018, 2019 and 2020, respectively. We have incurred net losses during the Track Record Period primarily because of (1) the significant cost associated with our extensive logistics infrastructure network and the other operating expenses and (2) other significant non-operating losses including fair value changes of our convertible redeemable preferred shares. While we expect to enjoy economies of scale over time, we have been and currently still are at the expansion and ramp-up stage which generally comes with a high revenue growth rather than profitability.

During the Track Record Period, we continued to improve our gross profit margin, which increased from 2.9% in 2018 to 6.9% in 2019 and further to 8.6% in 2020. The increase in gross profit margin in 2019 compared with 2018 was primarily due to economies of scale as our revenue grew significantly, driving efficiency gains in most of our cost components, which is partially offset by higher outsourcing cost as we procured more external resources to support our business growth. The increase in the gross profit margin in 2020 compared with 2019 was primarily due to COVID-19 related government policy support, such as relief of social security and waiver of toll charges. See "— Impact of COVID-19 on Our Operations" for a more detailed disclosure of the impact of COVID-19 on our operations. The impact of the COVID-19 pandemic on our financial performance in 2020 might be one-off and non-recurring. In addition, after the COVID-19 outbreak ends, we may stop receiving benefits from the COVID-19 related government policy support.

Selected Combined Statements of Financial Position Items

The following table sets forth selected information from our combined statements of financial position as of the dates indicated:

	As of December 31,		
	2018	2019	2020
	(in thousands of RMB)		
Total non-current assets	6,342,753	15,777,656	25,583,214
Total current assets	22,101,312	24,275,462	29,139,888
Total assets	**28,444,065**	**40,053,118**	**54,723,102**
Total non-current liabilities	17,462,915	23,684,960	31,277,683
Including: Convertible redeemable preferred shares	*17,462,915*	*18,069,639*	*21,918,414*
Total current liabilities	11,897,755	18,453,154	26,339,051
Total liabilities	**29,360,670**	**42,138,114**	**57,616,734**
Share capital	610	610	611
Reserves	1,178,058	2,215,313	3,368,733
Accumulated losses	(2,095,273)	(4,333,365)	(8,511,016)
Equity attributable to owners of the Company	**(916,605)**	**(2,117,442)**	**(5,141,672)**
Non-controlling interests	**—**	**32,446**	**2,248,040**
Total equity and liabilities	**28,444,065**	**40,053,118**	**54,723,102**
Net current assets	**10,203,557**	**5,822,308**	**2,800,837**

We had net current assets positions as of December 31, 2018, 2019 and 2020. Our net current assets positions as of each of these dates were primarily attributable to our large balance of trade receivables, prepayments, other receivables and other assets, and cash and cash equivalents, partially offset by our trade payables, accrued expenses and other payables and lease liabilities. Cash and cash equivalents account for a substantial portion of our current assets. See "Financial Information—

Liquidity and Capital Resources" for further details on change of the balance of our cash and cash equivalents.

We expect continued fluctuation of the fair value of our convertible redeemable preferred shares will affect our financial performance until the Listing Date, upon which all the convertible redeemable preferred shares would be reclassified from financial liabilities to equity as a result of the automatic conversion into our Shares upon the Listing. Thereafter, we do not expect to recognize any further loss or gain on fair value changes from the convertible redeemable preferred shares in the future and expect to revert to a net asset position.

As of December 31, 2018, 2019 and 2020, we were in a net liability position of RMB0.9 billion, RMB2.1 billion and RMB2.9 billion, respectively. The net liability position primarily arises from the convertible redeemable preferred shares classified as non-current liabilities amounting to RMB17.5 billion, RMB18.1 billion and RMB21.9 billion as of December 31, 2018, 2019 and 2020, respectively, as disclosed on page I-65 in Note 34 to the Accountants' Report in Appendix I.

Our net current assets decreased by approximately RMB3.0 billion from RMB5.8 billion as of December 31, 2019 to RMB2.8 billion as of December 31, 2020, primarily for the following reasons. First, a RMB2.1 billion increase in trade receivables was offset by RMB1.9 billion increases in trade payables as of December 31, 2020. Second, prepayments, other receivables and other assets increased by RMB0.9 billion from RMB11.5 billion as of December 31, 2019 to RMB12.4 billion as of December 31, 2020. Third, accrued expenses and other payables increased by RMB4.2 billion from RMB11.2 billion as of December 31, 2019 to RMB15.4 billion as of December 31, 2020, primarily due to an increase in salary and welfare payables. Our net current assets decreased by approximately RMB4.4 billion from RMB10.2 billion as of December 31, 2018 to RMB5.8 billion as of December 31, 2019, primarily for the following reasons. First, a RMB1.6 billion increase in trade receivables was offset by RMB1.3 billion increases in trade payables as of December 31, 2019. Second, lease liabilities increased from nil as of December 31, 2018 to RMB3.1 billion as of December 31, 2019, primarily due to the Company's application of IFRS 16 from January 1, 2019. Third, accrued expenses and other payables increased by RMB2.0 billion from RMB9.2 billion as of December 31, 2018 to RMB11.2 billion as of December 31, 2019, primarily due to an increase in salary and welfare payables.

Selected Combined Statements of Cash Flows Items

The following table sets forth our cash flows for the years indicated:

	For the Year Ended December 31,		
	2018	2019	2020
	(in thousands of RMB)		
Net cash generated from operating activities	1,021,769	2,630,294	10,201,097
Net cash used in investing activities	(3,408,482)	(2,609,912)	(8,770,504)
Net cash generated from/(used in) financing activities	18,776,658	(9,894,983)	(3,732,868)
Net increase/(decrease) in cash and cash equivalents	16,389,945	(9,874,601)	(2,302,275)
Net contribution from JD Group	1,342,208	—	—
Cash and cash equivalents at the beginning of the year	293,250	19,249,997	9,274,203
Effects of foreign exchange rate changes on cash and cash equivalents	1,224,594	(101,193)	(625,059)
Cash and cash equivalents at the end of the year	**19,249,997**	**9,274,203**	**6,346,869**

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the listing committee of the Stock Exchange for the granting of the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue of RMB73.4 billion (equivalent to approximately HK$88.1 billion) for the year ended December 31, 2020 exceeds HK$500 million, and (ii) our expected market capitalization at the time of Listing, which, based on the low-end of the indicative Offer Price range, exceeds HK$4 billion.

FUTURE DIVIDENDS

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

GLOBAL OFFERING

This document is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises of:

(a) the Hong Kong Public Offering of initially 18,274,900 Offer Shares (subject to reallocation) in Hong Kong as described below in the section headed “Structure of the Global Offering—The Hong Kong Public Offering”; and

(b) the International Offering of initially 590,885,900 Offer Shares (subject to reallocation and the Over-allotment Option) outside the United States in reliance on Regulation S and in the United States to QIBs in reliance on Rule 144A or other available exemption from the registration requirements of the U.S. Securities Act.

The Offer Shares will represent 10.00% of the issued share capital of the Company immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised and excluding shares to be issued under the Pre-IPO ESOP, Post-IPO Share Option Scheme and Post-IPO Share Award Scheme.

DETERIORATING NET LOSS AND RECENT DEVELOPMENTS

During the three months ended March 31, 2021, we recorded a revenue of RMB22.4 billion, up 64.1% from the same period in 2020, gross profit of RMB230.7 million, down 72.7% from the same period in 2020, and a total sum of selling and marketing expense, research and development expense, and general and administrative expense of RMB2.2 billion. Our cost of revenue and operating expenses for the three months ended March 31, 2021 include share-based payments of RMB0.4 billion. Our gross profit margin for the three months ended March 31, 2021 was materially lower than that of the same period in 2020, primarily due to (a) COVID-19 related impacts in 2020, and (b) in the second half of 2020, (i) a significant increase in the number of our employees involved in operations from approximately 170,000 as of March 31, 2020 to approximately 260,000 as of March 31, 2021, as well as (ii) our efforts in enhancing and expanding our logistics networks including increases in our warehouse space, line-haul routes, and other logistics infrastructure. Given our focus on business growth and market share expansion over profitability in the near-to-medium term, we expect there to be fluctuations in our profitability over shorter periods, such as that witnessed in the three months ended March 31, 2021, which can be further compounded by seasonality factors. See also "Risk Factors—As we currently prioritize growth of our business and expansion of our market share over profitability, there can be significant fluctuations in our profitability profile in the near-to-medium term." We expect our net loss for the year ending December 31, 2021 will increase significantly compared to the year ended December 31, 2020, primarily due to (i) expected changes in fair value of convertible redeemable preferred shares, (ii) an expected decrease in gross profit margin in 2021, partly due to the expected reduction in benefits from COVID-19 related government support and (iii) an expected increase in general and administrative expenses, selling and marketing expenses and research and development expenses in 2021. **In addition, we expect to record a significant adjusted loss in 2021.** See "—Non-IFRS Measure: Adjusted Profit/(Loss) For the Year." Assuming an Offer Price of HK$41.36 per Share (being the mid-point of the Offer Price Range of between HK$39.36 and HK$43.36 per Share), we estimate that we will record a loss in fair value changes of convertible redeemable preferred shares of RMB13.6 billion in 2021. Upon the completion of the Listing, no further changes in fair value of the redeemable convertible preferred shares will be recorded as the redeemable convertible preferred shares will have been converted to our ordinary shares.

Our Directors confirm that there have been no material adverse changes in our financial, operational or trading positions or prospects since December 31, 2020, being the date of our audited combined financial statements as set out in the Accountants' Report in Appendix I to this document, and up to the date of this document. Our unaudited interim condensed financial information for the three months ended March 31, 2021 has been reviewed by our Reporting Accountant in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

Impact of COVID-19 on Our Operations

Our revenue is primarily derived from provision of supply chain solutions and logistics services. Our results of operations and financial condition have been and may continue to be affected by the spread of COVID-19. Although China had substantially controlled the spread of COVID-19 by the end of 2020, the extent to which COVID-19 impacts our results of operations will depend on the future developments of the outbreak which are highly uncertain.

In response to the initial spread of COVID-19, the Chinese government has taken a number of actions, which included compulsory quarantining arrangement, travel restrictions, remote work arrangement and public activities restrictions, among others. COVID-19 also resulted in temporary closure of many corporate offices, retail stores, manufacturing facilities and factories across China and around the world. We have also taken a series of measures in response to the initial outbreak, including, among others, remote working arrangements for some of our employees and temporary closure of some of our branch offices, warehouses, delivery stations and service stations from late January to late February 2020. These measures temporarily reduced the capacity and efficiency of our operations, which negatively affected our results of operations. The measures and timing for business resumption varied across different localities in the PRC, and our branch offices, warehouses, delivery stations and service stations closed and opened in accordance with measures adopted by their respective local government authorities. We also experienced a temporary labor shortage in January and February 2020. We have taken measures to reduce the impact of the COVID-19 outbreak, including strictly implementing self-quarantine and disinfection measures at our headquarters, warehouses, delivery stations and service stations in accordance with government-issued protocols. We have also provided our delivery personnel with masks, hand sanitizers and other protective equipment immediately after the outbreak. As of April 2020, we had resumed substantially all of our businesses.

Despite an initial drop in our business activities at the start of the COVID-19 outbreak due to the nationwide lockdown imposed in the PRC, we have seen a swift resumption in our business growth starting in the second quarter of 2020. As consumers became accustomed to online shopping in order to minimize exposure to the virus, there was an increase in the demand for our supply chain solutions and logistics services especially in certain industry verticals, such as FMCG. In addition, several government policy support, such as relief of social security and waiver of toll charges, have improved our financial performance during the year ended December 31, 2020. Despite the impact of the COVID-19 outbreak, our revenue increased by 47.2% from RMB49.8 billion in 2019 to RMB73.4 billion in 2020.

As of December 31, 2020, we had cash and cash equivalents of RMB6.3 billion and term deposits of RMB3.6 billion. In 2020, we had net cash generated from operating activities of RMB10.2 billion. We believe our liquidity is sufficient to successfully navigate an extended period of uncertainty.

Taking into account (i) the worst case scenario that our operations and businesses are adversely affected by the COVID-19 outbreak, (ii) the financial resources available to us, including cash and cash equivalents, term deposits and the portion of the estimated net proceeds from the Global Offering expected to be used for working capital and general corporate purposes, and (iii) the prudent estimates for the settlement of trade receivables and trade payables, we believe we retain substantial ability to manage our business growth and achieve an optimal balance between business expansion and operating efficiency. Accordingly, we believe that we can further utilize our internal resources and net proceeds from the Global Offering designated for general working capital and our operations based on the low-end of the Offer Price, and remain financially viable for more than five years.

In addition, certain impacts from the COVID-19 outbreak on our financial performance in 2020 might be one-off and non-recurring. In 2020, we saw an increase in the demand for our supply chain solutions and logistics services especially in certain industry verticals, such as FMCG, as more consumers becoming accustomed to online shopping in order to minimize exposure to the virus. However, any such increase in demand for our integrated supply chain solutions and logistics services as a result of the shift in consumption pattern associated with the COVID-19 outbreak may be temporary and may not be sustainable after the COVID-19 outbreak ends. In addition, after the COVID-19 outbreak ends, we may stop receiving one-off benefits from the COVID-19 related government policy support, such as relief of social security and waiver of toll charges.

Impact of the PRC Anti-Monopoly Law and Anti-Monopoly Guidelines for the Internet Platform Economy Sector on Our Operations

On February 7, 2021, the Anti-Monopoly Committee of the State Council published the Anti-Monopoly Guidelines for the Internet Platform Economy Sector (《關於平臺經濟領域的反壟斷指南》) (the "Anti-Monopoly Guidelines"). Among others, the Anti-Monopoly Guidelines intend to regulate abuse of dominant position and other anti-competitive practices by online platform operators. We believe that the impact of the Anti-Monopoly Guidelines on our business is insignificant based on the following reasons. First, we do not own a dominant position in the integrated supply chain logistics service market. Pursuant to Article 19 of the PRC Anti-Monopoly Law, a market participant that has more than 50% of the market share in a relevant market is presumed to have a dominant position in that market. According to the CIC Report, we, as the integrated supply chain logistics service provider in China, have a market share of 2.7% in 2020, which is well below the 50% threshold under Section 19 of the PRC Anti-Monopoly Law. Second, pursuant to Article 2 of the Anti-Monopoly Guidelines, platform operator means an operator providing business premises, transaction matchmaking, information exchange and other internet platform services for natural persons, legal persons and other market entities. We are not a platform operator stipulated in the Anti-Monopoly Guidelines and thus will not be directly subject to certain rules and regulations thereunder.

In November 2020, the draft Anti-Monopoly Guidelines for the Internet Platform Economy Sector, for the first time, expressly included concentrations involving a VIE structure within the ambit of SAMR's merger control review if the reporting thresholds are triggered. In March 2021, we received an official case-filing notification in connection with a prior acquisition, which required us to provide relevant materials and statements on whether the non-filing constitutes a failure to file prior notification of concentration of undertaking (the "Enquiry"). We have been cooperating with SAMR, providing requested documents and information, and keeping written and oral correspondence with SAMR. As of the date of this prospectus, this case is still being investigated. We may be subject to penalty in connection with the Enquiry, including a fine up to RMB500,000 for the failure to file prior notification, and in extreme case being ordered to terminate the contemplated concentration, to dispose of our equity or asset within a prescribed period, to transfer our business within a prescribed time or to take any other necessary measures to return to the pre-concentration status.

OFFERING STATISTICS

All statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 609,160,800 Offer Shares are issued pursuant to the Global Offering; and (ii) 6,091,607,672 Shares are issued and outstanding following the completion of the Global Offering.

	Based on an Offer Price of HK\$39.36 per Share	**Based on an Offer Price of HK\$43.36 per Share**
Market capitalization of our Shares[(1)]	HK\$239,766 million	HK\$264,132 million
Unaudited pro forma adjusted net tangible assets per Share[(2)]	HK\$3.14 (RMB2.61)	HK\$3.66 (RMB3.05)

Notes:

(1) The calculation of market capitalization is based on 6,091,607,672 Shares expected to be in issue immediately upon completion of the Global Offering.

(2) The unaudited pro forma adjusted net tangible asset per Share as of December 31, 2020 is calculated after making the adjustments referred to in Appendix II and on the basis that 4,541,628,679 Shares are expected to be in issue immediately upon completion of the Global Offering without assuming the conversion of Series A Preference Shares, allotment and issuance of any Offer Shares upon the exercise of the Overallotment Option and the Shares to be issued pursuant to the Pre-IPO ESOP, Post-IPO Share Option Scheme and Post-IPO Share Award Scheme.

For the calculation of the unaudited pro forma adjusted net tangible asset value per Share attributed to our Shareholders, see the section headed "Unaudited Pro Forma Financial Information" in Appendix II.

LISTING EXPENSES

Based on the mid-point Offer Price of HK$41.36, the total estimated listing expenses in relation to the Global Offering is approximately RMB401.2 million, assuming the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the Pre-IPO Equity Plan. The total estimated listing expenses will represent approximately 1.9% of the total gross proceeds from the Global Offering of approximately HK$25,195 million. RMB8.3 million of the listing expenses was charged to our combined statement of profit or loss for the year ended December 31, 2020. We estimate that the total listing expenses for the year of 2021 in the amount of RMB66.3 million will be charged to our combined statement of profit or loss for the year ending December 31, 2021. The balance of approximately RMB326.7 million, which mainly includes underwriting commission, is expected to be accounted for as a deduction from equity upon the completion of the Global Offering. These listing expenses mainly comprise professional fees paid and payable to the professional parties for their services rendered in relation to the Listing and the Global Offering and the underwriting commission and incentive fee payable to the Underwriters in connection with the offering of Offer Shares under the Global Offering.

USE OF PROCEEDS

Assuming an Offer Price of HK$41.36 per Share (being the mid-point of the Offer Price Range of between HK$39.36 and HK$43.36 per Share), we estimate that we will receive net proceeds of approximately HK$24,713 million from the Global Offering after deducting the underwriting commissions and other estimated expenses paid and payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 55% (approximately HK$13,592 million) of the net proceeds is expected to be used for the upgrade and expansion of our logistics networks in the next 12 to 36 months. Specifically, we expect to invest in warehouse, line-haul, cold-chain, cross-border, bulky item logistics and last-mile delivery networks to continue to maintain our competitive advantages;
- approximately 20% (approximately HK$4,943 million) of the net proceeds is expected to develop advanced technologies to be used in our supply chain solutions and logistics services in the next 12 to 36 months, specifically, automation technologies, data analytic and algorithm capabilities, and other fundamental technologies;
- approximately 15% (approximately HK$3,707 million) of the net proceeds is expected to be used for expanding the breadth and depth of our solutions, as well as for penetrating existing customers and attracting potential customers in the next 12 to 36 months, specifically, sales and marketing by investing in sales and marketing personnel and industry solutions development by (a) further enhancing and customizing our existing industry solutions so as to address more industry-specific pain points; (b) modularization of our solutions so as to be able to provide customized solutions to other customers in the same industry with minimum lead time and cost; and (c) expanding our integrated

solutions to more industry verticals, such as industrial products and electronic components manufactured by corporate customers; and

- approximately 10% (approximately HK$2,471 million) of the net proceeds is expected to be used for general corporate purposes and working capital needs in the next 12 to 36 months.

SPIN-OFF

Having considered, among other things, that our supply chain solutions and logistics services business has grown to a sufficient size that warrants a separate listing on the Stock Exchange, JD.com submitted a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules. The Stock Exchange has confirmed that JD.com may proceed with the Spin-off as proposed. Our Company will comply with the requirements under Practice Note 15 and the applicable requirements of the Listing Rules regarding the Spin-off, save with respect to paragraph 3(f) of Practice Note 15, in respect of which JD.com has applied for, and the Stock Exchange has granted, a waiver from the requirement for us to provide existing shareholders of JD.com with an assured entitlement to apply for Shares pursuant to the Global Offering. See the section headed "History, Reorganization and Corporate Structure —Spin-off" in this document for further details of the Spin-off.