This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety 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" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares. Various expressions used in this summary are defined or explained in the sections headed "Definitions" and "Glossary of Technical Terms" in this prospectus.

OVERVIEW

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

According to F&S, China's cross-border e-commerce logistics market was highly fragmented, with the top five domestic cross-border e-commerce logistics services providers accounted for an aggregate market share of 2.5% in terms of revenue generated from cross-border e-commerce logistics services in 2022. And our Group ranked between 25th to 30th among domestic cross-border e-commerce logistics providers in China in terms of cross-border e-commerce logistics revenue, occupying 0.03% market share with revenue of RMB1.0 billion in 2022.

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

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

	FY2020				FY2021				FY2022				6M2022				6M2023			
	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit/ (loss)	Gross profit margin/ (loss) margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%	*RMB'000* (*unaudited*)	%	*RMB'000* (*unaudited*)	%	*RMB'000*	%	*RMB'000*	%
End-to-end cross-border delivery services																				
— Express delivery[(1)]	673,479	44.5	77,159	11.5	609,967	45.1	79,676	13.1	767,012	61.2	66,208	8.6	378,754	62.1	30,526	8.1	341,758	50.7	17,081	5.0
— Standard delivery[(2)]	379,153	25.1	944	0.2	415,516	30.7	(19,527)	(4.7)	177,468	14.2	10,821	6.1	99,336	16.3	8,432	8.5	233,367	34.6	23,785	10.2
— Economic delivery[(3)]	302,588	20.0	16,949	5.6	51,449	3.8	130	0.3	35,956	2.9	3,536	9.8	18,737	3.1	1,252	6.7	14,784	2.2	3,395	23.0
	1,355,220	89.6	95,052	7.0	1,076,932	79.6	60,279	5.6	980,436	78.3	80,565	8.2	496,827	81.5	40,210	8.1	589,909	87.5	44,261	7.5
Freight forwarding	98,858	6.5	5,114	5.2	225,705	16.7	21,322	9.4	203,028	16.2	4,332	2.1	88,185	14.5	(820)	(0.9)	40,476	6.0	2,677	6.6
Other logistics services[(4)]	58,070	3.9	23,058	39.7	51,049	3.7	18,255	35.8	68,519	5.5	19,768	28.9	24,729	4.0	9,619	38.9	43,525	6.5	7,517	17.3
Total	**1,512,148**	**100.0**	**123,224**	**8.1**	**1,353,686**	**100.0**	**99,856**	**7.4**	**1,251,983**	**100.0**	**104,665**	**8.4**	**609,741**	**100.0**	**49,009**	**8.0**	**673,910**	**100.0**	**54,455**	**8.1**

Notes:

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

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

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

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

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

Since the outbreak of COVID-19, there was a significant change in consumer habits boosting the development of the e-commerce industry. Our Group has benefitted from the high export demand in the second half of 2020, recording the highest billed weight in FY2020 of approximately 19.4 million kg, which is the highest during the Track Record Period.

During the Track Record Period, there was a decreasing trend in our revenue. Our revenue decreased from approximately RMB1,512.1 million in FY2020 to approximately RMB1,353.7 million in FY2021, which was mainly attributable to the decrease in revenue from economic delivery services due to the adoption of "Option V" postal remuneration system by the Universal Postal Union leading to a significant increase in postal fees for delivery from the PRC to the US, as such, our economic delivery services became less favourable. Our revenue further decreased to approximately RMB1,252.0 million in FY2022 mainly due to the decrease in revenue from the provision of standard delivery services of approximately RMB238.0 million, as a result of a decrease in the number of parcels and billed weight to North America, which was our Group's major export destination. This decline traces back to our strategic shift aimed at improving profitability in FY2022. We increased our pricing, reduced the intensity and discount offered in our sales promotion, and pivoted towards higher-margin services. While these moves improved the profit margins, they inadvertently shrank our business volume, measured in the number of parcels and billed weights, leading to the revenue downturn in FY2022.

Our revenue then experienced an increase during the six months ended 30 June 2023 compared with that of the six months ended 30 June 2022. The increase was mainly attributable to the increase in revenue from the provision of standard delivery services by approximately RMB134.0 million due to the procurement of standard delivery services of approximately RMB150.7 million by Customer Q. The increase in revenue for 6M2023 was partially offset by the decrease in revenue from the freight forwarding services by approximately RMB47.7 million, primarily resulting from decrease in revenue from seaborne and airborne freight forwarding services. For further details, please refer to the section headed “Financial information — Comparison of results of operations” in this prospectus.

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

OUR COMPETITIVE STRENGTHS

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

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

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

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

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

For details, please refer to the section headed “Business — Our competitive strengths” in this prospectus.

OUR BUSINESS STRATEGIES

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

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

- invest in and upgrade our information technology systems.

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

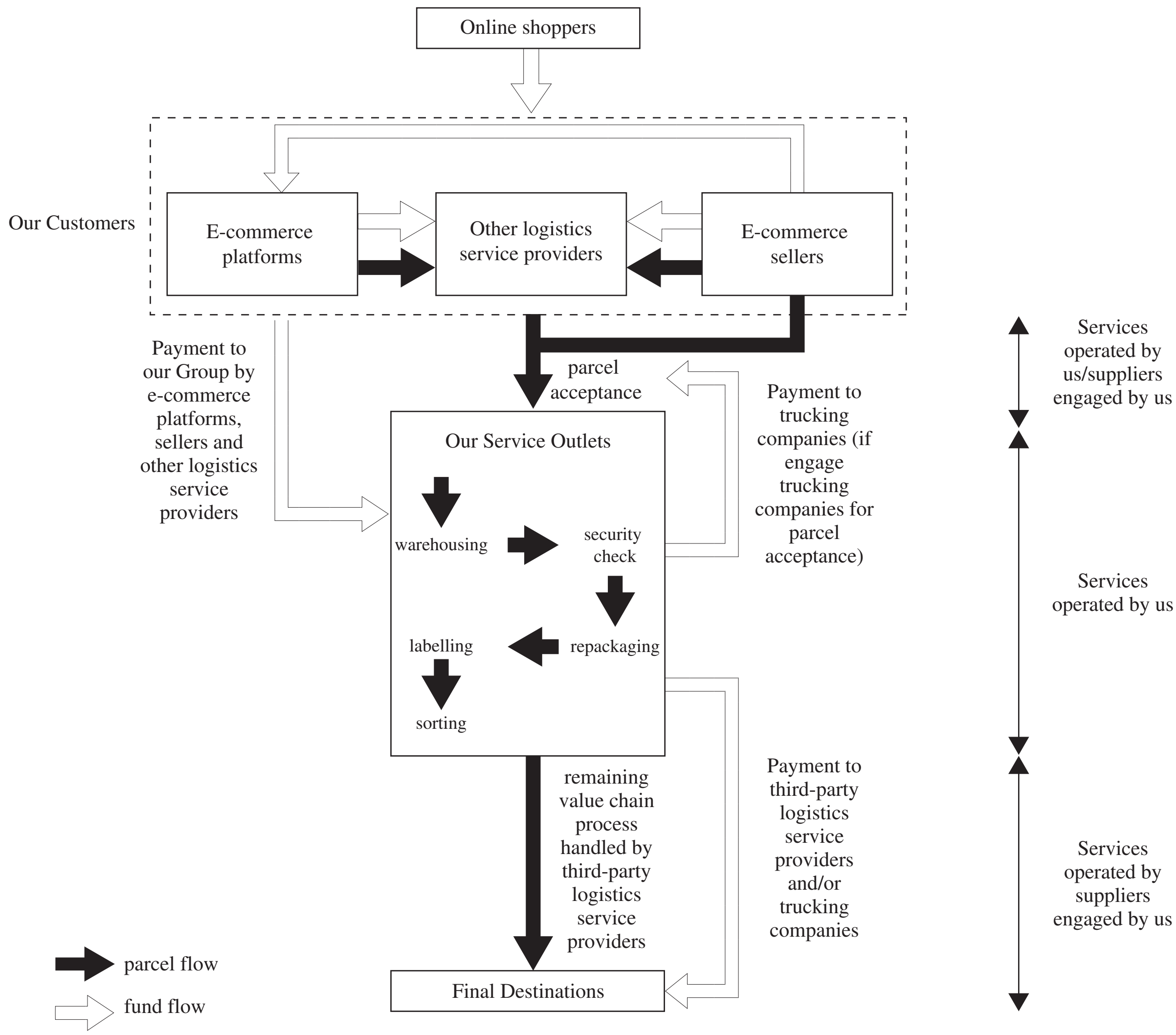
OUR BUSINESS MODEL

Our business model principally involves providing the following:

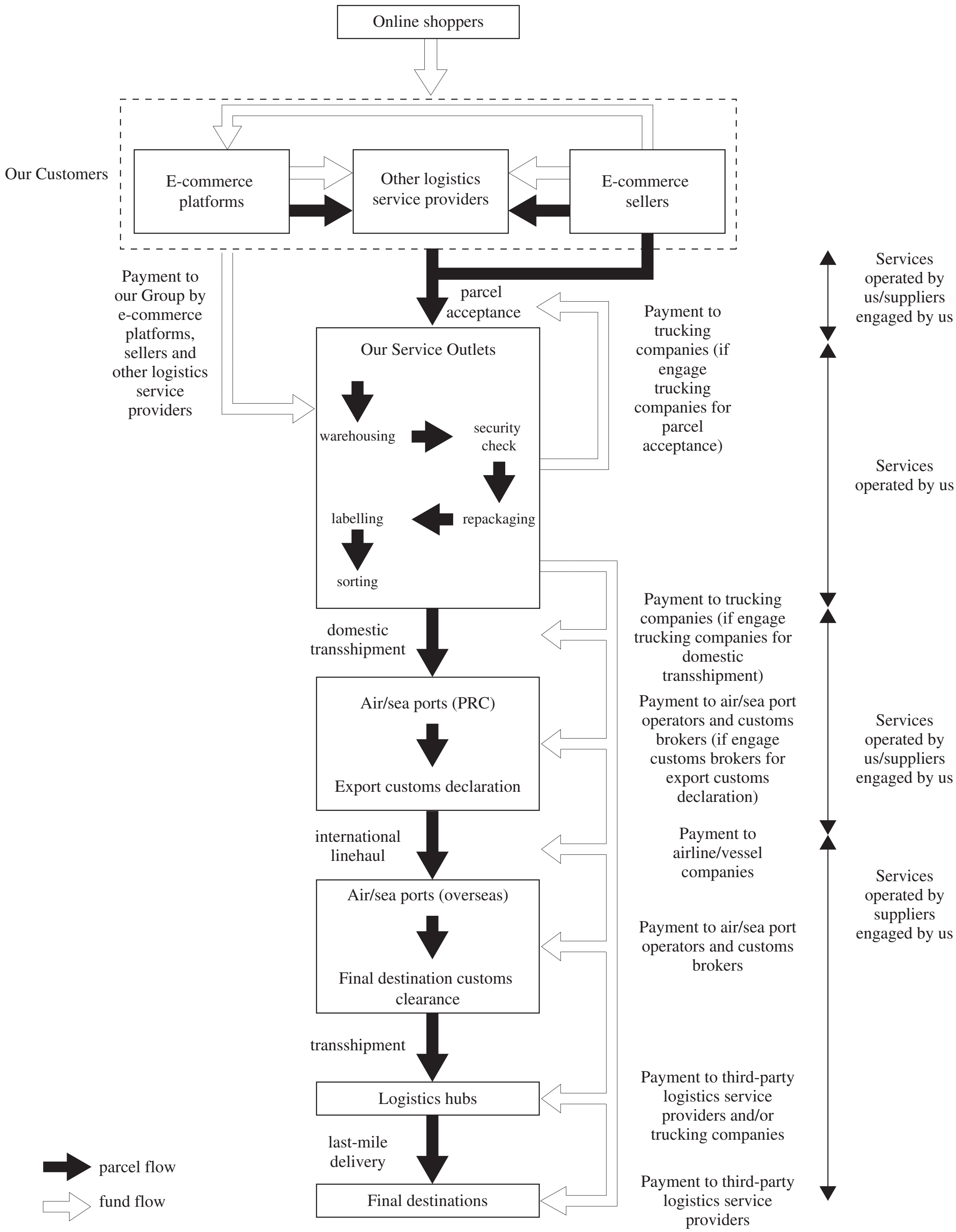
(i) End-to-end cross-border delivery services

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

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

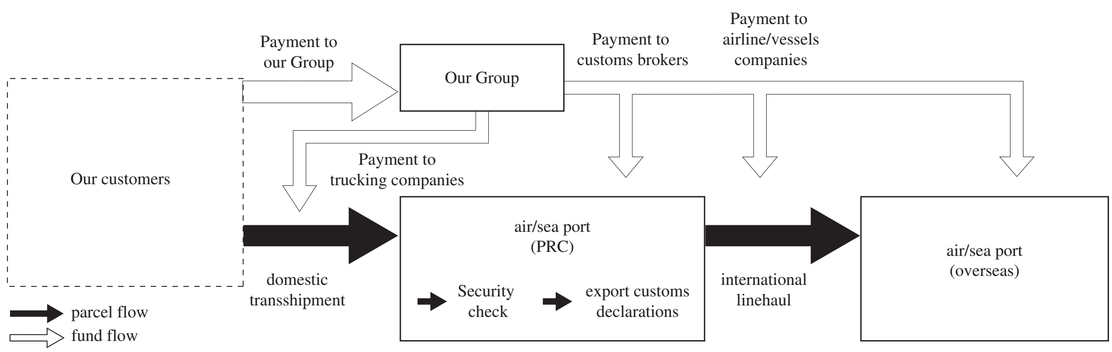


Standard delivery services/Economic delivery services (by seaborne transportation)



(ii) Freight forwarding

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



(iii) Other logistics service

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

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

OUR CUSTOMERS AND SUPPLIERS

Our Customers

Our customers generally include e-commerce platforms, e-commerce sellers, other logistics service providers and traditional traders. During the Track Record Period, the majority of our revenue was derived from e-commerce related customers. For each of FY2020, FY2021, FY2022 and 6M2023, sales to our five largest customers in each year/period amounted to approximately RMB346.8 million, RMB432.2 million, RMB357.3 million and RMB304.4 million, representing approximately 22.8%, 31.9%, 28.5% and 45.2% of our total revenue, respectively, and sales to our largest customer in each year/period amounted to approximately RMB106.4 million, RMB218.6

million, RMB153.3 million and RMB150.7 million, representing approximately 7.0%, 16.1%, 12.2% and 22.4% of our total revenue, respectively. We had established business relationships with our five largest customers in each year/period during the Track Record Period for two to 18 years.

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

Our Suppliers

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

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

SUMMARY OF KEY OPERATIONAL AND FINANCIAL INFORMATION

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

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

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

	FY2020	FY2021	FY2022	6M2022	6M2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue	1,512,148	1,353,686	1,251,983	609,741	673,910
Cost of Sales	(1,388,924)	(1,253,830)	(1,147,318)	(560,732)	(619,455)
Gross profit	123,224	99,856	104,665	49,009	54,455
Profit for the year/period	52,695	36,892	25,797	13,750	10,917
Profit attributable to:					
— Owners of our Company	52,715	36,932	25,766	13,705	11,342
— Non-controlling interests	(20)	(40)	31	45	(425)
	52,695	36,892	25,797	13,750	10,917

Non-HKFRS Measure

Non-HKFRS measure is not a standard measure under HKFRSs. We believe the non-HKFRS measure set out below provides useful information to investors about our operating performance, and enhances the overall understanding of our past performance and future prospects in the same manner as our management.

We define adjusted net profit (non-HKFRS measure) as profit for the year adjusted by expenses for the Listing. Given that Listing expenses were incurred for the purpose of the Share Offer, the adjustment has been consistently made during the Track Record Period.

The non-HKFRS measure shall not be considered in isolation from, or as substitute for analysis of, our consolidated statement of profit or loss or financial condition as reported under HKFRSs. In addition, the non-HKFRS measure may be defined separately from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

The table below sets forth our adjusted net profit (non-HKFRS measure) for each respective years/periods during the Track Record Period:

	FY2020	FY2021	FY2022	6M2022	6M2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit for the year/period	52,695	36,892	25,797	13,750	10,917
Adjustment for:					
Listing Expenses	—	—	13,230	4,107	10,486
Adjusted net profit (Non-HKFRS measure) for the year/period	52,695	36,892	39,027	17,857	21,403
Adjusted net profit margin (Non-HKFRS measure) for the year/period	3.5%	2.7%	3.1%	2.9%	3.2%

Revenue

Since 2020, the outbreak of COVID-19 has affected the global economy, which had an influence on our Group's financial performance in most of the time during the Track Record Period. In response to the COVID-19 pandemic, the PRC government has imposed measures to contain the spread of the virus from time to time between 2020 and 2022. In May 2023, the World Health Organisation ended the global emergency status for COVID-19, declaring that it is now an established and ongoing health issue which no longer constitutes a public health emergency of international concern.

According to the F&S Report, the outbreak of COVID-19 has also changed consumer habits significantly and accelerated the transition of consumption pattern from traditional offline shopping to online channels and platforms, promoting further development and expansion of cross-border e-commerce industry. In particular, our Group benefitted from a high export demand in the second half of 2020 for anti-epidemic supplies and other necessities from the PRC to other countries due to the global COVID-19 impact. The billed weight under end-to-end cross-border logistics services for FY2020 amounted to approximately 19.4 million kg, marking the highest billed weight recorded during the Track Record Period. This elevated level can be attributed to a higher number of sales items including anti-epidemic supplies and other necessities were shipped by our Group in FY2020. As confirmed by F&S, the global supply of anti-epidemic supplies became more stabilised in 2021 as compared to 2020. For further details, please refer to the section headed "Financial information — Comparison of results of operations — FY2021 compared with FY2020" of this prospectus.

Our revenue decreased by approximately RMB158.4 million, or approximately 10.5%, from approximately RMB1,512.1 million for FY2020 to approximately RMB1,353.7 million for FY2021. Such decrease was mainly attributable to the decrease in revenue from the provision of economic delivery services of approximately RMB251.2 million, which was mainly attributable to the adoption of "Option V" postal remuneration system by the Universal Postal Union which has significantly increased the rate charged on small parcels delivered from the PRC to the US, resulting in a decline in the number of parcels from the PRC to the U.S. through economic delivery services; and was partially offset by the increase in revenue from freight forwarding services of approximately RMB126.8 million, or approximately 128.3%, mainly attributable to the increase in fees of both of our air and ocean freight forwarding services we charged our customers during FY2021 when there was shortage of cargo capacity in the market subsequent to the outbreak of COVID-19 while we were able to secure cargo spaces and containers from our suppliers in accordance with our framework agreements, to maintain our freight forwarding services, and resulted in an increase in revenue and gross profit recorded for such services for FY2021. Such shortage of supply of cargo containers in the PRC during FY2021 was primarily resulted from high export demand in the second half of 2020, many cargo containers were transported out of the PRC.

Our revenue decreased by approximately RMB101.7 million, or approximately 7.5%, from approximately RMB1,353.7 million for FY2021 to approximately RMB1,252.0 million for FY2022. Such decrease was mainly attributable to the decrease in revenue from the provision of standard delivery services by approximately RMB238.0 million, which was mainly due to (i) the decrease in revenue generated from export shipment to North America; and (ii) a shift in our marketing strategy, from conducting sales promotion during FY2021 to diversifying our services offered to our customers during FY2022, and was partially offset by the increase in revenue from the provision of express delivery services by approximately RMB157.0 million, which was mainly attributable to the increase in billed weight from approximately 9.7 million kg in FY2021 to approximately 13.8 million kg in FY2022 as a result of a decrease in fees charged to our customers in order to maintain our market presence at the relevant time.

Our revenue increased by approximately RMB64.2 million, or approximately 10.5%, from approximately RMB609.7 million for 6M2022 to approximately RMB673.9 million for 6M2023. Such increase was mainly attributable to the increase in revenue from the provision of standard delivery services under end-to-end cross-border delivery services by approximately RMB134.0 million as a result of the procurement of standard delivery services of approximately RMB150.7 million by Customer Q, one of our top five customers for 6M2023, and was partially offset by (i) the decrease in revenue from the provision of express delivery services by approximately RMB37.0 million, mainly due to the decrease in our average selling price as a result of intensified market competition; and (ii) the decrease in revenue from the freight forwarding services by approximately RMB47.7 million, which was primarily attributable to (i) the decrease in demand for the seaborne freight forwarding services; and (ii) our strategic decision not to renew our block space agreements with suppliers since the second half of FY2022 leading to a decrease in business volume.

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

Gross profit and gross profit margin

During the Track Record Period, our Group recorded a relatively stable gross profit margin in end-to-end cross-border delivery services, except for FY2021, during which the gross profit margin decreased to approximately 5.6%. Such decrease was primarily attributable to (i) the decrease in gross profit of approximately RMB16.8 million from economic delivery services resulting from the adoption of "Option V" postal remuneration system by the Universal Postal Union, leading to the increase in delivery cost of small parcels from the PRC to the US; and (ii) the gross loss margin of approximately 4.7% from standard delivery services, resulting from the sales promotion conducted to raise our brand awareness and to establish our business presence on an e-commerce platform, Alibaba.com, through our business relationship with Yidatong and the higher price paid for the procurement of additional air cargo spaces in 2021.

For freight forwarding, our Group experienced fluctuation in gross profit margin, as the performance of three service lines in freight forwarding varied. Our overall gross profit margin for freight forwarding services increased from approximately 5.2% FY2020 to approximately 9.4% for FY2021, which was primarily attributable to the increase in gross profit margin for seaborne freight forwarding services from approximately 3.8% for FY2020 to approximately 11.5% for FY2021 resulting from the increase in freight rates we charged to our customers with a markup on top of our cost during FY2021. Our overall gross profit margin for freight forwarding services decreased to approximately 2.1% for FY2022, which was mainly attributable to the gross loss margin of approximately 3.9% incurred from our airborne freight forwarding services as higher costs were incurred to secure the cargo spaces at the end of FY2021 and the decrease in freight rate in FY2022. For further details, please refer to the section headed "Financial information — Description of selected components of our results of operations — Gross profit/(loss) and gross profit/(loss) margin" in this prospectus.

Our gross profit decreased by approximately RMB23.3 million, or approximately 18.9%, from approximately RMB123.2 million for FY2020 to approximately RMB99.9 million for FY2021, and our overall gross profit margin decreased from approximately 8.1% for FY2020 to approximately 7.4% for FY2021. Such decrease in gross profit was primarily attributable to the decrease in gross profit of approximately RMB16.8 million from economic delivery services and the gross loss incurred from our standard delivery services as discussed above.

Our gross profit increased by approximately RMB4.8 million, or approximately 4.8%, from approximately RMB99.9 million for FY2021 to approximately RMB104.7 million for FY2022, and our overall gross profit margin increased from approximately 7.4% for FY2021 to approximately 8.4% for FY2022. Such increase was mainly attributable to (i) the gross profit of approximately RMB10.8 million recognised in the standard delivery services segment in FY2022 as opposed to a gross loss of approximately RMB19.5 million in FY2021, primarily attributable to the reduction of the intensity and discounts offered in our sales promotion during FY2022; (ii) the increase in gross profit from economic delivery services by approximately RMB3.4 million, mainly due to the introduction of new delivery routes and methods in FY2022; and (iii) the increase in gross profit from other logistics services by approximately RMB1.5 million, which was primarily attributable to our customs clearance, pick-up and delivery service, with a relatively stable gross profit margin and was partially offset by (i) the decrease in gross profit from express delivery services by approximately RMB13.5 million which was primarily attributable to a smaller increase in our fees charged to our customers than the increase in our cost of sales in order to maintain our price competitiveness and (ii) the decrease in gross profit from freight forwarding services by approximately RMB17.0 million, which was primarily resulted from the decrease in freight rates due to gradual resumption of airborne and seaborne transportation capacity. The increase in our overall gross profit margin was mainly attributable to the improvement in the performance of our standard delivery segment, which shifted from a gross loss to a gross profit, and the increase in gross profit margin from the provision of economy delivery services.

Our gross profit increased by approximately RMB5.5 million, or approximately 11.2%, from approximately RMB49.0 million for 6M2022 to approximately RMB54.5 million for 6M2023, while the gross profit margin increased slightly from approximately 8.0% for 6M2022 to approximately 8.1% for 6M2023. Such increase in gross profit was mainly attributable to the increase in gross profit of approximately RMB15.4 million from standard delivery services, which was mainly attributable to the revenue from Customer Q as discussed above, and was partially offset by the decrease in gross profit from express delivery services of approximately RMB13.4 million, which was mainly attributable to the decrease in our average selling price as discussed above.

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

During the Track Record Period, we experienced narrow overall gross profit margins. Any material increases in our cost of sales may further squeeze our gross profit margins. For details, please refer to the section headed "Risk factors — The competitive industry we operate in, may further squeeze our gross and net profit margins, leading to a material and adverse impact on our profitability." in this prospectus.

Profit for the year/period

Our profit for 6M2023 decreased by approximately RMB2.9 million, or approximately 21.0% from approximately RMB13.8 million for 6M2022 to approximately RMB10.9 million for 6M2023. Such decreased was mainly attributable to (i) the increase in administrative and other expenses of approximately RMB7.1 million; and (ii) the increase in finance costs of approximately RMB0.8 million, partially offset by the increase in gross profit of approximately RMB5.5 million.

Our profit for FY2022 decreased by approximately RMB11.1 million, or approximately 30.1% from approximately RMB36.9 million for FY2021 to approximately RMB25.8 million for FY2022. Such decrease was mainly attributable to the Listing expenses incurred during FY2022.

Our profit for FY2021 decreased by approximately RMB15.8 million, or approximately 30.0% from approximately RMB52.7 million for FY2020 to approximately RMB36.9 million for FY2021. Such decrease was mainly attributable to the decrease in revenue from end-to-end cross-border delivery services for economic delivery services and express delivery services.

For further details, please refer to the section headed "Financial information — Comparison of results of operations" in this prospectus. For the measures to maintain our profitability, please refer to the section headed "Business — Pricing policy — Maintenance of our profitability" in this prospectus.

Our adjusted net profit (Non-HKFRS measure) decreased by approximately RMB15.8 million from approximately RMB52.7 million for FY2020 to approximately RMB36.9 million for FY2021, which was primarily attributable to the combined effect of (i) the decrease in gross profit of approximately RMB23.3 million, which was mainly attributable to the decrease in gross profit of approximately RMB16.8 million from economic delivery, primarily due to the decrease in revenue resulting from the adoption of "Option V" postal remuneration system by the Universal Postal Union; (ii) the increase in staff costs for management and administrative staff of approximately RMB7.5 million, which was mainly attributable to the increase in the number of management and finance staff for our business development; and (iii) the increase in selling expense of RMB2.9 million, which was mainly due to the increase in the salaries of our sales staff and the increase in marketing expense for the promotion of our services to customers of e-commerce platforms, and was partially offset by (i) the decrease in finance costs of approximately RMB2.5 million; and (ii) the decrease in income tax expense of approximately RMB7.2 million.

Our adjusted net profit (Non-HKFRS measure) increased by approximately RMB2.1 million from approximately RMB36.9 million for FY2021 to approximately RMB39.0 million for FY2022, which was primarily attributable to the combined effect of the increase in gross profit of approximately RMB4.8 million, which was mainly attributable to a gross profit of approximately RMB10.8 million recorded from standard delivery services, and was partially offset by (i) the increase in selling expense of approximately RMB1.4 million, which was mainly attributable to the increase in the number of staff for the development of new services to an e-commerce platform, Alibaba.com, through our business relationship with Yidatong; and (ii) the decrease in income tax expenses of approximately RMB1.0 million.

Our adjusted net profit (Non-HKFRS measure) increased by approximately RMB3.5 million from approximately RMB17.9 million for 6M2022 to approximately RMB21.4 million for 6M2023, which was primarily attributable to the combined effect of (i) the increase in gross profit of approximately RMB5.5 million, which was mainly attributable to the increase in gross profit from standard delivery services of approximately RMB15.4 million as a result of the increase in revenue from Customer Q; (ii) a gross profit from freight forwarding services amounting to approximately RMB2.7 million, primarily resulting from the increase in gross profit derived from ground transportation; and (iii) the increase in other income, gains and losses, net, of approximately RMB0.8 million, which was mainly attributable to an increase in bank interest income of approximately RMB1.1 million, and was partially offset by (i) the increase in selling expenses of approximately RMB0.7 million, which was mainly attributable to the increase in staff costs of approximately RMB0.7 million as a result of the recruitment of additional staff members to develop and plan new services designated for our standard delivery services during 6M2023; (ii) the increase in the impairment loss on trade and other receivables of approximately RMB1.2 million; and (iii) the increase in finance costs of approximately RMB0.8 million, which was mainly attributable to the increase in our interests on bank borrowings of approximately RMB1.0 million.

Highlight of certain items of our consolidated statements of financial position

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

	As at 31 December			As at 30 June
	2020	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	345,217	492,461	426,903	528,930
Current liabilities	145,965	112,653	97,922	169,605
Non-current assets	184,119	182,131	187,380	182,479
Non-current liabilities	6,753	11,464	7,556	3,523
Net current assets	199,252	379,808	328,981	359,325
Net assets	376,618	550,475	508,805	538,281
Non-controlling interests	54	14	45	(380)

We recorded net current assets of approximately RMB199.3 million, RMB379.8 million, RMB329.0 million and RMB359.3 million as at 31 December 2020, 2021 and 2022 and 30 June 2023, respectively. The increase in net current assets from approximately RMB199.3 million as at 31 December 2020 to approximately RMB379.8 million as at 31 December 2021 was primarily attributable to (i) the increase in bank balances and cash of approximately RMB65.1 million, mainly resulting from the issue of shares to a Pre-IPO investor; (ii) the increase in deposits, prepayments and other receivables of approximately RMB21.2 million, which was primarily attributable to prepaid listing expenses and the increase in prepayment and deposits made to suppliers for the provision of air cargo space, international delivery services and last-mile delivery services; and (iii) the increase in financial assets at fair value through profit or loss of approximately RMB62.2 million, resulting from investments in structured deposits and wealth management products.

The decrease in net current assets to approximately RMB329.0 million as at 31 December 2022 was primarily attributable to the decrease in financial assets at fair value through profit or loss of approximately RMB86.9 million, which was mainly due to the redemption of wealth management products and the maturity of structured deposits, partially offset by (i) increase in deposits, prepayments and other receivables of approximately RMB17.3 million, which was primarily attributable to the increase in prepayments from a supplier for US customs clearance services and the increase in other receivables due to the deposits paid to suppliers for last-mile delivery; and (ii) the decrease in trade payables of approximately RMB22.3 million, mainly due to was mainly attributable to a decrease in trade payables due to suppliers offering seaborne freight forwarding services and standard delivery services.

The increase in net current assets to approximately RMB359.3 million as at 30 June 2023 was primarily attributable to the increase in trade receivables of approximately RMB96.9 million, mainly due to the increase in revenue from Customer Q during 6M2023, of which over 75% of the transactions with Customer Q during 6M2023 was occurred in April, May and June 2023, while there was generally a settlement period of approximately three months between the Group and Customer Q due the lengthy settlement process, partially offset by (i) the increase in trade payables of approximately RMB33.6 million, which was mainly attributable to the increase in our procurement in line with the growth of our business, especially with the rapid growth in business with Customer Q; and (ii) the increase in borrowings of approximately RMB50.0 million, which was mainly due to four loan agreements with an aggregate principal amount of RMB54.0 million entered into between our Group and a bank in the PRC.

We recorded net assets of approximately RMB376.6 million, RMB550.5 million, RMB508.8 million, and RMB538.3 million as at 31 December 2020, 2021 and 2022 and 30 June 2023, respectively. The increase in net assets as at 31 December 2021 was primarily attributable to an issue of shares of approximately RMB137.2 million, which was partially offset by an increase in profit in FY2021 of approximately RMB36.9 million. The decrease in net assets as at 31 December 2022 was primarily attributable to the shares repurchased and cancelled of approximately RMB70.7 million, which was partially offset by (i) a gain in foreign exchange recognised in other comprehensive income of approximately RMB3.2 million; and (ii) the profit in FY2022 of approximately RMB25.8 million. The increase in net assets as at 30 June 2023 was primarily attributable to (i) the profit for the period of approximately RMB10.9 million; (ii) a gain in foreign exchange recognised in other comprehensive income of approximately RMB5.3 million; and (iii) a capital injection from the pre-IPO investor of approximately RMB13.3 million.

For further details, please refer to the sections headed "Financial information — Net current assets" and "Financial Information — Discussion of selected items from the consolidated statements of financial position" in this prospectus.

Highlight of our consolidated statements of cash flows

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

	FY2020	FY2021	FY2022	6M2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net cash from/(used in) operating activities	102,700	7,290	23,728	(58,902)
Net cash (used in)/from investment activities	(15,529)	(46,409)	77,756	(3,573)
Net cash (used in)/from financing activities	(57,537)	104,470	(79,363)	54,011
Net increase (decrease) in cash and cash equivalents	29,634	65,351	22,121	(8,464)

For 6M2023, the net cash used in operating activities amounted to approximately RMB58.9 million, which was the combined result of operating cash flows before working capital changes of approximately RMB20.9 million and negative movement in working capital of approximately RMB71.6 million, income taxes paid of approximately RMB8.2 million. The negative movement in working capital primarily reflected (i) the increase in trade receivables of approximately RMB98.2 million; (ii) the increase in other receivables of approximately RMB1.0 million; (iii) the decrease in contract liabilities of approximately RMB1.3 million; and (iv) the decrease in accruals and other payables of approximately RMB4.7 million, offset by the increase in trade payables of approximately RMB33.6 million.

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

Key financial ratios

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

	FY2020	FY2021	FY2022	6M2023
Current ratio	2.4 times	4.4 times	4.4 times	3.1 times
Gearing ratio*(Note)*	8.9%	3.4%	3.9%	12.1%
Return on total assets	10.0%	5.5%	4.2%	1.5%
Return on equity	14.0%	6.7%	5.1%	2.0%
Net profit margin	3.5%	2.7%	2.1%	1.6%

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

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

Summary of operating data

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

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

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

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

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

	6M2023				
	Number of parcels(Note 1) ('000)	*Billed weightNote (2) ('000 kg)*	*Average price (RMB per kg)*	*Average revenue (RMB per parcel)*	*Average billed weight (kg per parcel)*
End-to-end cross border delivery services					
— Express delivery . . .	430	6,795	50.3	794.8	15.8
— Standard delivery . .	3,011	2,314	100.8	77.5	0.8
— Economic delivery. .	103	679	21.8	142.9	6.6
Total	**3,544**	**9,788**	**60.3**	**166.5**	**2.8**

Notes:

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

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

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

PRICING POLICY

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

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

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Capitalisation Issue and the Share Offer, Zi Yue and Gensis FAR Holdings Limited (天遠控股有限公司) will be interested in approximately 28.3607% and 5.3815% of our total issued share capital respectively (without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option), Zi Yue is an investment holding company and is wholly-owned by Mr. Wang. Gensis FAR Holdings Limited is a company wholly-owned by Hangzhou Aiyuan L.P., a limited partnership in which Mr. Wang is interested in approximately 37.88% of its equity interest.

Accordingly, immediately following completion of the Capitalisation Issue and the Share Offer, Mr. Wang will be interested in approximately 33.7422% of our total issued share capital through Zi Yue and Gensis FAR Holdings Limited (without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option), Mr. Wang, Zi Yue, Gensis FAR Holdings Limited and Hangzhou Aiyuan L.P. are a group of Controlling Shareholders. For details of our shareholdings and information about our Controlling Shareholders, please refer to the sections headed "History, development and Reorganisation" and "Relationship with Controlling Shareholders", respectively, in this prospectus.

RISK FACTORS

Our business and the Share Offer involve certain risks, which are set out in the section headed "Risk Factors" in this prospectus. Some of the major risk factors that we face include:

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

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

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

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

- We operate in a competitive industry, and if we fail to compete effectively, our business and profitability could suffer.

- We may encounter difficulties in adjusting selling prices to adequately reflect the upward trend of costs, which could result in a significant and negative impact on our gross profit margin.

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

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Share Offer of approximately RMB80.0 million (equivalent to approximately HK$88.5 million) after deducting underwriting commissions and other estimated expense paid and payable by us in relation to the Share Offer without deducting any additional discretionary incentive fee assuming an Offer Price of HK$1.06 per Share, being the mid-point of the indicative Offer Price range between HK$0.90 and HK$1.22 per Share. We intend to use the net proceeds from the Share Offer as follows: (a) approximately RMB65.5 million (equivalent to approximately HK$72.6 million), representing approximately 81.9% of the net proceeds from the Share Offer, is expected to be used for setting up new service outlets and expanding and upgrading our existing service outlets in the PRC; (b) approximately RMB14.4 million (equivalent to approximately HK$15.8 million), representing approximately 18.0% of the net proceeds from the Share Offer, is expected to be used for investing in and upgrading our information technology systems; and (c) approximately RMB0.1 million (equivalent to approximately HK$0.1 million), representing approximately 0.1% of the net proceeds from the Share Offer, is expected to be used as working capital and general corporate purposes. For details please refer to the section headed "Future plans and use of proceeds" in this prospectus.

LISTING EXPENSES

Our Directors are of the view that the financial results of our Group for the year ending 31 December 2023 are expected to be adversely affected by the Listing expenses in relation to the Share Offer, the nature of which is non-recurring. The total Listing fees in relation to the Share Offer, primarily consisting of fees paid or payable to professional parties and underwriting fees and commission, are estimated to be approximately RMB54.2 million (based on the mid-point of the indicative Offer Price range of HK$1.06 per Offer Share and 140,000,000 Offer Shares), which amounted to 40.4% of the gross proceeds from the Share Offer, of which (i) underwriting-related expenses, including underwriting commission and other expenses are approximately RMB5.4 million and (ii) non-underwriting-related expenses are approximately RMB48.8 million, comprising (a) fees and expenses of legal advisers and accountants of approximately RMB30.1 million and (b) other fees and expenses, including sponsor fee, of approximately RMB18.7 million. Among the estimated total Listing fees, (i) approximately RMB13.9 million is expected to be accounted for as a deduction from equity upon Listing; and (ii) approximately RMB40.3 million will be recognised as expenses in our consolidated income statements, of which approximately RMB23.7 million had been recognised up to 30 June 2023 and, approximately RMB14.5 million is expected to be recognised during six months ending 31 December 2023.

RECENT DEVELOPMENTS

Impact of COVID-19

Since 2020, the outbreak of COVID-19 has affected the global economy, which had an influence on our Group's financial performance in most of the time during the Track Record Period. In response to the COVID-19 pandemic, the PRC government has imposed measures to contain the spread of the virus from time to time between 2020 and 2022. In May 2023, the World Health Organisation ended the global emergency status for COVID-19, declaring that it is now an established and ongoing health issue which no longer constitutes a public health emergency of international concern.

As at the Latest Practicable Date, the selling price per kg in express delivery, standard delivery and economic delivery options under the end-to-end cross-border delivery business line for 6M2023 are generally lower compared with that of FY2022. Our Directors are of the view that our Group's average selling prices and logistic costs are, in general, decreasing from the COVID-19 period to the levels similar to the pre-COVID-19 period, following the market trend; hence, our Group adjusts our selling prices with reference to the market conditions to maintain our market competitiveness. Meanwhile, the impact of lower estimated selling price in FY2023 is expected to be eased by the increase in estimated volume for FY2023.

For further details regarding the impact of COVID-19 on our business operations, please refer to the section headed "Business — Impact of COVID-19" of this prospectus.

Regulations relating to overseas securities offering and listing by domestic companies

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), which was promulgated by the China Securities Regulatory Commission on 17 February 2023 and executed on 31 March 2023, domestic companies issuing and listing overseas shall, in accordance with these Measures, file with the CSRC, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain the shareholder information. Where a domestic companies indirectly issues and listings overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

We received the filing notice issued by the CSRC dated 17 August 2023 indicating that we have completed the filing application. Nonetheless, in the event of any future events that are material to us or failure to complete overseas securities listing within 12 months from the date of the filing notice, we are under the obligation to report such events to or update the filing application with the CSRC. Our Group is obliged to report to the CSRC upon successful overseas offering and listing.

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

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

The De Minimis Exemption allows an importer to avoid payment of ordinary duties (and formal entry procedures) that may otherwise apply. The De Minimis Exemption also may allow an importer to avoid payment of other additional duties applicable to imports. Critically for parties exporting goods of Chinese origin to the US, goods otherwise subject to the duties imposed on articles of China pursuant to Section 301 of the Trade Act of 1974 ("**Section 301 Duties**") ranging from 7.5% to 25%, may be entered duty free using the De Minimis Exemption. For our end-to-end cross border delivery services, the number of parcels valued at US$800 or below delivered to the US by us during the Track Record Period amounted to over 90% of the total number of parcels delivered by our Group, in which parcels refer to a single or multiple parcels delivered to the same location under the same shipment order. In particular, within revenue generated from our end-to-end cross-border delivery services, approximately RMB798.6 million, RMB691.8 million, RMB595.2 million, RMB275.4 million and RMB456.8 million in FY2020, FY2021, FY2022, 6M2022 and 6M2023 were generated from parcels shipped to the US, respectively, representing approximately 52.8%, 51.1%, 47.5%, 45.2% and 67.8% of total revenue in corresponding periods.

In 2023, two legislative proposals to limit the De Minimis Exemption are pending before the US Congress, the Import Security and Fairness Act (ISFA) and the De Minimis Reciprocity Act of 2023 (DMRA). The two proposals, although varying in substance, both propose to exclude goods of Chinese origin imported to the US from benefiting from the De Minimis Exemption. As advised by our US Tariff Legal Adviser, if either of the proposals is enacted and implemented in its current form, parcels that would currently be eligible for the De Minimis Exemption would become ineligible for such exemption, and would have to enter the US through a formal entry process.

The formal entry process is likely to have certain additional information and documentation requirements. As a result, our customers may see increased administrative costs as a result of any documentary requirements associated with the formal entry process and compliance costs to ensure the accuracy of such documentation. We may also see cost increases due to the time and resources needed to assist our customers or coordinate shipments under the new CBP requirements.

In our operations, we generally do not act as the importer of record for the parcels that we deliver to the US. That is, we are not responsible for dealing with and paying upfront the duties involved, if any, in the delivery of parcels; nor do we intend to do so in the foreseeable future. As a result, as advised by our US Tariff Adviser, if we can continue our practice of not being the importer of record, we would not become the party directly responsible for the increased costs and duties that the United States would impose in the event that the de minimis exemption is severely restricted. The proposed changes to the De Minimis Exemption would impose additional fees and costs on to our customers.

According to F&S, if the De Minimis Exemption are to be changed as advised by our US Tariff Advisor, Chinese e-commerce platforms may choose to pass on the costs to consumers, absorb the extra fees themselves, or combine the two options. Nevertheless, according to F&S, US consumers would still likely continue to purchase China-origin products that they purchase before such changes, as these products would still be of relatively low price even after the changes in the De Minimis Exemption as mentioned above. As a result, our Directors believe that (a) the potential changes in De Minimis Exemption would not affect our cost structure for shipments to the US materially; and (b) the impacts on our business operation and financial performance will be limited.

However, it is inherently difficult to predict consumer behaviors. As a result, our revenue may decrease. In addition, our costs may increase due to more onerous entry processes and the expenses so associated. Furthermore, we cannot ensure you that we will be successful in negotiating with all of our customers to have them be responsible for all costs associated with the additional formal entry process and be liable for any incompliance with US custom laws caused by the documentations or goods themselves. Even if we are able to do so, we may still become parties to any investigations, allegations and litigations arising out of any of such incompliance, which would be costly to defend against and damage our brand reputation.

For further details regarding (a) the potential impacts to the Group from the potential changes in the De Minimis Exemption; and (b) our mitigating measures, please refer to the section headed "Business — Business activities involving the use of De Minimis Exemption in the US" in this prospectus.

Business development with Customer Q

Our Group commenced business relationship with Customer Q in January 2023, which is one of our five largest customers in 6M2023. In 6M2023, the revenue contributed by Customer Q was approximately RMB150.7 million, which amounted to approximately 22.4% of our total revenue for 6M2023.

For further details regarding our business relationship with Customer Q, please refer to the section headed "Business — Our Customers — Business development with Customer Q" in this prospectus.

Summary of operating data after the Track Record Period

The following tables set out certain of our key operating data for end-to-end delivery services during the periods indicated:

Three months ended 30 September 2023

	Number of parcels*(Note 1)*	Billed weight*(Note 2)*	Average billed weight
	('000)	*('000 kg)*	*(kg per parcel)*
End-to-end cross border delivery services			
— Express delivery	187	3,124	16.7
— Standard delivery	4,688	2,588	0.6
— Economic delivery	54	326	6.1
Total	**4,929**	**6,038**	**1.2**

Three months ended 30 September 2022

	Number of parcels (Note 1)	Billed weight (Note 2)	Average billed weight
	('000)	*('000 kg)*	*(kg per parcel)*
End-to-end cross border delivery services			
— Express delivery	209	3,351	16.0
— Standard delivery	386	484	1.3
— Economic delivery	69	316	4.6
Total	**664**	**4,151**	**6.3**

Notes:

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

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

For the three months ended 30 September 2023, the billed weight amounted to approximately 6.0 million kg, increasing from approximately 4.2 million kg for the three months ended 30 September 2022, which was primarily attributable to the increase in billed weight of approximately 2.1 million kg from standard delivery services, mainly resulting from the increase in business volume from Customer Q. The number of parcels in standard delivery services also increased from approximately 0.4 million for the three months ended 30 September 2022 to approximately 4.7 million for the three months ended 30 September 2023, which was also primarily attributable to the increase in business volume from Customer Q. In general, average billed weight per parcel from Customer Q was lighter than that from our other customers. Given that the number of parcels from Customer Q accounted for a significant proportion of the total number of parcels in standard delivery services for the three months ended 30 September 2023, our average billed weight per parcel in standard delivery services decreased from approximately 1.3 kg for the three months ended 30 September 2022 to approximately 0.6 kg for the three months ended 30 September 2023.

NO MATERIAL ADVERSE CHANGE

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

Our Directors confirmed that save for the estimated non-recurring Listing expenses as disclosed in the section headed "Financial Information — Listing expenses" in this prospectus and the estimated decrease in selling price of our Group's services in FY2023 as disclosed in the paragraph headed "Recent development — Impact of COVID-19" in this section, since 30 June 2023 and up to the date of this prospectus, there has been no material adverse change in our financial or operating position or prospect or adverse event to the overall economic and market conditions in the industry where we operate which had materially affected our business, results or operations or the information shown in our consolidated financial information included in our Accountants' Report in Appendix I to this prospectus.

SHARE OFFER STATISTICS

	Based on the minimum indicative Offer Price of HK$0.90 per Share	**Based on the maximum indicative Offer Price of HK$1.22 per share**
Market capitalisation *(Note 1)*	HK$702 million (equivalent to approximately RMB635 million)	HK$952 million (equivalent to approximately RMB861 million)
Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to the owners of our Company per Share as at 30 June 2023 *(Note 2)*	HK$0.67	HK$0.73

Notes:

(1) Market capitalisation at the Offer Price is based on 780,000,000 Shares expected to be in issue immediately upon completion of the Capitalisation Issue and the Share Offer.

(2) The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to the owners of the Company per share is calculated based on 780,000,000 shares in issue assuming that the Capitalisation Issue and the Share Offer have been completed on 30 June 2023 but taking no account of any shares which may fall to be issued upon the exercise of the Over-allotment Option.

The subsequent event as disclosed in the Accountants' Report of the Group set out in Appendix I has no significant impact on the Group's unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2023.

The unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to the owners of the Company per share is translated to HK$ at an exchange rate of HK$1.00 to RMB0.92, which was the exchange rate published by the People's Bank of China ("**PBOC rate**") prevailing on 30 June 2023. No representation is made that the RMB amounts have been, could have been or may be converted to HK$, or vice versa, at that rate. Please see "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus for details.

LITIGATION AND REGULATORY COMPLIANCE

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

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

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

DIVIDENDS

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

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