This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the [**REDACTED**]. *There are risks associated with any investment. Some of the particular risks in investing in the* [**REDACTED**] *are set out in the section headed "Risk Factors" in this document. You should read that section carefully in full before you decide to invest in the* [**REDACTED**].

OVERVIEW

We are an online retailer specializing in quality furniture and home furnishings. We offer consumers an enjoyable lifestyle experience across a broad range of "home and life" scenarios, leveraging robust supply chain management and efficient logistics solutions. According to Frost & Sullivan, we ranked first in the B2C overseas e-commerce market for furniture and home furnishings by China-based sellers in terms of GMV in 2023; we ranked fifth in the global B2C e-commerce market for furniture and home furnishings in terms of GMV in 2023.

During the Track Record Period, we generated revenue primarily from sales of goods and provision of logistics solutions.

Brand and Product Portfolio

We specialize in furniture and home furnishing products under popular proprietary brands such as ALLEWIE, IRONCK, LIKIMIO, SHA CERLIN, HOSTACK and FOTOSOK. In 2023, 11 of our brands each had over RMB100 million and we ranked first in six categories in terms of GMV on the Amazon U.S. site, including bed frames, food cabinets, vanity tables and vanity benches, bookcases, buffet tables and sideboards as well as refrigerators, according to Frost & Sullivan. Our product portfolio also includes electric tools, home appliances, consumer electronics and sports and wellness products. We had a market share of over 10% in ten categories, namely bed frames, beds, refrigerators, dressers and chests of drawers, food cabinets, bookcases, vanity tables and vanity benches, buffet tables and sideboards, power screwdrivers and pressure washer hose reels, on the Amazon U.S. site, in terms of GMV in 2023. We primarily provide products to consumers via Amazon.com ("**Amazon**"), Walmart.com ("**Walmart**") and Wayfair.com ("**Wayfair**") in overseas markets, including the U.S. and Europe. These markets are well known for strong consumer purchasing power and high e-commerce penetration. Benefiting from diverse offerings, brand equity and strategic market positioning, we have continually enhanced our competitiveness.

Supply Chain Management and Product Development Capabilities

Our supply chain capabilities help us rapidly develop diverse products while maintaining product quality. In the four months ended April 30, 2024, we worked with 575 manufacturing partners. Such collaborations allow us to efficiently respond to the evolving market demand and offer diverse products across industries. Our digitalized supply chain management systems facilitate stringent quality control. As a result, we had an average return rate below 3.5% across all third-party e-commerce platforms in 2023, one of the industry's lowest, according to Frost & Sullivan.

We are committed to addressing customer needs with continual product development efforts. As of the Latest Practicable Date, we held 630 patents, 154 patent applications and 172 software copyrights, with 72 international design awards received. Our industrial design innovation lab has been accredited as the National Industrial Design Center by MIIT since 2021 and the Guangdong Provincial Engineering Technology Research Center since 2020 in China.

Robust supply chain management and product development capabilities are integral to our cost management. We are committed to innovation in our product design and development. We explore the utilization of novel materials that are compatible with different types of furniture and optimize furniture structure to reduce package volume and weight, thereby reducing the procurement and logistics costs to sustain competitive pricing.

Logistics Solutions Focusing on Medium-to-Large Goods

In addition to providing logistics to our own e-commerce business, through Shenzhen Westernpost, a subsidiary of our Company, we provide efficient logistics solutions globally under the pre-sale stocking model to customers who are primarily e-commerce sellers. Our solutions include domestic consolidation in China, first-mile international freight services, overseas transit, overseas warehousing and order dispatch. During the Track Record Period, we provided logistics solutions to an aggregate of over 700 e-commerce companies, fulfilling over 3.2 million, 4.4 million, 6.1 million, 1.8 million and 2.5 million orders, respectively, in 2021, 2022, 2023 and the four months ended April 30, 2023, and 2024. In terms of the revenue generated from B2C export e-commerce logistics solutions adopting the pre-sale stocking model in 2023, Shenzhen Westernpost ranked fourth among all B2C export e-commerce logistics solutions providers in China, with a market share of approximately 1.2%, and first among all B2C export e-commerce logistics solutions providers in China focusing on medium-to-large goods, according to Frost & Sullivan.

Combining our industry insights and Shenzhen Westernpost's experience in logistics solutions, we have established a global multi-tier warehousing and logistics network and developed proprietary logistics solution management systems. As of April 30, 2024, we operated 27 overseas warehousing facilities, with an aggregate GFA of over 5.5 million sq.ft. in main port cities in the U.S. (including Los Angeles, Houston, New Jersey and Chicago) and Europe (mainly Germany). Our proprietary logistics solution management systems include a smart restock and segregation system, a warehouse management system ("**WMS**"), a transportation management system ("**TMS**") and an order management system ("**OMS**"), managing and optimizing all key stages of the logistics chain.

Leveraging an integrated supply chain, digitalized management system and extensive and sophisticated warehousing network, we have tackled the pain points of high costs and long delivery times associated with logistics solutions for medium-to-large goods. As a result, we are able to provide cost-effective logistics solutions for medium-to-large goods at a price 30% lower than that of Fulfillment by Amazon ("**FBA**"). In 2023, over 95% of orders fulfilled by Shenzhen Westernpost for medium-to-large goods such as furniture were delivered to last-mile fulfillment service providers within 24 hours after placement of orders, representing high logistics efficiency in the industry, according to Frost & Sullivan.

Proven Operational Capabilities and Strong Resilience

Founded in 2010, we rapidly emerged as a leading market participant in China's B2C overseas e-commerce market with popular brands, according to Frost & Sullivan. We were primarily engaged in sales via third-party e-commerce platforms, including Amazon. In 2021, our business was negatively impacted by the Amazon Incident: certain employees of our Group had invited influencers to review our products or placed coupons in product packages as incentives to encourage ratings and reviews (the "**Unofficially Promoted Ratings or Reviews**") primarily to increase exposure of our newly launched products to assess their market acceptance, and we were subject to the following actions by Amazon as part of its investigation: (i) deactivation or restriction of the relevant online stores or the associated accounts identified as having engaged in the use of Unofficially Promoted Ratings or Reviews; (ii) freezing of funds in such online accounts; and (iii) removal of product listings from these online stores. Primarily due to the Amazon Incident, our revenue decreased by 21.7% from RMB9,071.2 million in 2021 to RMB7,100.2 million in 2022. In 2021, we had a net loss of RMB589.9 million, primarily due to the write-down of inventories resulting from the Amazon Incident. After finding out about some of our employees' involvement in Unofficially Promoted Ratings or Reviews, we promptly demanded the cessation of such practices, conducted inspections of our online stores and implemented enhanced internal control measures. See "Business — Marketing and Promotion — The Amazon Incident."

To alleviate the impact of the Amazon Incident, we optimized our online store network and refined the brand strategy for better management and resource allocation, enhancing operational efficiency. Specifically, we have focused on furniture and home furnishings and devoted substantial time and resources to cultivating a diverse brand and product portfolio. We have also built our presence on other leading e-commerce platforms such as Walmart and Wayfair. This approach has resulted in a rapid recovery in overall financial performance. Our revenue increased by 22.3% from RMB7,100.2 million in 2022 to RMB8,683.0 million in 2023. Our revenue increased by 16.9% from RMB2,424.5 million in the four months ended April 30, 2023, to RMB2,833.5 million in the four months ended April 30, 2024. We had net profit of RMB223.2 million in 2022, RMB520.1 million in 2023 and RMB189.3 million in the four months ended April 30, 2024, signaling a robust rebound from the Amazon Incident.

Leveraging our established strengths in product development, supply chain management, efficient logistics systems and efficient operation, we aim to continually optimize our brand and product portfolio to respond to consumer demand under refined operation and management and let the world fall in love with our offerings.

OUR STRENGTHS

We believe that the following strengths contribute to our success:

- Online retailer specializing in furniture and home furnishings;
- Market-oriented product development and continual innovation empowering diverse product offerings;
- Strong digitalized supply chain management underpinning efficient operation;
- Diverse, quality and competitive product offerings;
- Global warehousing and logistics capabilities tailored for medium-to-large goods; and
- Visionary management team and efficient organizational structure fueling long-term development.

See "Business — Our Strengths."

OUR STRATEGIES

We have formulated the following strategies to further grow our business:

- Solidify market leadership and enrich furniture and home furnishings offerings;
- Promote key brand strategy and expand online and offline sales channels;
- Optimize supply chain network and digitalized management to enhance standardized operation;
- Upgrade global warehousing and logistics network; and
- Explore investment or acquisition opportunities to expand our business.

See "Business — Our Strategies."

CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers of sales of products primarily consisted of consumers who buy our products through third-party e-commerce platforms, and customers of our logistics solutions primarily consisted of sellers on e-commerce platforms. Revenue from our five largest customers in 2021, 2022, 2023 and the four months ended April 30, 2024, represented 3.2%, 5.4%, 8.3% and 10.5% of our total revenue for the respective years/periods. Revenue from our largest customer in 2021, 2022, 2023 and the four months ended April 30, 2024, represented 1.3%, 2.1%, 3.0% and 5.0% of our total revenue for the respective years/periods.

We choose our suppliers through a rigorous selection process to guarantee the quality of our products. Our suppliers are required to have all the necessary licenses and permits for their operations. We select suppliers based on factors such as service or product quality, production or delivery capacity, pricing, location, qualifications, reputation and delivery schedule. The majority of our suppliers are manufacturing partners who primarily provide OEM services, based in the PRC. In 2021, 2022, 2023 and four months ended April 30, 2024, we collaborated with 1,517, 865, 810 and 575 manufacturing partners, respectively. The decrease in the number of our manufacturing partners during the Track Record Period was primarily because we consolidated our manufacturing partnerships to streamline operations, adopted strategic sourcing by choosing fewer but more reliable and higher-quality manufacturing partners, and achieved supply chain optimization for efficiency. The decrease was also partly due to our strategic shift to furniture and home furnishings and the downsizing of our product offerings of electric tools, home appliances, consumer electronics and sports and wellness after the Amazon Incident. See "— Marketing and Promotion — The Amazon Incident." Transaction amounts, which represent our purchase amounts from the suppliers, from our five largest suppliers in 2021, 2022, 2023 and the four months ended April 30, 2024, represented 20.7%, 30.9%, 27.7% and 28.1% of our total transaction amounts for the respective years/periods. Transaction amounts from our largest supplier in 2021, 2022, 2023 and the four months ended April 30, 2024, represented 7.5%, 13.6%, 14.8% and 14.2% of our total transaction amounts for the respective years/periods.

COMPETITIVE LANDSCAPE

We primarily compete in the global B2C e-commerce market for furniture and home furnishings for sales of products. According to Frost & Sullivan, the global B2C e-commerce market for furniture and home furnishings increased rapidly from USD145.6 billion in 2018 to USD325.8 billion in 2023 in terms of GMV, with a CAGR of 17.5%. According to Frost & Sullivan, the global B2C e-commerce market for furniture and home furnishings is highly fragmented and competitive. Market participants compete based on their capabilities of operation, supply chain management and product development.

We ranked fifth in the global B2C e-commerce market for furniture and home furnishings in terms of GMV in 2023, according to Frost & Sullivan. We ranked first in the B2C overseas e-commerce market for furniture and home furnishings by China-based sellers in terms of GMV in 2023, according to the same source. In addition, we recorded a market share of 0.2% in the global furniture and home furnishings B2C e-commerce industry and 0.04% in the global furniture and home furnishings industry in terms of GMV in 2023, according to the same source. Leveraging our established position, we believe we are able to keep seizing the target market potential with strong brand building, quality product offerings at an affordable price, strong product design and development capabilities, robust supply chain systems and a comprehensive warehousing and logistics chain.

We also compete in the B2C export e-commerce logistics solutions market adopting the pre-sale stocking model for provision of logistics solutions. According to Frost & Sullivan, the market is expected to grow rapidly to reach RMB387.0 billion in 2028 in terms of revenue, with a CAGR of 13.7% from 2023 to 2028.

In terms of the revenue generated from B2C export e-commerce logistics solutions adopting the pre-sale stocking model in 2023, Shenzhen Westernpost ranked fourth among all B2C export e-commerce logistics solutions providers in China, with a market share of approximately 1.2%, and first among all B2C export e-commerce logistics solutions providers in China focusing on medium-to-large goods, according to Frost & Sullivan. Leveraging our established position, we believe we are able to keep seizing the target market potential with continual innovation, strong supply chain management and efficient logistics solutions, especially those for medium-to-large goods.

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to invest in our Shares. Some of the major risks that we face include:

- We generate the majority of our revenue from a small number of third-party e-commerce platforms. Disruptions of our relationships with third-party e-commerce platforms, changes in, or interpretation of, policies of such third-party e-commerce platforms or unfavorable changes in our arrangements with them, could have a material adverse effect on our business, financial condition and results of operations.

- We may not identify or respond in a timely manner to changes in consumer preferences and market demand, or fail to continuously design and develop new products to meet evolving consumer demand, which may materially and adversely affect our business operations and financial performance.

- We rely on manufacturing partners to produce our products. If our manufacturing partners fail to produce products that are of consistent high quality, or if we encounter issues such as material shortages or delays in the supply, or if raw materials and labor costs fluctuate, or if we fail to renew agreements with our manufacturing partners on favorable terms, or at all, our business, financial condition and results of operations could be materially and adversely affected.

- If we fail to compete effectively and successfully, our business operations, financial performance and profitability may be materially and adversely affected.

- Any adverse changes in macroeconomic situations, such as fluctuations in interest rates, or economic downturns in the U.S. or Europe, as well as if we are not able to continue servicing the U.S. and Europe markets effectively, our business, financial condition and results of operations may be adversely affected.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Description of Major Components of Our Results of Operations

The following table sets forth a summary of our consolidated statements of profit or loss in absolute amounts and as a percentage of revenue for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000 (Unaudited)*	*% of Revenue*	*RMB'000*	*% of Revenue*
Revenue	9,071,193	100	7,100,230	100	8,682,977	100.0	2,424,492	100.0	2,833,516	100.0
Cost of sales	(7,176,094)	(79.1)	(4,621,181)	(65.1)	(5,689,287)	(65.5)	(1,603,914)	(66.2)	(1,856,858)	(65.5)
Gross profit	**1,895,099**	**20.9**	**2,479,049**	**34.9**	**2,993,690**	**34.5**	**820,578**	**33.8**	**976,658**	**34.5**

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*
							(Unaudited)			
Other income	20,399	0.2	19,868	0.3	42,320	0.5	9,835	0.4	10,123	0.4
Other gains and losses	360,472	4.0	(21,697)	(0.3)	12,432	0.1	13,476	0.6	25,242	0.9
Impairment gains/(losses) under expected credit loss ("ECL") model, net of reversal	(45,832)	(0.5)	(2,472)	(0.0)	(48,854)	(0.6)	108	0.0	2,787	0.1
Selling expenses	(2,517,379)	(27.8)	(1,757,101)	(24.7)	(1,830,619)	(21.1)	(559,732)	(23.1)	(603,826)	(21.3)
Administrative expenses	(204,920)	(2.3)	(249,294)	(3.5)	(287,645)	(3.3)	(81,536)	(3.4)	(102,657)	(3.6)
Research and development expenses	(176,834)	(1.9)	(123,689)	(1.7)	(119,153)	(1.4)	(35,503)	(1.5)	(37,788)	(1.3)
Other expenses	(23,408)	(0.3)	(32,982)	(0.5)	(26,004)	(0.3)	(7,206)	(0.3)	(4,486)	(0.2)
[**REDACTED**]	–	0.0	–	0.0	[REDACTED]	[REDACTED]	–	0.0	[REDACTED]	[REDACTED]
Share of results of investments accounted for using the equity method	(11,125)	(0.1)	(7,327)	(0.1)	4,875	0.1	(8)	(0.0)	(992)	0.0
Finance costs	(30,931)	(0.3)	(72,353)	(1.0)	(90,722)	(1.0)	(33,206)	(1.4)	(25,448)	(0.9)
(Loss)/profit before tax	(734,459)	(8.1)	232,002	3.4	639,908	7.4	126,806	5.2	230,763	8.1
Income tax credit/(expense)	144,580	1.6	(8,833)	(0.1)	(119,807)	(1.4)	(30,321)	(1.3)	(41,438)	(1.5)
(Loss)/profit for the year	(589,879)	(6.5)	223,169	3.3	520,101	6.0	96,485	4.0	189,325	6.7

Our net profit increased from RMB96.5 million in the four months ended April 30, 2023, to RMB189.3 million in the four months ended April 30, 2024, mainly attributable to the increase in the revenue from sales of goods due to (i) the conclusion of the inventory clearance of the impacted inventory due to the Amazon Incident, which involved discounted sales of a substantial quantity of impacted inventory, by the end of 2023 and the resumption of normal operation since 2024; and (ii) the continued expansion of our brand and product portfolio, especially that of furniture and home furnishings, as well as the increase in revenue from logistics solutions. Such increase was partially offset by an increase in cost of sales, mainly attributable to the increase in procurement cost in the cost of sales for sales of goods and cost of sales for logistics solutions.

Our net profit increased significantly from RMB223.2 million in 2022 to RMB520.1 million in 2023, primarily attributable to (i) an increase in revenue, mainly attributable to the increase in the revenue from sales of goods as a result of our continual recovery from the Amazon Incident and our expansion in furniture and home furnishings offerings; and (ii) net other gains in 2023 compared with net other losses in 2022, which was mainly because we had foreign exchange gains in 2023, compared with foreign exchange losses in 2022, as a result of fluctuations in foreign exchange rates. See "Financial Information — Period-to-period Comparison of Results of Operations — Year Ended December 31, 2023 Compared with Year Ended December 31, 2022."

We had net profit of RMB223.2 million in 2022, compared to net loss of RMB589.9 million in 2021, primarily attributable to (i) a decrease in cost of sales, mainly attributable to the decrease in procurement costs; and (ii) a decrease in selling expenses, mainly attributable to decreases in platform service fees as well as marketing and advertising expenses in line with our decreased sales of products on third-party e-commerce platforms. Such change was partially offset by the decrease in revenue, mainly attributable to the decrease in the revenue from sales of goods, as a result of the impact of the Amazon Incident. See "Financial Information — Period-to-period Comparison of Results of Operations — Year Ended December 31, 2022 Compared with Year Ended December 31, 2021."

Revenue

During the Track Record Period, we generated revenue primarily from sales of goods and provision of logistics solutions. The following table sets forth a breakdown of our revenue by type of goods or services in absolute amounts and as a percentage of revenue for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*
							(Unaudited)			
Sales of goods	8,581,493	94.6	6,325,558	89.1	7,030,375	81.0	2,074,915	85.6	2,250,524	79.4
Logistics solutions	489,700	5.4	774,672	10.9	1,652,602	19.0	349,577	14.4	582,992	20.6
Total	**9,071,193**	**100.0**	**7,100,230**	**100.0**	**8,682,977**	**100.0**	**2,424,492**	**100.0**	**2,833,516**	**100.0**

Sales of Goods

We offer products under a broad range of "home and life" scenarios. We primarily generate revenue from sales of products in (i) furniture and home furnishings, (ii) electric tools, (iii) home appliances, (iv) consumer electronics; (v) sports and wellness; and (vi) other categories. We mainly sell products to customers through third-party e-commerce platforms and other channels. Revenue from the sale of products is recognized at the point in time when control of the asset is transferred to the customer, generally on the receipt of products by customers.

The following table sets forth our revenue from sales of products by type of products for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	RMB'000	*% of Sales of goods*	*RMB'000*	*% of Sales of goods*	*RMB'000*	*% of Sales of goods*	*RMB'000 (Unaudited)*	*% of Sales of goods*	*RMB'000*	*% of Sales of goods*
Furniture and home furnishings	3,516,335	41.0	4,187,110	66.2	5,336,581	75.9	1,613,424	77.8	1,745,371	77.6
Electric tools	1,462,895	17.0	628,913	9.9	347,182	4.9	94,995	4.6	138,760	6.2
Home appliances	886,580	10.3	480,709	7.6	436,748	6.2	109,362	5.3	152,253	6.7
Consumer electronics	1,067,281	12.4	356,100	5.6	292,265	4.2	109,210	5.2	63,204	2.8
Sports and wellness	491,886	5.7	187,712	3.0	107,114	1.5	38,006	1.8	27,774	1.2
Other categories	1,156,516	13.6	485,014	7.7	510,485	7.3	109,917	5.3	123,162	5.5
Total	**8,581,493**	**100.0**	**6,325,558**	**100.0**	**7,030,375**	**100.0**	**2,074,915**	**100.0**	**2,250,524**	**100.0**

Note: Other categories primarily include car accessories, photography lighting equipment, outdoor equipment, decorations and musical instrument.

During the Track Record Period, our revenue from sales of goods was derived primarily from third-party e-commerce platforms, primarily including Amazon, Walmart and Wayfair. The following table sets forth a breakdown of our revenue from sales of goods by sales channel in absolute amounts and as a percentage of total revenue for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000 (Unaudited)*	*% of Revenue*	*RMB'000*	*% of Revenue*
Sales of goods through third-party e-commerce platforms	**8,233,426**	**90.8**	**5,878,049**	**82.8**	**6,656,918**	**76.7**	**1,933,050**	**79.7**	**2,105,318**	**74.3**
Amazon	7,611,485	83.9	4,526,473	63.8	4,670,579	53.8	1,467,287	60.5	1,506,615	53.2
Walmart	276,409	3.0	676,279	9.5	851,260	9.8	215,765	8.9	280,101	9.9
Wayfair	157,487	1.7	458,538	6.5	871,705	10.0	222,430	9.2	268,729	9.5
Others[(1)]	188,045	2.2	216,759	3.0	263,374	3.1	27,568	1.1	49,873	1.7
Other channels[(2)]	**348,067**	**3.8**	**447,509**	**6.3**	**373,457**	**4.3**	**141,865**	**5.9**	**145,206**	**5.1**
Total sales of goods	**8,581,493**	**94.6**	**6,325,558**	**89.1**	**7,030,375**	**81.0**	**2,074,915**	**85.6**	**2,250,524**	**79.4**

Notes:

(1) Others include other third-party e-commerce platforms, such as eBay and Amazon Vendor Central. Our revenue from Amazon Vendor Central was nil, nil and RMB200.2 million in 2021, 2022 and 2023, respectively. As we explored this platform under Amazon, we initially categorized the revenue from this sales channel in Others. We have categorized the revenue generated from this platform under Amazon since 2024. See "Business — Our Sales Network — Others."

(2) Other channels primarily consist of offline channels and self-operated websites.

Our revenue from sales of goods decreased by 26.3% from RMB8,581.5 million in 2021 to RMB6,325.6 million in 2022, primarily a result of the Amazon Incident. Our revenue increased by 11.1% from RMB6,325.6 million in 2022 to RMB7,030.4 million in 2023 as a result of our continual recovery from the Amazon Incident and our expansion in furniture and home furnishings. See "Business — Marketing and Promotion — The Amazon Incident." Our revenue from sales of goods increased by 8.5% from RMB2,074.9 million in the four months ended April 30, 2023, to RMB2,250.5 million in the four months ended April 30, 2024, as a result of (i) the conclusion of discounted sales for the inventory clearance of impacted inventory due to the Amazon Incident by the end of 2023 and the resumption of normal operation since 2024; and (ii) the continued expansion of our brand and product portfolio.

Our Directors are of the view, and the Sole Sponsor concurs, that our reliance on Amazon does not have any material and adverse impact on our business operations and financial performance on the basis that, (i) as confirmed by Frost & Sullivan, it is in line with the industry norms for market participants to generate the majority of revenue from Amazon due to Amazon's leading position in the e-commerce industry worldwide; (ii) we have established an amicable relationship with Amazon for 12 years and have established viable communication channels and a dispute resolution mechanism should future disputes arise; (iii) we have established a risk control department, which directly reports to the Board, responsible for monitoring and ensuring compliance with the rules of e-commerce platforms including Amazon; (iv) our relationship with Amazon is unlikely to materially adversely change or terminate; and (v) we have also established stable relationships with other e-commerce platforms, including Walmart and Wayfair, from which we generated an increasing percentage of revenue during the Track Record Period.

Logistics Solutions

We generate revenue from the provision of logistics solutions to customers such as e-commerce companies and third-party e-commerce platforms. We recognize revenue based on the progress of the service performed within the year, which is determined based on the proportion of costs incurred to date to the estimated total costs or days spent to the estimated total days. Our revenue from logistics solutions increased by 58.2% from RMB489.7 million in 2021 to RMB774.7 million in 2022, primarily as a result of our increased capacity to provide logistics solutions. Our revenue from logistics solutions increased significantly from RMB774.7 million in 2022 to RMB1,652.6 million in 2023, and by 66.8% from RMB349.6 million in the four months ended April 30, 2023, to RMB583.0 million in the four months ended April 30, 2024, primarily because we expanded customer base and fulfilled more orders.

Revenue Breakdown by Geographical Market

The following tables set forth a breakdown of our total revenue, our revenue from sales of goods and our revenue from logistics solutions, respectively, by geographical market in absolute amounts and as a percentage of total revenue for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000* *(Unaudited)*	*% of Revenue*	*RMB'000*	*% of Revenue*
U.S. and other North American countries	5,551,151	61.2	5,139,915	72.4	6,201,359	71.4	1,788,289	73.7	2,013,791	71.0
Europe	2,776,494	30.6	1,064,157	15.0	773,844	8.9	254,922	10.5	232,322	8.2
PRC	448,962	4.9	727,195	10.2	1,530,219	17.7	319,434	13.2	539,906	19.1
Others	294,586	3.3	168,963	2.4	177,555	2.0	61,847	2.6	47,497	1.7
Total	**9,071,193**	**100.0**	**7,100,230**	**100.0**	**8,682,977**	**100.0**	**2,424,492**	**100.0**	**2,833,516**	**100.0**

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	RMB'000	*% of Revenue from sales of goods*	*RMB'000*	*% of Revenue from sales of goods*	*RMB'000*	*% of Revenue from sales of goods*	*RMB'000* *(Unaudited)*	*% of Revenue from sales of goods*	*RMB'000*	*% of Revenue from sales of goods*
Sales of goods										
U.S. and other North American countries	5,488,927	64.0	5,035,254	79.6	6,064,034	86.3	1,747,898	84.2	1,976,334	87.8
Europe	2,776,424	32.4	1,059,927	16.8	750,838	10.7	248,449	12.0	222,416	9.9
PRC	21,556	0.2	61,414	0.9	37,948	0.5	16,721	0.8	4,277	0.2
Others	294,586	3.4	168,963	2.7	177,555	2.5	61,847	3.0	47,497	2.1
Total	**8,581,493**	**100.0**	**6,325,558**	**100.0**	**7,030,375**	**100.0**	**2,074,915**	**100.0**	**2,250,524**	**100.0**

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	RMB'000	*% of Revenue from logistics solutions*	*RMB'000*	*% of Revenue from logistics solutions*	*RMB'000*	*% of Revenue from logistics solutions*	*RMB'000*	*% of Revenue from logistics solutions*	*RMB'000*	*% of Revenue from logistics solutions*
							(Unaudited)			
Logistics solutions										
PRC.	427,406	87.3	665,781	85.9	1,492,271	90.3	302,713	86.6	535,629	91.9
U.S..	62,224	12.7	104,661	13.5	137,325	8.3	40,391	11.6	37,457	6.4
Germany	70	0.0	4,230	0.6	23,006	1.4	6,473	1.8	9,906	1.7
Total	**489,700**	**100.0**	**774,672**	**100.0**	**1,652,602**	**100.0**	**349,577**	**100.0**	**582,992**	**100.0**

We categorize revenue from logistics solutions into different geographical markets by the geographical location of our customers.

Our revenue generated in the U.S. and other North American countries decreased by 7.4% from RMB5,551.2 million in 2021 to RMB5,139.9 million in 2022, primarily as a result of the Amazon Incident. See "Business — Marketing and Promotion — The Amazon Incident." Our revenue generated in the U.S. and other North American countries subsequently increased by 20.7% from RMB5,139.9 million in 2022 to RMB6,201.4 million in 2023 in line with the continued expansion of our brand and product portfolio and our increased provision of logistics solutions. Our revenue generated in the U.S. and other North American countries increased by 12.6% from RMB1,788.3 million in the four months ended April 30, 2023, to RMB2,013.8 million in the four months ended April 30, 2024, primarily because (i) we concluded the inventory clearance of the impacted inventory due to the Amazon Incident by the end of 2023 and resumed normal operation since 2024; and (ii) we continued to expand our brand and product portfolio.

Our revenue generated in Europe decreased by 61.7% from RMB2,776.5 million in 2021 to RMB1,064.2 million in 2022, further decreased by 27.3% to RMB773.8 million in 2023 and decreased by 8.9% from RMB254.9 million in the four months ended April 30, 2023, to RMB232.3 million in the four months ended April 30, 2024. This is primarily because, as we expanded our furniture and home furnishings offerings, we allocated more resources to the U.S. market, which has both a growing demand for furniture and home furnishings and high spending power, even taking into consideration additional tariffs, according to Frost & Sullivan, and reduced resources allocated to the European market.

Our revenue generated in the PRC increased by 62.0% from RMB449.0 million in 2021 to RMB727.2 million in 2022, significantly increased to RMB1,530.2 million in 2023 and increased by 69.0% from RMB319.4 million in the four months ended April 30, 2023, to RMB539.9 million in the four months ended April 30, 2024, primarily as a result of our increased logistics solutions primarily through Shenzhen Westernpost provided to an increasing number of customers located in the PRC.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. The following table sets forth a breakdown of our gross profit by type of goods or services in absolute amounts and as a percentage of revenue, or gross profit margins, for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2021		2022		2023		2023		2024	
	Gross profit RMB'000	*Gross profit margins (%)*	*Gross profit RMB'000*	*Gross profit margins (%)*	*Gross profit RMB'000*	*Gross profit margins (%)*	*Gross profit RMB'000 (Unaudited)*	*Gross profit margins (%)*	*Gross profit RMB'000*	*Gross profit margins (%)*
Sales of goods[(1)]	**1,783,898**	**20.8**	**2,340,882**	**37.0**	**2,752,954**	**39.2**	**780,288**	**37.6**	**874,891**	**38.9**
Furniture and home furnishings	1,176,984	33.5	1,700,511	40.6	2,225,455	41.7	687,379	42.6	721,459	41.3
Electric tools	479,042	32.7	195,509	31.1	101,696	29.3	22,312	23.5	47,139	34.0
Home appliances	247,480	27.9	154,473	32.1	141,174	32.3	36,643	33.5	52,030	34.2
Consumer electronics	299,741	28.1	112,633	31.6	66,452	22.7	19,504	17.9	20,401	32.3
Sports and wellness	176,247	35.8	59,061	31.5	29,720	27.7	10,347	27.2	9,021	32.5
Other categories[(2)]	388,789	33.6	130,439	26.9	206,312	40.4	40,824	37.1	53,451	43.4
Logistics solutions	**111,201**	**22.7**	**138,167**	**17.8**	**240,736**	**14.6**	**40,290**	**11.5**	**101,767**	**17.5**
Total	**1,895,099**	**20.9**	**2,479,049**	**34.9**	**2,993,690**	**34.5**	**820,578**	**33.8**	**976,658**	**34.5**

Note:

(1) Taking into consideration the write-down of inventories, which is a cost of sales reflecting the difference between the net realizable value and the book value of inventories not sold by the end of the year/period. The write-down of inventories was relatively high in 2021 and 2022 primarily as a result of the Amazon Incident. Write-down of inventories is not reflected in the breakdown of gross profit and gross profit margin by type of goods. See "Business — Marketing and Promotion — The Amazon Incident" and "Financial Information — Description of Major Components of Our Results of Operations — Cost of Sales."

(2) Other categories primarily include car accessories, photography lighting equipment, outdoor equipment, decorations and musical instrument.

Our gross profit margin from sales of goods increased from 37.6% in the four months ended April 30, 2023 to 38.9% in the four months ended April 30, 2024, primarily because we (i) experienced a decrease in logistics costs due to (a) our enhanced capabilities in logistics solutions for medium-to-large goods, (b) the decreased price of first-mile international freight services we acquired to sell our products, which was in line with the market trend due to intensified market competition; and (ii) resumed the normal operation after the discounted sales of a substantial quantity of impacted inventory was completed by the end of 2023. Our gross profit margin from sales of goods increased from 37.0% in 2022 to 39.2% in 2023, primarily because (i) we had a larger revenue contribution from furniture and home furnishings, which generally have a higher gross profit margin compared with our other product categories; and (ii) we experienced a decrease in logistics costs due to (a) our enhanced capabilities in logistics solutions for medium-to-large goods, (b) the decreased price of first-mile international freight services we acquired to sell our products, which was in line with the market trend due to intensified market competition, and (c) our increased economies of scale in 2023, which enabled us to more efficiently use the third-party logistics services we acquired. Our gross profit margin from sales of goods increased from 20.8% in 2021 to 37.0% in 2022, primarily because of (i) a larger revenue contribution from furniture and home furnishings, which generally have a higher gross profit margin compared with our other product categories, as we gradually shifted our focus after the Amazon Incident; and (ii) an increased gross profit margin of furniture and home furnishings in 2022, primarily benefiting from (a) decreased logistics costs due to our further enhanced capabilities in logistics solutions for medium-to-large goods, and (b) the decreased price of the first-mile international freight services we acquired to sell our products, which was in line with the market trend due to intensified market competition.

Our gross profit margin from logistics solutions increased from 11.5% in the four months ended April 30, 2023, to 17.5% in the four months ended April 30, 2024, primarily because we were able to secure a lower price of last-mile fulfillment services offered by logistics service providers we engaged for our logistics solutions. Our gross profit margin from logistics solutions decreased from 17.8% in 2022 to 14.6% in 2023, and decreased from 22.7% in 2021 to 17.8% in 2022, primarily because of (i) an increase in the price of last-mile fulfillment services we purchased for our provision of logistics solutions; and (ii) an increase in the rental price for storage units, both driven by increasing demand in the local markets.

Consolidated Statements of Financial Position

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

	As of December 31,			As of April 30,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets	1,447,579	2,226,484	2,031,731	2,161,830
Current assets	3,011,439	2,731,460	3,145,796	3,373,777
Current liabilities	2,473,744	2,204,371	1,803,872	1,967,550
Net current assets	537,695	527,089	1,341,924	1,406,227
Non-current liabilities	466,425	972,055	1,100,888	1,205,911
Non-controlling interests	12,251	19,006	10,573	20,362
Net assets	1,518,849	1,781,518	2,272,767	2,362,146

Our net current assets remained relatively stable at RMB1,341.9 million as of December 31, 2023, and RMB1,406.2 million as of April 30, 2024, primarily due to increases in inventories as well as cash and cash equivalents, which were substantially offset by a decrease in trade receivables and an increase in bank borrowings.

Our net current assets increased from RMB527.1 million as of December 31, 2022, to RMB1,341.9 million as of December 31, 2023, primarily due to an increase in cash and cash equivalents and a decrease in convertible loan notes, which was partially offset by a decrease in pledged/restricted bank deposits.

Our net current assets decreased from RMB537.7 million as of December 31, 2021, to RMB527.1 million as of December 31, 2022, primarily due to a decrease in inventories and an increase in convertible loan notes, which was partially offset by a decrease in trade and other payables.

Our net assets increased by 3.9% from RMB2,272.8 million as of December 31, 2023, to RMB2,362.1 million as of April 30, 2024, primarily due to our profit of RMB189.3 million in the four months ended April 30, 2024, partially offset by the fair value change on investments in equity instruments at FVTOCI of RMB97.2 million in the same period.

Our net assets increased by 27.6% from RMB1,781.5 million as of December 31, 2022, to RMB2,272.8 million as of December 31, 2023, primarily due to (i) our profit of RMB520.1 million in 2023 partially offset by (ii) the repurchase and cancellation of shares of RMB40.9 million in 2023. Our net assets increased by 17.3% from RMB1,518.8 million as of December 31, 2021, to RMB1,781.5 million as of December 31, 2022, primarily due to (i) our profit of RMB223.2 million in 2022; and (ii) the disposal of partial equity interest in a subsidiary without losing control of RMB70.9 million in 2022 partially offset by (iii) the fair value change on investments in equity instruments at FVTOCI of RMB38.1 million in 2022.

Cash Flow

The following table sets out our cash flows for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Net cash (used in)/from operating activities . . .	(1,192,638)	609,795	586,360	216,037	286,570
Net cash from/(used in) investing activities . . .	239,163	(373,667)	210,641	(47,061)	(251,125)
Net cash from/(used in) financing activities . . .	765,279	(129,073)	(632,443)	25,202	92,728
Net (decrease)/increase in cash and cash equivalents	**(188,196)**	**107,055**	**164,558**	**194,178**	**128,173**
Cash and cash equivalents at the end of the year	**533,202**	**642,864**	**809,838**	**836,397**	**938,368**

In 2021, our net cash used in operating activities was RMB1,192.6 million, which was primarily attributable to our loss before tax for the year and a decrease in trade and other payables, which was partially offset by the add-back of write-down of inventories. In 2022, our net cash from operating activities was RMB609.8 million, which was primarily attributable to our profit before tax for the year and a decrease in inventories. In 2023, our net cash from operating activities was RMB586.4 million, which was primarily attributable to our profit before tax for the year, which was partially offset by an increase in trade receivables. In the four months ended April 30, 2024, our net cash from operating activities was RMB286.6 million, which was primarily attributable to our profit before tax for the period and a decrease in trade receivables, which were partially offset by an increase in inventories.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/periods or as of the dates indicated:

	Year ended/As of December 31,			As of April 30,
	2021	2022	2023	2024
Gross profit margin[(1)] (%)	20.9	34.9	34.5	34.5
Net profit margin[(2)] (%)	(6.5)	3.1	6.0	6.7
Gearing ratio[(3)]	1.0	1.1	0.7	0.8
Current ratio[(4)]	1.2	1.2	1.7	1.7
Quick ratio[(5)]	0.7	0.8	1.2	1.1

Notes:

(1) Gross profit margin equals gross (loss)/profit divided by revenue for the year/period and multiplied by 100%.

(2) Net profit margin equals net (loss)/profit divided by revenue for the year/period and multiplied by 100%.

(3) Gearing ratio equals total interest-bearing debt (including interest-bearing bank borrowings, lease liabilities and convertible loan notes) divided by total equity and multiplied.

(4) Current ratio equals total current assets divided by total current liabilities.

(5) Quick ratio equals total current assets less inventories divided by total current liabilities.

Import Tariff in the U.S.

During the Track Record Period and up to the Latest Practicable Date, the U.S. had been our largest market. However, there have been increasing political tensions between the U.S. and China; see "Risk Factors — Risks Relating to Our Business and Industry — Changes in international trade policies between China and the U.S. or other countries our end-consumers are located in may have an adverse effect on our business." As confirmed by our legal advisor as to U.S. laws, during the Track Record Period, our products sold to the U.S. are subject to additional tariffs, which are applicable to nearly all the goods examined for the Harmonized Tariff Schedule (the "**HTS**")/tariff review, with most goods subject to a 25.0% additional tariff, with a lesser number facing a 7.5% tariff or no tariff. See "Regulatory Overview — Laws and Regulations Related to Our Business in the U.S. — Import Tariff and and Customs Regulations — Trade Sanction — Section 301." As confirmed by our legal advisor as to U.S. laws, we are not subject to any other additional tariffs as of the Latest Practicable Date.

During the Track Record Period, our business was not adversely affected by the additional tariffs imposed, as such additional tariffs had been passed on to our customers through the increase of selling prices of our products without any material adverse impact on our competitiveness, as evidenced by our continual growth. However, any increase in the selling prices of our products reflects thorough considerations of maintaining our competitive pricing and profitability, rather than a mere proportional increase in response to the additional tariffs. Any further additional tariffs would be applicable to all similar products exported to the U.S. from China. Consequently, based on our past experience, we will be able to pass the increased expenses on to our customers without weakening our market competitiveness if any such additional tariffs are imposed on our products.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of the [**REDACTED**] of, and permission to deal in, our H Shares to be converted from Domestic [**REDACTED**] Shares and issued pursuant to the [**REDACTED**], on the basis that we satisfy the market capitalization/revenue test under Rule 8.05(3).

OUR SINGLE LARGEST SHAREHOLDERS GROUP

Immediately before completion of the [**REDACTED**], Mr. Lu (directly and through Yueqing Aoji Growth IV, an entity controlled by Mr. Lu) and Mr. Ze beneficially owned 19.43% and 11.22% of the issued share capital of our Company, respectively, and by virtue of the concert party agreement among them, they are collectively entitled to exercise control of approximately 30.65% voting powers of our Company. Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] and the [**REDACTED**] are not exercised), Mr. Lu, Mr. Ze and Yueqing Aoji Growth IV will hold approximately [**REDACTED**]% of our enlarged issued share capital. Accordingly, Mr. Lu, Mr. Ze and Yueqing Aoji Growth IV will be our Single Largest Shareholders Group upon [**REDACTED**]. See "Relationship with Our Single Largest Shareholders Group" for further details.

PRE-[REDACTED] INVESTMENTS

We have engaged in Pre-[**REDACTED**] Investments with our Pre-[**REDACTED**] Investors. For further details of the identity and background of the Pre-[**REDACTED**] Investors and the principal terms of the Pre-[**REDACTED**] Investments, see "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments."

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK$[REDACTED] per H Share	Based on an [REDACTED] of HK$[REDACTED] per H Share
[**REDACTED**] of our H Shares[1]	HK$[**REDACTED**]	HK$[**REDACTED**]
[**REDACTED**] of our Shares[2]	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share[3]	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

(1) The calculation is based on the assumption that [**REDACTED**] H Shares will be issued pursuant to the [**REDACTED**] and [**REDACTED**] Domestic [**REDACTED**] Shares will be converted into H shares (without taking into account H Shares that may be issued upon the exercise of the [**REDACTED**] and the [**REDACTED**]).

(2) The calculation is based on the assumption that [**REDACTED**] Shares will be expected to be in issue immediately upon completion of the [**REDACTED**] (without taking into account Shares that may be issued upon the exercise of the [**REDACTED**] and the [**REDACTED**]).

(3) The unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share as of April 30, 2024, are calculated after making the adjustments referred to in Appendix II and on the assumption that [**REDACTED**] H Shares will be issued pursuant to the [**REDACTED**] (without taking into account Shares that may be issued upon the exercise of the [**REDACTED**] and the [**REDACTED**]) based on our outstanding shares as of April 30, 2024, which did not reflect any transaction subsequent to April 30, 2024.

[REDACTED] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**] commissions and other fees incurred in connection with the [**REDACTED**]. We expect to incur [**REDACTED**] expenses of approximately HK$[**REDACTED**], representing approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**] (based on the mid-point of the indicative [**REDACTED**] and assuming the [**REDACTED**] and the [**REDACTED**] are not exercised). The [**REDACTED**] expenses we incurred in the Track Record Period and expect to incur would consist of approximately HK$[**REDACTED**] fees and approximately HK$[**REDACTED**] fees (including fees and expenses of legal advisors and the reporting accountant of approximately HK$[**REDACTED**] and other fees and expenses of approximately HK$[**REDACTED**]). Among the total [**REDACTED**] expenses which we expect to incur, approximately HK$[**REDACTED**] will be directly attributable to the issue of our Shares which will be deducted from equity, and the remaining HK$[**REDACTED**] million will be expensed upon [**REDACTED**].

FUTURE PLANS AND [REDACTED]

Assuming that the [**REDACTED**] and the [**REDACTED**] are not exercised, after deducting the [**REDACTED**] commissions and other estimated [**REDACTED**] expenses payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the indicative [**REDACTED**] of HK$[**REDACTED**] and HK$[**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**]. We intend to use the net [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for our business expansion. We intend to consistently expand our business scale and provide consumers with quality products.

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used to enhance our digitalization. We intend to further improve our information management systems.

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for potential investment or mergers and acquisitions opportunities along the industry chain.

- approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for working capital and general corporate uses.

See "Future Plans and [**REDACTED**]."

DIVIDEND

No dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period. Currently, we do not have a fixed dividend distribution ratio. Any future declarations and payments of dividends will be at the discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. As advised by our PRC Legal Advisors, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Since April 30, 2024, and up to the date of this document, we have achieved strong performance, as evidenced by the strategic expansion of our overseas warehouses. From April 30, 2024, we started to operate two new overseas warehouses and expanded the GFA of an existing overseas warehouse in the U.S. As of the date of this document, we operated 29 overseas warehouses, with an aggregate GFA of over 6.5 million sq.ft. Moreover, in June 2024, we were awarded the title of Leading Export E-commerce Enterprise in Guangdong Province. Three of our overseas warehouses were designated by the Department of Commerce of Guangdong Province as public overseas warehouses owned by companies in Guangdong Province, indicating that these overseas warehouses have the capacity to provide professional, high-quality warehousing services to companies in Guangdong Province.

We have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since April 30, 2024, being the end date of the periods reported in the Accountants' Report set out in Appendix I to this document, and there has been no event since April 30, 2024, that would materially affect the information set out in the Accountants' Report in Appendix I to this document.

IMPACT OF THE COVID-19 PANDEMIC

The outbreak of COVID-19, which was first reported in December 2019, quickly developed into a worldwide pandemic that materially and adversely affected the global economy and business environment. In 2020, the outbreak of COVID-19 shifted consumer behaviors and accelerated the development of online shopping, with the GMV of B2C overseas e-commerce for the furniture and home furnishings market generated by China-based sellers increasing by 78.3% from 2019 to 2020, according to Frost & Sullivan. As such, the COVID-19 pandemic outbreak has had a positive impact on the global B2C e-commerce market. According to Frost & Sullivan, during the COVID-19 pandemic, consumers increasingly relied on online shopping, and the market size of the global B2C e-commerce market is expected to grow further after the COVID-19 pandemic. The size of the global B2C e-commerce market increased significantly due to the COVID-19 pandemic, with its GMV increasing from USD2,300.7 billion in 2018 to USD4,821.9 billion in 2023 at a CAGR of 16.0%, where the GMV of the global B2C e-commerce market increased by 47.3% from 2019 to 2021. The size of this market is expected to continue expanding with a GMV reaching USD7,712.5 billion by 2028 at a CAGR of 9.8% from 2023 to 2028, driven by the shift in consumption patterns to online shopping. As a result, the receding of the COVID-19 pandemic is not expected to lead to a contraction of the global B2C e-commerce market. Instead, reliance on online shopping platforms is anticipated to increase, broadening the scope of the digital marketplace. Consequently, more opportunities will emerge for online retailers and B2C export e-commerce logistics solutions providers, leading to the growth of our business in the long run.

During the Track Record Period, we were occasionally exposed to certain international transportation interruptions, global logistics congestion and temporary suspension of port terminals in the PRC due to the COVID-19 pandemic, which prolonged the delivery times of our services. For example, air freight costs to the U.S. and Europe in the second quarter of 2020 increased from approximately RMB30 per kilogram to approximately RMB100 per kilogram. In 2021, the sea freight costs from China to Europe increased from approximately

USD10,100 to a maximum of USD16,500 for every 40-foot container. In 2021, the sea freight costs from China to the west coast of the U.S. increased from less than USD5,000 to a maximum of USD18,000 for every 40-foot container. In 2022 and 2023, the shipping time from China to the west coast of the U.S. increased from approximately 15 days to approximately 25 days. Despite the adverse effects of COVID-19 on the global supply chain, our overseas operations, including our warehouse operations, were not materially affected by the COVID-19 pandemic. Specifically, despite the general rise in logistics costs, we entered into agreements with third-party logistics service providers to secure relatively fixed prices, ensuring our logistics costs remained relatively stable despite severe market fluctuations. Despite shipping delays, there were no cases where we failed to deliver products to our overseas customers during the COVID-19 pandemic.

Our Directors are of the view that the overall impact of COVID-19 on our business operation and financial performance was immaterial on the basis that (i) our total revenue increased by 22.3% from RMB7,100.2 million in 2022 to RMB8,683.0 million in 2023 and increased by 16.9% from RMB2,424.5 million in the four months ended April 30, 2023, to RMB2,833.5 million in the four months ended April 30, 2024; and (ii) our business operations fully resumed as restrictive measures were gradually eased since December 2022.