路歌
LOGORY

LOGORY LOGISTICS TECHNOLOGY CO., LTD.

合肥维天运通信息科技股份有限公司

A joint stock company incorporated
in the People's Republic of China with limited liability
Stock Code : 2482

2024
ANNUAL REPORT

Contents

Corporate Information

DIRECTORS

Executive Directors

Mr. Feng Lei (馮雷) *(Chairman)*
Mr. Du Bing (杜兵) *(Chief executive officer)*
Mr. Ye Sheng (葉聖)

Non-Executive Directors

Ms. Wang Yao (王瑤) *(re-designated from an executive Director with effect from August 30, 2024)*
Mr. Chen Zhijie (陳志傑)

Independent Non-Executive Directors

Mr. Dai Dingyi (戴定一)
Mr. Li Dong (李東)
Mr. Liu Xiaofeng (劉曉峰)

SUPERVISORS

Ms. Liang Xiaojia (梁曉佳)
Mr. Fan Hua (樊驊)
Mr. Wang Yang (汪洋)

AUDIT COMMITTEE

Mr. Li Dong (李東) *(Chairman)*
Mr. Liu Xiaofeng (劉曉峰)
Mr. Dai Dingyi (戴定一)

REMUNERATION COMMITTEE

Mr. Liu Xiaofeng (劉曉峰) *(Chairman)*
Mr. Li Dong (李東)
Mr. Du Bing (杜兵)

NOMINATION COMMITTEE

Mr. Dai Dingyi (戴定一) *(Chairman)*
Mr. Liu Xiaofeng (劉曉峰)
Mr. Li Dong (李東) *(appointed on March 28, 2025)*
Mr. Feng Lei (馮雷)
Ms. Wang Yao (王瑤) *(appointed on March 28, 2025)*

AUTHORISED REPRESENTATIVES

Ms. Wang Yao (王瑤)
Mr. Long Ke (龍科)

JOINT COMPANY SECRETARIES

Mr. Long Ke (龍科)
Ms. Yuen Wing Yan, Winnie (袁頴欣) *(FCG, HKFCG (PE))*

AUDITOR

Ernst & Young
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Shushan District
Hefei, Anhui Province
China

COMPANY WEBSITE

www.logory.com

STOCK CODE

2482

Five Year Financial Highlights

	Year ended December 31,				
	2020	2021	2022	2023	**2024**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Revenue	4,664,587	6,297,250	6,204,473	5,616,216	**7,541,926**
Gross Profit	300,958	399,861	341,767	313,264	**397,949**
Profit/(Loss) for the year	26,070	50,744	1,393	(29,623)	**44,490**
Adjusted net profit(1)	41,373	87,309	45,109	453	**53,681**

	Year ended December 31,				
	2020	2021	2022	2023	**2024**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Total assets	2,306,811	2,663,102	2,172,985	2,450,762	**2,727,770**
Total liabilities	2,003,557	2,127,667	1,618,492	1,798,156	**2,021,483**
Total equity	303,254	535,435	554,493	652,606	**706,287**

	Year ended December 31,				
	2020	2021	2022	2023	**2024**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Net cash flows from/(used in) operating activities	55,207	130,404	(56,407)	(245,593)	**153,655**

Note:

(1) Adjusted net profit is defined as profit/(loss) for the year adjusted by adding back share-based payments and the listing expenses. Please refer to the section headed "Management Discussion and Analysis — Financial Review — Other financial information (Non-IFRS measures): Adjusted net profit" for details of non-IFRS measures.

Operation Highlights

Online GTV

RMB38.4 billion

Year-on-year increase of

11.7%

The number of shipping orders completed

9.72 million

Year-on-year increase of

12.3%

The number of shipper customers that had completed shipping orders

7,138

Year-on-year increase of

7.8%

Annual retention rate of major shipper customers

92.6%

The number of truck drivers that had completed shipping orders

1.4739 million

Year-on-year increase of

10.15%

The number of total registered users of Truckers' Community (As of December 31, 2024)

3.50 million

Offline mutual aid communities coverage

32 provinces 298 cities

Chairman's Statement

Dear Shareholders,

In 2024, the fluctuation of the global economic landscape and the policy environment driving the innovation and development of digital economy have brought unprecedented challenges and opportunities to the logistics industry. Focusing on the core issues in the logistics industry and adhering to the business philosophy of "seizing the main battlefield and targeting critical opportunities", Logory is steadily moving forward in the wave of industry transformation.

Amidst the steep challenges of digital transformation in logistics, we leverage immediate on-site data as the cornerstone for restructuring trucks and drivers supply chain through our digital freight platform, driving deeper integration between the digital and real economies. Collaborating with industry partners, we have established a rights and interests protection system for truckers, embedding truckers' rights and interests protection mechanisms into the logistics supply chain's infrastructure to ensure digital economy benefits reach frontline truckers. Furthermore, our self-developed AI assistant "Sister Ting" , which covers key business scenarios of transportation and provides real-time decision support for truckers, using technology to protect their livelihoods on the wheels.

In advancing digital freight ecosystem development, we concentrate on three strategic dimensions: establishing data-anchored governance frameworks by participating tax digitalization initiatives and formulating logistics delivery standards, propelling digital freight onto a high quality development trajectory; fortifying trucks and drivers supply chain resilience through technological integration while collaborating with ecosystem partners to establish truckers rights and interests protection mechanisms, we enable stakeholder sharing of digitalization dividends; and releasing industrial innovation momentum through open collaboration, sharing digital technology and interconnecting business scenarios, connecting shippers and truckers, and helping logistics companies achieve cost reduction, quality improvement, and efficiency enhancement.

In the practice of 2024, we deeply realize that the core of crossing the industry cycle lies in adhering to the bottom line of compliant operation, consolidating the foundation of digital technology, and deepening open collaborative innovation. Looking towards the future, we will continue to strengthen our full chain digital operation capabilities — optimizing transportation management and intelligent decision-making systems through AI technology, building a digital collaborative platform that connects shippers, logistics companies. By transforming the "potential energy" of digitization into the "driving force" of industrial upgrading, we are committed to creating a smart logistics new ecosystem that is empowered by technology and mutually beneficial to all parties, making the digital transformation of every link a breakthrough point for value chain enhancement.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank all of our employees for their hard work over the past year. At the same time, I would also like to express my sincere gratitude to our Shareholders, investors, customers and business partners for their continuous support and trust.

Feng Lei
Executive Director and Chairman of the Board
March 28, 2025

Management Discussion and Analysis

MARKET OVERVIEW

China has the world's largest road freight transportation industry, where FTL comprising the largest segment with a 57% market share. However, the market has long faced high fragmentation and inefficiency issues. The lengthy and opaque transaction process often require shippers and truckers to connect through multiple layers of intermediaries, resulting in a waste of resources. The instability in the transportation resources, the lack of protection for the rights and interests of the truckers, and the loose market structure also increase the difficulty of regulation of the industry and constrain it's overall development progress.

Digital freight platforms reconfigure the trucks and drivers supply chain through data elements, effectively cracking the industry's pain points. It integrates cargo owners, logistics companies and truckers through Internet platforms, breaks through the information barrier within the traditional trucks and drivers supply chain, and realizes the digital control of the whole process of transportation business. Relying on big data, IoT and AI technology, the platforms build a comprehensive digital chain from transportation resources management, transportation process management to settlement services, dynamically optimize resource allocation and transportation resources scheduling, and build a flexible and efficient trucks and drivers supply chain. At the same time, by integrating social transportation resources and forming a standardized transportation resources pool, it not only guarantees the stability of transportation resources, but also provides rights and interests protection support in financial settlement and other aspects for truckers. This model not only optimizes the allocation of social resources, but also provides data-driven tools for government regulation and promotes the industry from "small, scattered and chaotic" to intensive and standardized upgrading.

In the 2024 State Council Government Work Report (《2024年國務院政府工作報告》), the necessity of in-depth promotion of the innovative development of the digital economy is clearly stated. The report also proposed to formulate policies to support the high-quality development of the digital economy, to actively develop the digital industry, transform traditional industries with digital technologies, and fully integrate digital technology into the real economy.

Digital freight platforms are an exemplar practice of the digital economy and new quality productive forces in the road freight transportation industry and its core value is reflected in dual breakthroughs in technology-driven innovation and ecological synergy. The platforms not only elevate the quality and efficiency of logistics services through digital transformation but also foster deep integration between logistics and manufacturing sectors, thereby enhancing supply chain resilience and advancing the integration of digital economy and real economy. This paradigm of production mode innovation with platform as the hub and data as the link is reshaping the value creation process of the logistics industry and providing the underlying support for economic transformation and upgrading.

Driven by both market demand and policy support, the digital freight industry continued its growth trend in 2024, yet exhibited emerging shifts in trends.

Management Discussion and Analysis

According to the survey statistics of the Ministry of Transportation, as of the end of June 2024, there were 3,286 enterprises operating digital freight platforms in the PRC, and the number of digital freight platforms has been increasing consistently from 2020 to 2024. The growth rate of the number of digital freight platforms nationwide is also worth paying attention to. The growth rate once reached 140% in 2021, but declined to approximately 20% in 2023, with the growth rate exhibiting a trend of year-on-year deceleration. The significant decline in the growth rate of digital freight platforms indicates, to some extent, that the industry is transitioning from its early rapid expansion phase to a more mature stage of high-quality development, with gradually rising entry barriers. Competition within the industry has become more orderly and healthy, and enterprises with core competitive capabilities will benefit more from the industry's growth dividends for a long time to come.

According to the survey statistics of China Federation of Logistics and Purchasing, the total freight costs in China's digital freight transportation market was approximately RMB850 billion in 2024, marking a 21.4% year-on-year growth compared to 2023, and the digital penetration rate of the market has further increased. The total freight cost contributed by the top ten digital freight companies was approximately RMB270 billion, accounting for approximately 32% of the total freight cost of the digital freight market, making a 2% increase from 2023. The market concentration is gradually improving, which is conducive to the industry's head digital freight companies to become bigger and stronger, and to promote the high-quality development of the industry.

GROUP OVERVIEW

As a pioneer in the digitalization of the road freight transportation industry, we remain committed to our core value of "Pursuit of Truth, Fairness, Altruism". Through application of innovative technology applications and service models, we strive to create a healthy and sustainable freight ecosystem and foster a long-term growth and prosperity of the digital freight industry. We serve and empower all participants in the entire road freight transportation industry ecosystem, including logistics companies, cargo owners, truckers, freight brokers, and other related service providers. We improve data transparency and resource synergy by leveraging digital platforms, help to establish long-term, stable, and mutually beneficial partnerships, driving the industry ecosystem toward higher-quality and sustainable development.

Based on more than 20 years of practical experience in digital innovation, we leverage our digital capabilities and internet platform advantages to drive the iterative evolution and implementation of digital freight platforms. We are committed to exploring innovative business models and sustainable development paths for the digital transformation of the FTL industry. According to data from the China Federation of Logistics and Purchasing, in terms of Online GTV, freight volume and other indicators, we operate the largest digital freight platform in China, which providing digital freight services and solutions to shippers, such as logistics companies and cargo owners, as well as truckers in both inter-city and intra-city road freight transportation.

The year 2024 marks a year of accelerated development for new quality productive forces in the road freight transportation industry. We remain focused on optimizing the industrial structure and promoting high-quality development in the FTL industry. By integrating AI technology into our digital freight platform, we drive the industry's digital transformation, cost reduction, efficiency gains, and service quality.

Management Discussion and Analysis

We promote the digital upgrade of digital freight transportation operations with AI-driven applications as its core. Our AI technology is primarily applied in business scenarios such as intelligent risk prevention and control, business process diagnostics and optimization, and smart operations to enhance customers' operational efficiency. By leveraging AI, we achieve precise matching between logistics scenarios and digital solutions. Our intelligent recognition algorithms automate the verification of key transportation-related data, simultaneously reducing operational costs and business risks. Currently, our AI application matrix covers critical aspects such as intelligent order creation, intelligent identification and business alerts, and intelligent customer service, which significantly improves the coordination efficiency of the trucks and drivers supply chain and enhances the service quality of our digital freight platform.

We leverage the data index optimization (the "**DIO**") cycle to enhance logistics companies' logistics project management and delivery capabilities, identifying key operational indicators from immediate on-site data generated at various stages of logistics projects and analyzing the scenario-specific bottlenecks impacting metric achievement, and continuously generates, accumulates, and applies immediate on-site data from frontline workflows during solution delivery and operations. This closed-loop process drives iterative optimization of clients' key operational indicators.

Based on the community standard "Requirements for Digitalization of Transportation Service Delivery" (《運輸服務交付數字化要求》), we continued to propose specific implementation details for the digital delivery standards of transportation services, which have been applied in specific transportation operations. We assist logistics companies in completing transportation services while providing data services such as project management, business management diagnosis, and improvement suggestions based on further analysis of immediate on-site data of the transportation operations. Cargo owners could obtain visualized data and related data analysis results into the whole transportation process, empowering them to enhance the integration of production, supply, and marketing, inventory management, and product delivery.

We also leverage digital capabilities to drive the innovation of our own R&D and operational systems. We have established a digitalized flat organizational structure and integrated our teams of customer operation, product design, and R&D through the Digitalization Driven Customer Success (the "**DDCS**") platform, the digital collaboration of which breaks down the departmental barriers, significantly reducing the processing cycle for customer requests.

We also operate Trucker Community, an "online + offline" community for truckers. As of December 31, 2024, the number of registered users of Trucker Community amounted to approximately 3.5 million. It is the largest community for truckers and the largest community in the logistics industry in China, in terms of the number of registered users.

Trucker Community plays a crucial role in fulfilling corporate social responsibility, building business credibility, and strengthening brand value for our Company. Meanwhile, it serves as a critical supplementary source of transportation resource for our digital freight business. We integrate the social benefits of Trucker Community with our commercial operations, and have successfully established a positive interaction mechanism between the truckers and the social governance system, which supports the development of trucker unions and advances party-building efforts. Benefiting from a large and loyal user base of truckers we have accumulated over the past decade, we are able to establish in-depth collaboration with a variety of partners in order to resolve the problems truckers encountered in "business, production and life" and improve truckers' social status, work environment and living conditions.

Management Discussion and Analysis

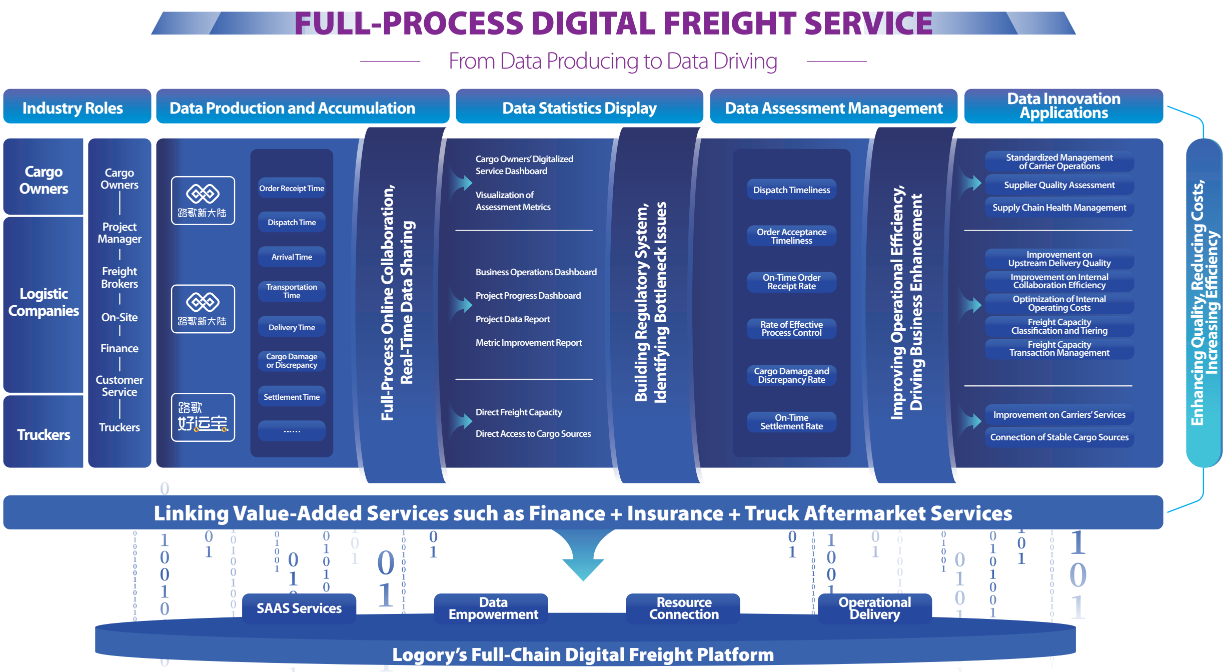
BUSINESS OVERVIEW

We have cultivated a vibrant digital ecosystem for road freight transportation in China, and we are committed to providing a series of digital products and solutions to connect and serve ecosystem participants. Our business primarily consists of three components: digital freight business, Trucker Community (卡友地帶) and Trucker's Membership Services.

Digital Freight Business

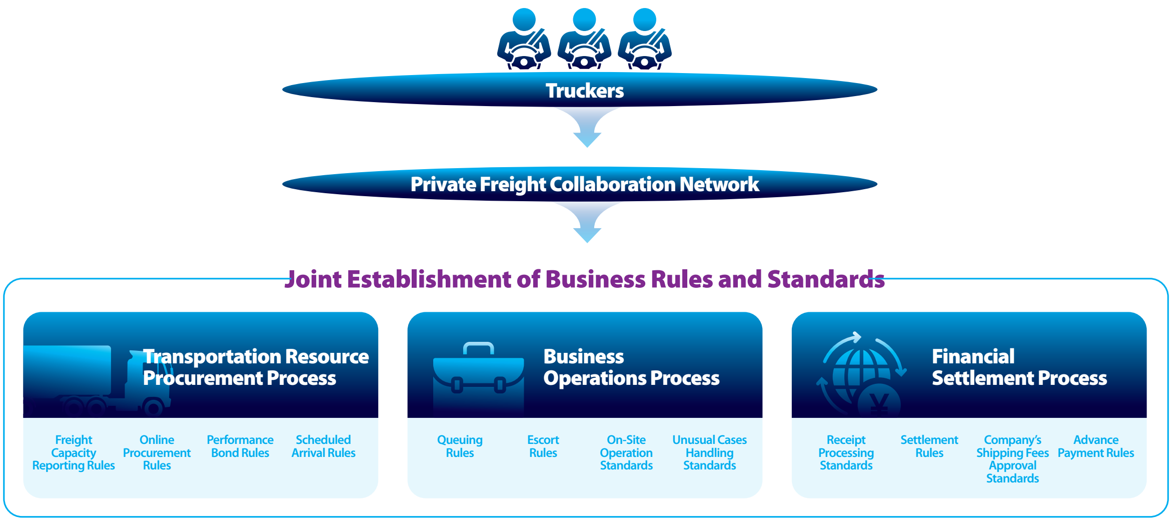
We satisfy the freight needs of shippers through our digital freight business. We provide two types of services through our digital freight business, namely freight transportation services and freight platform services. In the process of deepening the digitization of the road freight transportation industry, we uphold long-termism and based on the immediate on-site data to help logistics companies achieve efficient internal and external collaboration while transforming their management models, and elevating digital delivery capabilities, ultimately enabling a leap from traditional operations to digitalization.

We have developed a full-process digital freight platform powered by SaaS services, which serves as the foundation for logistics companies to digitize all business scenarios, enable end-to-end online business operations while generating on-site data. Our digital layout based on business scenarios is divided into digital transportation resources management, digital transportation process management, and digital financial settlement management. The immediate on-site data generated and accumulated in real-time are shared among all participants in logistics projects to enhance the coordination efficiency of operation of logistics projects, which not only achieves efficient internal-external collaboration for logistics companies but also establishes synergistic mechanisms between their business units and financial departments. By analyzing and processing immediate on-site data, we transform logistics companies' operational experience into valuable data assets, facilitating business resource integration and expanding commercial relationships.



Management Discussion and Analysis

Our digital freight platform helps logistics companies to establish regulated private transportation resources pools, break down departmental barriers and expand their management scope through direct transportation resources procurement. We encourage long-term collaboration between truckers and logistics companies under predefined rules, motivating truckers to actively participate in regulated transportation resources pools. The consolidation and application of digitalized transportation resources enable "short-chain" supply of transportation resources realization.



Private Freight Collaboration Network: Long-Term Stable Cooperation, Joint Establishment of Business Rules and Standards

Since the inception of our digital freight business up to December 31, 2024, we have served over 16,700 shippers and 3.61 million truckers who had completed an aggregate of over 56 million shipping orders on our platform. The aggregate amount of shipping fees (including VAT) settled on our platform from transactions fulfilled through us as a statutory carrier under PRC law, which we refer to as our Online GTV, amounted to approximately RMB38.4 billion during the year ended December 31, 2024. Our platform has consistently maintained a high level of annual retention rate, with annual retention rate of approximately 92.6% for our major shipper customers for the year ended December 31, 2024.

Freight Transportation Services

We address the shipping demand from the shippers with appropriate road freight transportation resources, based on our analysis of the shippers' business. Our freight transportation services are usually provided to customers in the industries with a high degree of standardization in logistics transportation such as bulk cargo. Facing the market changes with increasing internal driving forces of cargo owners to reduce costs and increase efficiency, bulk cargo shippers rely on our digital products and solutions to form a differentiated competitive advantage and gradually improve their qualities of delivery of bulk cargo transportation. The fully digitized freight business process, with real-time recording of immediate on-site data, helps bulk cargo shippers to continuously optimize key operational indicators, and enhance the refined management level of projects and improve operational performance. For the year ended December 31, 2024, Online GTV of our freight transportation services amounted to approximately RMB7.8 billion.

Freight Platform Services

When we provide freight platform services, our focus is on connecting and facilitating the coordination between shippers and truckers. Our freight platform services mainly target shippers with relatively complex and often customized logistics processes, such as the transportation of consumer commodities. Logistics companies utilized freight platform often need to cooperate with multiple participants in the trucks and drivers supply chain to complete each transportation demand during logistics project operations. Through digital transportation resources management, digital transportation process management and digital financial settlement management, we break down the barrier between working systems of various departments, achieving efficient collaboration and organizational management within logistics companies. At the same time, the digitization of the entire business process of the freight platform business enables real-time recording of the data generated by each business process, and systematic data presentation and analysis. The digital products and solutions for the whole transportation process of our freight platform services improve logistics companies' digitalization capabilities to and to deliver transparent, efficient, stable and modernized "trucks and drivers supply chain". For the year ended December 31, 2024, Online GTV of our freight platform services amounted to approximately RMB30.6 billion.

Trucker Community and Trucker's Membership Services

We operate Trucker Community, the largest community in the logistics industry in China and the largest community for truckers in China. We are committed to creating a community for communication and mutual support among truckers in the road freight transportation industry to facilitate their communication, discovery of business opportunities and enjoying social life. Truckers can gain access to Trucker Community through a wide variety of portals, including the mobile application we developed for Trucker Community, our official accounts on social media platforms such as Douyin, Kuaishou, WeCom, and the offline activities organized by offline communities of Trucker Community.

Through years of operation, our Trucker Community has become as a reliable self-organized community. As of December 31, 2024, the number of registered users of Trucker Community amounted to approximately 3.50 million and the number of followers of our social media accounts amounted to approximately 3.33 million. We have established and assisted to manage offline communities of Trucker Community in 298 cities in the PRC, which are self-organized by local truckers and managed with the assistance of Trucker Community.

We integrate the social value of Trucker Community with commercial operation, promote the establishment of social identity recognition and rights protection system for truckers through institutional development of trucker unions, and improve the operational efficiency of the community while significantly upgrading the level of services for truckers.

We set up help centers in our online community to provide free legal aid to the truckers and help them resolve problems encountered in their business, work and life. We also collaborated with external partners to provide truckers with access to a number of protection services. We also advocate for transportation safety of truckers through our mobile application of Trucker Community and social media platforms to enhance the safe driving consciousness of truckers and hence lower the occupational risks of truckers. In particular, for our digital freight transportation business, we analyze immediate on-site data to identify risk scenarios during transportation. We help logistics companies and truckers to reduce transportation risks through a digital safety operation approach and by adapting our safety operation services to the characteristics of logistics projects.

Occupational Safety Insurance

Mutual Insurance, Accidental Medical Insurance and other insurance products for truckers are provided, covering nearly 850 families and over 160,000 truckers. During the Reporting Period, safe operation services were provided for more than 120,000 truckers for safer production and more efficient transportation.

Mutual Support

Truckers who encounter road conditions or market conditions, issues relating to professional knowledge and maintenance of truck can post in the community for help, with a monthly average of more than 18,000 online inquiries, 88.77% of which were resolved.

Labour Union Benefits

A total of 181,000 truck drivers in Anhui were guided to join unions and 500,000 truck drivers across Guangdong, Hubei, Heilongjiang, and Henan provinces were encouraged to join unions, and resources can be linked to enhance the support services for truckers.

Offline Communities

We have established and assisted to manage offline communities of Trucker Community in 298 cities in the PRC, which are self-organized by local truckers, in order to bring better, faster and more timely solutions to the problems encountered by truckers.

Online Community

Through various online portals such as Trucker Community APP, WeChat, Douyin and Kuaishou, a platform for truckers to communicate with each other in the industry, discover business opportunities and enjoy social life is established.

I Love Truckers' Day

This helps to represent the real image and heartfelt feelings of truckers in a festive manner so that truckers can receive attention and their social recognition can be improved.

Social Responsibility

Advocating truckers to actively participate in social welfare activities, such as caring for women in the industry and "Charitable Family Plan", which help truckers establish a positive and proactive social image.

Business Opportunities

Our digital freight business provides truckers with a stable source of freight orders and facilitates business collaboration between truckers and shippers, increasing order volume and optimizing intermediate processes to improve truckers' income.

Our Trucker Community and Trucker's Membership Services provide strategic value complement to our digital freight business, and such three business lines generate strong synergies and continuously empowering our overall business system. The large and loyal user base of Trucker Community provides stable and efficient supplemental source of transportation resources for our digital freight platform. At the same time, our digital freight platform attracts more truckers to access, and become loyal members of, Trucker Community. In addition, the demands for truck sales and aftermarket services by truckers on our platform also underpin the significant market potentials for our Trucker's Membership Services. The synergy among our business lines reinforces each other, allowing us to enhance our brand image and better serve our customers.

Set forth below are certain operating metrics of our Trucker Community during the Reporting Period:

	Twelve months ended December 31, 2024
Number of Converted Truckers [(1)] (thousand)	**260.0**
Online GTV fulfilled by Converted Truckers (RMB billion)	**7.9**
Shipping orders fulfilled by Converted Truckers (thousand)	**1,601.1**
Breakdown by:	
Freight transportation services (thousand)	**45.1**
% of total freight transportation service shipping orders (%)	**2.0**
Freight platform services (thousand)	**1,556.0**
% of total freight platform service shipping orders (%)	**21.0**
Percentage of truckers converted from Trucker Community to our digital freight platform [(2)] (%)	**22.0**

Notes:

(1) "Converted Truckers" refer to trucker users who fulfilled shipping orders on our digital freight platform after they registered on Trucker Community.

(2) Defined as the ratio of the Converted Truckers as of the end of a given period to the total trucker users registered on Trucker Community as of the end of such period.

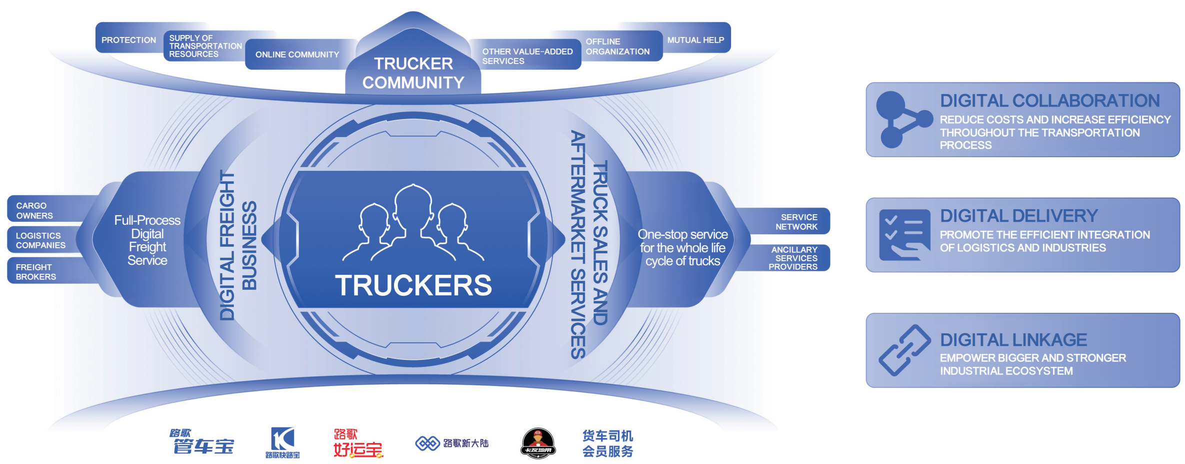
Truckers in our Trucker Community serve as supplemental transportation resources in fulfilling shipping orders on our platform, while the majority of shipping orders are fulfilled by other truckers on our digital freight platform who have not joined Trucker Community. The number of Converted Truckers in the year 2024 has slightly increased as compared with the corresponding period in 2023 and has recorded approximately 260,000 (2023: 243,900). The percentage of truckers converted from Trucker Community to our digital freight platform increased from 21.3% in 2023 to 22.0% in 2024, the increase of which remained at a reasonable level. In general, the performance of Trucker Community in terms of its conversion capabilities was within the expectation of the Company's management during the Reporting Period.

Our Sustainable Logistics Ecosystem

We have cultivated a sustainable logistics ecosystem through digitalization, which connects truckers, shippers, freight brokers, truck sellers, truck aftermarket service providers and other participants in the ecosystem, and values the interests of all participants. We encourage and promote a solid cooperative relationship of mutual trust and benefits among all ecosystem participants through enhanced digitalization and transparency throughout the process. We enhanced the division of responsibilities among ecosystem participants and improved their synergies.

Management Discussion and Analysis

The following diagram illustrates the interaction among different participants within our sustainable logistics ecosystem:



We integrate our technological applications and service model innovations into all aspects of the road freight transportation industry, providing a full range of digital application solutions. To be specific, our digital freight industry ecosystem is centered on truckers at the bottom of the trucks and drivers supply chain, and continues to strengthen the links between truckers, shippers (logistics companies and cargo owners), freight brokers and our digital freight platform. Through "digital collaboration" within logistics companies, we promote cost reduction and efficiency increase in the whole process of transportation. We provide shippers with the "transportation business operation + business data delivery" services to break the "supply chain black box" and allow shippers to grasp the transportation status in real time. We utilize digital applications and solutions to enhance the delivery capability of logistics companies and help them establish closer links with their customers (cargo owners). Through "digital links" with surrounding industrial resources, we provide comprehensive and high-quality services for all aspects of the road freight transportation business.

Set forth below are the key participants that benefit from our ecosystem, and the value propositions our ecosystem offers them:

- ***Shippers:*** Shippers constitute the direct customers of our digital freight business. Our shipper customers primarily include logistics companies of all sizes and background. To a lesser extent, we also serve cargo owners with needs for freight transportation services. In 2024, shippers that had completed shipping orders on our digital freight platform amounted to 7,138; and as of December 31, 2024, the cumulative number of shippers that had completed shipping orders on our platform reached 16,789, representing an increase of 2,374 from 2023. In 2024, the number of shipping orders completed on our platform amounted to approximately 9.7 million, and the Online GTV on our platform amounted to approximately RMB38.4 billion.

- ***Truckers:*** Truckers constitute the suppliers of road freight transportation resources for our digital freight business. We strive to empower truckers with better business opportunities, social communities and work opportunities through our digital freight business, Trucker Community and Trucker's Membership Services, respectively. As of December 31, 2024, the number of truckers who had completed shipping orders on our platform amounted to 3.6 million, and the number of truckers who had newly registered on our Trucker Community platform amounted to approximately 3.5 million. We consider truckers who complete at least four orders on our digital freight platform in a given year or a given period to be active truckers, who completed more than 80% of the total amount of freight orders on our platform in 2024. In 2024, the number of active truckers on our platform amounted to 474,000.

- ***Freight brokers:*** In the logistics industry, freight brokers serve as an intermediary between shippers and truckers, who select truckers for shippers and coordinate with both sides. In our case, the major function of freight brokers is to introduce truckers to our digital freight platform. In some cases, freight brokers also assist with the vetting of, and coordination with, such truckers. We believe that freight brokers play an important role in our ecosystem by bringing additional truckers to our platform and facilitating the coordination and communication with truckers.

- ***Other ecosystem participants:*** Other ecosystem participants, such as truck aftermarket service providers, truck sellers, insurance companies and other financial institutions are connected to truckers on our platform through the truck aftermarket services available on our platform.

Our Technology and Digitalized Products

We continuously explore the application of AI technology in the logistics industry, and have successfully implemented AI-driven solutions in business scenarios such as intelligent risk prevention, business process diagnostics and optimization, and intelligent customer operations in 2024.

Management Discussion and Analysis

We independently developed and launched the AI assistant "Sister Ting" ("婷姐") on our digital freight platform, which provides transportation rule guidance and risk alerts, helping truckers efficiently manage transportation demands and unexpected issues, ensuring a smoother transportation process. Currently, Sister Ting covers multiple key aspects of transportation process, offering precise solutions to various on-site challenges, with high user satisfaction among truckers.

Internally, we developed another AI assistant, "Brother Lu" ("路小哥"), designed to streamline our internal workflow coordination and cross-departmental collaboration. Brother Lu has significantly enhanced operational efficiency and team synergy within our organization.

Additionally, leveraging the data assets formed through the analysis of operational data accumulated by the business operation of logistics companies on our digital freight platform, we further launched a digitalized product, "Evaluation of Digital Delivery Capability of Logistics Companies" ("物流企業數字化交付能力評價"). This product, based on a standardized index system, provides accurate evaluations of logistics companies' digital delivery capabilities and measures their freight service efficiency, and has been officially listed on the Beijing International Data Exchange.

Our Corporate Social Responsibility

On May 2, 2024, the first meeting of the first session of the Staff Congress (Expanded) Meeting of Logory digital freight platform (Industry-wide) directed by the All-China Federation of Trade Unions was successfully held in Hefei, Anhui Province, with 70 trucker representatives from all over the country attending the meeting. The meeting considered and passed the Implementation Measures for the Staff Congress (Expanded) Meeting of the Industry-wide of Logory digital freight platform (《路歌平台(全網)職工代表大會(擴大)會議實施辦法》) and the Collective Contract for the Protection of the Rights and Interests of Truckers of the Industry-wide of Logory (and truckers registered on other digital freight platforms) (《路歌平台(全網)貨車司機權益保障集體合同》), making a clear response to the protection of rights and interests of the truckers group, such as shipping fee, transportation assurance, transportation safety, and negotiation and coordination mechanism, which are of the greatest concern to the truckers group. The scope of the contract covers 3.8 million truckers on the Logory digital freight platform, including new employment forms of truckers who are registered on the Logory digital freight platform, accepting transportation orders from actual shippers through the Logory digital freight platform as individual operators, and completing the tasks of transportation orders from actual shippers, which provides a clearer and more powerful protection of the legitimate rights and interests of the truckers.

This is the first innovative attempt covering truckers nationwide in the road freight transportation industry with the digital freight transportation platform and truckers collectively negotiating the trading rules of the platform. Through the collective negotiation mechanism protecting the rights and interests of Internet labors, truckers are able to intervene in the design of the platform's rules. It helps to promote the progress of the whole industry in the protection of the rights and interests of truckers, and provides impetus for the high-quality development of the industry.

In addition, the Initiative on Commitment to Protect the Rights and Interests of Platform Trucker Users (《平台貨車司機用戶權益保護承諾倡議書》) was also released in this meeting. The initiative points out that the digital freight platform is a bridge linking a large number of truckers and shippers, and truckers are important users of the digital freight platform. In order to safeguard the legitimate rights and interests of truckers and maintain a fair, just and orderly market environment, the five commitments related to the protection of truckers' rights and interests are proposed to be practiced across the whole digital freight industry.

Management Discussion and Analysis

Our Milestones in 2024

Set out below are the important milestones of the Group's businesses for the year ended December 31, 2024:

(1) The group won various honors and awards in 2024.

In 2024, the Group ranked 420th of top 500 private enterprises in China by the All China Federation of Industry and Commerce, marking the fifth consecutive year for the Group to be selected on the list. The Group also ranked 89th of top 100 private enterprises in China's service industry by the All-China Federation of Industry and Commerce, ranked 218th of top 500 service enterprises in China by the China Enterprise Confederation and the China Entrepreneurs Association and ranked 2nd of top 100 private service enterprises in Anhui Province by the Anhui Federation of Industry and Commerce. In addition, the Group has been listed on and ranked 1st of the Top 10 list of digital freight platforms selected by the China Federation of Logistics and Purchasing for five consecutive years.

In January 2024, as a leading full-process digital freight service provider in the industry, our Group was honored with the title of "New Quality Productive Forces Enterprise" at the "First New Quality Productive Forces Conference" ("首屆新質生產力大會") hosted by the China Academy of Productivity Science, which is supervised by the National Bureau of Statistics

(2) The Group's data product was officially made available through tender on the Beijing International Data Exchange

The Group's digitalized product, Evaluation of Digital Delivery Capability of Logistics Companies, ("《物流企業數字化交付能力評價》") has been officially made available through tender on the Beijing International Data Exchange in April 2024.

(3) The Group signed the first collective contract for truckers in China and successfully held the 10th "I Love Truckers' Day (52卡友節)"

The Group successfully organized the 10th "I Love Truckers' Day (52卡友節)", in which more than 43,000 truck drivers participated, and the cumulative publicity exposure exceeded 8.6 million. In this festival, we successfully held the first session of the Staff Congress (Expanded) Meeting of Logory digital freight Platform (Industry-wide) and signed the "Collective Contract for the Protection of truckers' Rights and Interests on the Logory digital freight Platform (Industry-wide)" ("《路歌平台(全網)貨車司機權益保障集體合同》") with the representatives of truckers across the country. The meeting marks a key step in the employee council system and collective negotiating mechanism in the domestic freight industry, while a pioneering legal document was signed by us as an Internet platform enterprise with individual operators to protect their rights and interests.

(4) The Group signed a cooperation agreement with Industrial and Commercial Bank of China on digital financial services

In March 2024, our Group signed a digital financial services cooperation agreement with the Industrial and Commercial Bank of China (the "**ICBC**"), as its "digital financial partner". Leveraging our technological expertise, we will collaborate with ICBC to further explore the possibility of application of digital finance in the freight industry, polishing the platform capabilities and upgrading the service with digitalization. This partnership injects strong momentum into the sustainable and efficient development of the freight ecosystem.

Management Discussion and Analysis

OUTLOOK

In 2024, we have welcomed the improvement in performance and achieved a turnaround from net loss to net profit. Looking ahead, we plan to accurately seize the opportunities of the scaled development of China's digital freight industry, focusing on the following strategic directions to deepen the business layout and drive high-quality development:

- The Third Plenary Session of the 20th Central Committee pointed out that "it is necessary to improve the institutional mechanism for the development of new productive forces leveraging to local conditions, to improve the system for promoting the deep integration of the real economy and the digital economy, to improve the institutional mechanism for the development of the service industry, to improve the institutional mechanism for the construction of modernized infrastructure, and to improve the system for upgrading the resilience and security of the industrial chain and supply chain. " And the "Resolution of the Central Committee of the Communist Party of China on Deepening Reform Comprehensively to Advance Chinese Modernization" ("《中共中央關於進一步全面深化改革、推進中國式現代化的決定》") adopted at the meeting proposes to deepen the reform of the fiscal and taxation system, and to study the tax system that is compatible with the new business forms. We will continue to focus on data production, data operation and industrial integration to provide digital regulatory tools for industry governance and promote the orderly development of the logistics industry. We will accelerate the expansion of service coverage at the cargo owners end of the upstream supply chain, digitally empower the logistics management of the manufacturing industry, and promote the digitalization and upgrading of the entire process of cargo owner enterprises.

- The application of AI technology in the digital freight platform, Trucker Community and Trucker's Membership Services is an important development direction for us as a service operation company. We will carry out in-depth exploration of AI technology in the following three major aspects: (i) Business AI Transformation: we will continue to explore more AI technology application scenarios and gradually enhance the capability of our existing AI intelligent assistant "Sister Ting" to achieve more efficient business operations; (ii) Organizational AI Transformation: we will enhance the efficiency of the organizational operation through AI technology within the company to achieve smarter management and decision-making; and (iii) AI Talent Development: we will cultivate more AI technical talents and establish a strong AI technical team to provide talent and technical guarantee for our Company to continuously deepen our AI technology layout.

- Based on our core advantages in the field of logistics digitization, we will join hands with high-quality logistics companies to build an industrial synergy ecosystem, focusing on building a digital logistics delivery service system extending to cargo owners . By integrating industrial resources and socialized service capacity, we will innovate and develop digital products and solutions and provide cargo owners and logistics companies with full-process digital logistics solutions. At the same time, we will integrate related industry and social resources to continuously enhance support and commercial services for truckers, building a digital service system for truckers. Eventually, a two-wheel drive pattern of "technology empowerment + ecological synergy" will be formed to comprehensively promote the digital transformation process of the logistics industry.

The year 2025 will mark a year of in-depth expansion for the full-process digitalization of the logistics industry, and also the year of opportunities for the digital freight industry in a new stage of development. We will continue to uphold the value of "Pursuit of Truth, Fairness, Altruism", seize the strategic opportunities of this development era. By continuously applying cutting-edge technologies to optimize business scenarios, we aim to elevate our products and services, deliver greater value to clients, and generate enhanced returns for shareholders. Swimming against the current, Logory always leads the way as the fastest mover.

Management Discussion and Analysis

FINANCIAL REVIEW

The Group generated revenue predominantly from our digital freight business, by providing freight transportation services and freight platform services. During the Reporting Period, the Group's total revenue was approximately RMB7,541.9 million, representing an increase of approximately RMB1,925.7 million, or approximately 34.3%, from approximately RMB5,616.2 million for the year ended December 31, 2023. The increase in revenue was mainly due to the Group's realization of synchronous growth in online GTV and revenue by deepening the application of digitalized products, innovating customer service model and expanding the business layout of digital freight operation in the logistic industry.

The table below sets forth the revenue by types of goods or services, shown in actual amounts and as percentage to total revenue for the years indicated:

	Year ended December 31,				
	2024		2023		year-on-year
	RMB'000	**%**	RMB'000	%	% change
Revenue from freight transportation services	**7,174,460**	**95.13**	5,318,544	94.70	34.90
Revenue from freight platform services	**344,716**	**4.57**	278,925	4.97	23.59
Sale of goods	**635**	**0.01**	3,120	0.05	(79.65)
Others [(1)]	**22,115**	**0.29**	15,627	0.28	41.52
Total	**7,541,926**	**100.00**	5,616,216	100.00	34.29

Note:

(1) Others primarily include advertisement services, rental income and other value-added services.

Cost of revenue

During the Reporting Period, the Group's cost of revenue was approximately RMB7,144.0 million, representing an increase of approximately RMB1,841.0 million, or approximately 34.7%, from approximately RMB5,303.0 million for the year ended December 31, 2023. This was mainly because the increase in the Company's online GTV in 2024 was in line with the increase in the Company's freight costs paid for drivers.

Gross profit and gross profit margin

As a result of the above, gross profit increased by approximately RMB84.6 million or approximately 27.0% from approximately RMB313.3 million for the year ended December 31, 2023 to approximately RMB397.9 million for the year ended December 31, 2024. Gross profit margin decreased from approximately 5.6% for the year ended December 31, 2023 to approximately 5.3% for the year ended December 31, 2024. The decrease in gross profit margin was mainly due to the increase in the proportion of freight service business volume.

Other income and gains

Other income and gains of the Group increased by approximately RMB11.1 million or approximately 35.0% from approximately RMB31.7 million for the year ended December 31, 2023 to approximately RMB42.8 million for the year ended December 31, 2024, which is comprised of: (i) bank interest income of approximately RMB7.5 million; (ii) the government grants (other than those related to digital freight businesses) of approximately RMB26.5 million; and (iii) others of approximately RMB8.8 million. Such increase was primarily attributable to the increase in government grants (other than those related to digital freight businesses).

Selling and marketing expenses

During the Reporting Period, the Group's selling and marketing expenses amounted to approximately RMB88.3 million, representing a decrease of approximately RMB37.1 million, or approximately 29.6%, from approximately RMB125.4 million for the year ended December 31, 2023, mainly due to the improvement in operational efficiency through deep integration of AI technologies with business scenarios and the building of smart operational system, resulting in the decrease in the number of employees and the decrease in staff costs and travel costs, and the decrease in the share-based payment.

Administrative expenses

Our administrative expenses primarily consist of staff costs, share-based payments, depreciation and amortization and office expenses, among others. During the Reporting Period, the Group's administrative expenses amounted to approximately RMB104.5 million, representing an increase of approximately RMB9.5 million, or approximately 10.0%, from approximately RMB95.0 million for the year ended December 31, 2023, mainly due to the increase in staff costs as a result of the increase in the number of employees.

Research and development expenses

During the Reporting Period, the Group's research and development expenses amounted to approximately RMB85.6 million, representing an increase of approximately RMB5.7 million or approximately 7.1% from approximately RMB79.9 million for the year ended December 31, 2023, mainly due to our need to recruit more research and development staff as we expanded the application of AI technologies on digital freight platform, Truckers' Community and Trucker's Membership Services, resulting in the increase in staff costs.

Impairment of financial and contract assets, net

During the Reporting Period, the Group's impairment of financial and contract assets was approximately RMB22.7 million, mainly consist of loss on account receivables and other receivables resulting from the credit impairments of our customers, representing an increase of approximately RMB10.4 million or approximately 84.6% from approximately RMB12.3 million for the year ended December 31, 2023, mainly due to increase in impairment charges as a result of longer ageing of other receivables.

Other expenses

During the Reporting Period, the Group's other expenses mainly consist of taxes and surcharges, net of government grants related to digital freight business, the amount of which was approximately RMB59.5 million, while it was approximately RMB60.9 million for the year ended December 31, 2023. The fluctuation in other expenses was relatively small.

Finance costs

Our finance costs mainly consist of interest on bank loans and other borrowings. During the Reporting Period, the Group's finance costs amounted to approximately RMB12.3 million, representing an increase of RMB9.8 million, from approximately RMB2.5 million for the year ended December 31, 2023. The increase was mainly due to the increase in the Company's bank borrowings in 2024.

Income tax expense/credit

During the Reporting Period, the Group recorded income tax expense of approximately RMB22.8 million, while the income tax credit for the year ended December 31, 2023 were approximately RMB2.7 million. This was mainly due to the increase in taxable profit of the Company during the Reporting Period.

Profit/Loss for the year

As a result of the above, profit for the year ended December 31, 2024 was approximately RMB44.5 million (2023: loss of approximately RMB29.6 million).

Other Financial Information (Non-IFRS measures): Adjusted net profit

To supplement the Group's consolidated results which are prepared and presented in accordance with IFRSs, we also use adjusted profit or loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with the IFRS. We believe that adjusted profit or loss (non-IFRS measure) provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted profit or loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit or loss (non-IFRS measure) is presented herein as an analytical tool for illustrative purposes only, and should not be considered in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under the IFRSs.

The following tables set forth reconciliations of the Group's non-IFRS measures for the years ended December 31, 2024 and 2023 to the nearest measures prepared in accordance with IFRS.

	For the year ended December 31,				
	2024 RMB'000	% of total revenue %	2023 RMB'000	% of total revenue %	year-on-year % change %
Profit/(loss) for the year	**44,490**	**0.59**	(29,623)	(0.53)	N/A
Adding back or excluding					
Share-based payments(1)	**9,191**	**0.12**	26,972	0.48	(65.92)
Listing expenses related to the Global Offering	**–**	**–**	3,104	0.06	(100.00)
Non-IFRS measures					
Adjusted net profit	**53,681**	**0.71**	453	0.01	11,750.11

Note:

(1) We operate share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of our operations. Such share-based payments are non-cash in nature.

Our adjusted profit (non-IFRS measure) during the Reporting Period amounted to approximately RMB53.7 million, representing an increase of RMB53.2 million, or 11,750.1%, from approximately RMB0.5 million in 2023, which was mainly attributable to (i) the Group's realization of synchronous growth in online GTV, revenue and gross profit by deepening the application of digital products, innovating customer service model and expanding the business layout of digital freight operation in the logistic industry; (ii) the Group's significant improvement in its operational efficiency and effective cost and expense control by deeply integrating AI technologies with business scenario and building intelligent operation system.

Liquidity and financial resources and capital structure

As at December 31, 2024, the Group had current assets of approximately RMB2,610.1 million (December 31, 2023: approximately RMB2,322.5 million), representing an increase of approximately RMB287.6 million or 12.4%, mainly due to the increase in financial assets at fair value through profit or loss. The Group had current liabilities of approximately RMB2,006.5 million (December 31, 2023: approximately RMB1,776.6 million), representing an increase of approximately RMB229.9 million or 12.9%, mainly due to the increase in bank borrowings and other payables and accruals. The current ratio was 1.30 at December 31, 2024 as compared with 1.31 at December 31, 2023, equals to total current assets divided by total current liabilities as of the end of the year.

As of December 31, 2024, the Group's cash and cash equivalents amounted to approximately RMB547.2 million which was mainly funded from operating activities. As at December 31, 2024, the Group had bank borrowings of approximately RMB284.8 million (December 31, 2023: RMB120 million), and the Group's other borrowings amounted to approximately RMB5.9 million (December 31, 2023: Nil). The Group monitors and maintains cash and cash equivalents to a level that management believes to be sufficient to meet the Group's operating needs.

The Group has adopted a prudent financial management approach towards its treasury policies to ensure the liquidity requirements from daily operation as well as capital expenditures are met. The Board closely monitors the Group's liquidity positions, while surplus cash will be invested appropriately with the consideration of the credit risks, liquidity risks and market risks of the financial instruments.

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize Shareholders' value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to Shareholders, return capital to Shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Reporting Period.

The H Shares have been listed on the Stock Exchange since the Listing Date. There has been no change in the capital structure of the Company during the Reporting Period. The capital of the Company comprises ordinary shares including Unlisted Shares and H Shares.

Capital Expenditures

During the Reporting Period, the Group's capital expenditures amounted to approximately RMB2.3 million, which primarily consist of purchase of properties, plants and equipment and purchase of intangible assets. We funded our capital expenditure requirements during the Reporting Period mainly from cash generated from operating activities.

Inventories

During the Reporting Period, the Group's inventories amounted to approximately RMB0.4 million, representing a decrease of approximately RMB3.4 million or approximately 89.5% from approximately RMB3.8 million for the year ended December 31, 2023, mainly due to the diminished sales of goods business.

Trade and Notes Receivables

During the Reporting Period, the Group's trade and notes receivable amounted to approximately RMB177.5 million, representing an increase of approximately RMB34.7 million or approximately 24.3% from approximately RMB142.8 million for the year ended December 31, 2023, mainly due to the increase in business volume of freight services in the fourth quarter of 2024 compared with the corresponding period of 2023.

Trade Payables

During the Reporting Period, the Group's trade payables amounted to approximately RMB172.1 million, representing an increase of approximately RMB16.8 million or approximately 10.8% from approximately RMB155.3 million for the year ended December 31, 2023, mainly due to the increase in business volume of freight services in the fourth quarter of 2024 compared with the corresponding period of 2023.

Prepayments, Other Receivables and Other Assets

During the Reporting Period, the Group's prepayments, other receivables and other assets amounted to approximately RMB1,588.1 million, representing a decrease of approximately RMB44.9 million or approximately 2.7% from approximately RMB1,633.0 million for the year ended December 31, 2023, mainly due to the accelerated collection of receivables from customers in the freight platform service business in 2024.

EMPLOYEES AND REMUNERATION POLICIES

As of December 31, 2024, we had 868 full-time employees, all of whom were based in China. The number of employees employed by the Group may change from time to time as required and employee emoluments are determined with reference to market conditions and the performance, qualifications and experience of individual employees.

As part of our human resources strategies, we are committed to establishing a competitive and fair remuneration and benefits system. Compensation for our employees typically consists of basic salary and performance-based bonus. We provide our employees with benefits such as pension scheme, medical insurance, workplace injury insurance, unemployment insurance and housing providence funds in accordance with relevant PRC laws and regulations. We offer employees additional benefits such as additional commercial insurance, among other things. In order to effectively motivate our staff, we continually refine our remuneration and incentive policies through market research. The Group also has in place share incentive schemes for its employees.

We provide training sessions tailored to the needs of our employees in different functions. Topics covered by such training sessions include our corporate culture, internal rules and policies and professional knowledge, know-hows and skills. We also provide training to management and administrative personnel at all levels, in order to enhance their leadership capabilities. Such training sessions are conducted in both online and offline forms.

PLEDGE OF ASSETS

As of December 31, 2024, the Group did not pledge any assets as collateral for bank borrowings or any other financing activities (December 31, 2023: nil).

CONTINGENT LIABILITIES

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

SHARE PLEDGE

During the Reporting Period, there is no pledge by our Controlling Shareholders of their interests in the Shares to secure the Company's debts or to secure guarantees or other support of its obligation before the Listing.

BORROWING AND GEARING RATIO

As at December 31, 2024, the Group had bank borrowings of RMB284.8 million (December 31, 2023: RMB120 million) and other borrowings of RMB5.9 million (December 31, 2023: Nil). Please refer to note 26 to the consolidated financial statements in this annual report for more details of the interest rate.

As of December 31, 2024, our gearing ratio, calculated as net debts (including borrowings, lease liabilities) divided by the total equity as at the end of the year, was approximately 44.6% (December 31, 2023: 22.6%).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the year ended December 31, 2024, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

SIGNIFICANT INVESTMENTS HELD

CIB Wealth Management Wentianli Riying Daily Open-End Fixed Income Wealth Management Product (興銀理財穩添利日盈日開固收類理財產品) ("Wentianli")

Wentianli is a daily open-ended fixed-income wealth management product managed by CIB Wealth Management Co., Ltd. (興銀理財有限責任公司) ("**CIB Wealth Management**"), a wholly-owned subsidiary of Industrial Bank Co., Ltd. (興業銀行股份有限公司), a joint-stock commercial bank in the PRC and listed on the Shanghai Stock Exchange (stock code: 601166). Wentianli is classified under risk rating R1 (CIB Wealth Management's internal rating), with 100% of its investment portfolio invested in debt asset.

As of December 31, 2024, the Group held approximately 2.86% of the units in Wentianli, with an investment cost of approximately RMB149.1 million. As of December 31, 2024, the Group recorded a fair value of approximately RMB149.1 million in respect of the Group's investment in Wentianli, representing approximately 5.47% of the Group's total assets. During the year ended December 31, 2024, the Group had an unrealized gain of approximately RMB0.1 million from the investment in Wentianli.

Save as the above, the Group did not hold any other significant investments with a value of 5% or more of the issuer's total assets as at December 31, 2024.

The investment objective of the Group is to achieve value creation through optimized financial management, ultimately realizing a sustained increase in returns to our Shareholders. As of December 31, 2024, all investment products held by the Group are wealth management products issued by banks with risk rating of R1. When selecting and purchasing the products, the Company not only evaluates the historical performance of the products (such as return stability and dividend records), but also places greater emphasis on the alignment of their risk-return characteristics with capital preservation capabilities. In the investment decision-making process, the Group comprehensively considers the defensive nature of product strategies, the diversification of underlying assets, the impact of interest rates and market sentiment fluctuations on net value, and adjusts the portfolio structure after taking into consideration the macroeconomic cycles. Based on this prudent investment style, the Company adheres to a diversified allocation of low-volatility products, dynamically monitoring portfolio drawdowns and Sharpe ratios to pursue stable dividend income and capital appreciation on the premise of controlling downside risks, thereby providing Shareholders with foreseeable risk-adjusted returns. Looking ahead, the Company will focus primarily on wealth management products issued by banks and will pursue diversified investments, including but not limited to unlisted funds, equity securities, and debt securities.

During the Reporting Period, the Group continued to devote its effort to risk diversification and achieved preservation and appreciation of assets. We allocated our own funds to various wealth management products offered by multiple banks, with the primary investment scope of these products covering bank deposits, bonds, central bank bills, interbank certificates of deposit, asset-backed securities issued in the interbank and stock exchange markets, and other highly liquid monetary market instruments recognized by regulatory authorities. As of December 31, 2024, the carrying amount of the wealth management products invested by the Group amounted to approximately RMB289.1 million.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, as of December 31, 2024, we did not have plans for material investments and capital assets.

EXPOSURE TO FLUCTUATIONS IN FOREIGN EXCHANGE RATES

The Group's business operations are mainly conducted in the PRC with most of the transactions settled in RMB, being the Group's functional currency. The borrowings of the Group are held in RMB and USD, and the cash and cash equivalents of the Group are held in RMB and Hong Kong dollars.

At December 31, 2024, the Group has currency exposures from its cash balances and interest-bearing bank borrowings. The Group has used a foreign currency swap contract to reduce the exposure to USD arising from the borrowings. The Group has limited foreign currency risk as the Group's net USD currency exposure is small.

SHARE OPTION SCHEME AND TRAINING PROGRAM

During a period from the Listing Date and up to the date of this annual report, the Group has no share option scheme. The Group provides its employees with a comprehensive training program which it believes will enable them to effectively acquire the necessary skills and professional ethics. The Group participates in mandatory employee social security scheme organized by provincial and municipal governments in accordance with PRC laws, including endowment insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing provident fund. The Group and its employees are required to pay a specified percentage of the cost of the social security scheme. The Group is required to contribute directly to the employee social security scheme at a specified percentage of the employees' salaries, bonuses and certain allowances in accordance with PRC laws, and the amount of contribution shall not exceed the maximum amount prescribed by the local government from time to time.

MATERIAL EVENT DURING THE REPORTING PERIOD

Appointment of Non-executive Director

Mr. Fu Da (傅達) ("**Mr. Fu**") was appointed as a non-executive Director of the fifth session of the Board with effect from May 29, 2024. For the biographical details of the Mr. Fu and other information to be disclosed as required by Rule 13.51(2) of the Listing Rules, please refer to the Company's circular dated April 26, 2024.

Re-designation of Director and Retirement of Chief Financial Officer

Ms. Wang Yao (王瑤) has been redesignated from her position as an executive Director to a non-executive Director and retired from her position as the chief financial officer of the Company (the "**Chief Financial Officer**") as she reaches the age of retirement and desires to devote more time on personal affairs with effect from August 30, 2024. For details, please refer to the Company's announcement dated August 30, 2024 in relation to, among other things, re-designation of Director and retirement of Chief Financial Officer.

Proposed Amendments to the Articles of Association

As considered and approved at the meeting of the Board held on August 30, 2024, the Board proposed to, among other things, make certain amendments (the "**Proposed Amendments**") to the existing Articles of Association in accordance with relevant changes in the laws, rules and regulations in the PRC and the Listing Rules, as well as taking into account the actual conditions of the Company. The Proposed Amendments are subject to the approval of the Shareholders by way of a special resolution at a shareholders' general meeting of the Company to be held in due course. A full version of the Proposed Amendments will be set out in the circular to be despatched to the Shareholders (if requested). For details, please refer to the Company's announcement dated August 30, 2024 in relation to, among other things, the Proposed Amendments to the Articles of Association.

Save as disclosed in this annual report, the Group is not aware of any material events of the Group which could have a material impact on our operating and financial performance for the year ended December 31, 2024.

EVENT SUBSEQUENT TO THE REPORTING PERIOD

Resignation of Non-executive Director, Proposed Appointment of Executive Director and Change in Composition of Nomination Committee

Mr. Fu Da (傅達) has resigned from his position as a non-executive Director in order to devote more time to his other work and personal commitments and his resignation took effect on March 28, 2025. As considered and approved by the Board at the Board meeting held on the same day, Mr. Long Ke (龍科) ("**Mr. Long**") was nominated as a candidate for executive Director, and a proposal in relation to the proposed appointment of Mr. Long as an executive Director will be submitted at the 2024 AGM for consideration by the Shareholders. Furthermore, in order to broaden perspectives on the nomination committee of the Company (the "**Nomination Committee**") and promote greater diversity in the Company's recruitment, the Board has appointed Ms. Wang Yao (王瑤) and Mr. Li Dong (李東) as members of the Nomination Committee with effect from March 28, 2025. For details, please refer to the Company's announcement dated March 28, 2025 in relation to the resignation of non-executive Director, proposed appointment of executive Director and change in composition of the Nomination Committee.

Save as disclosed above and in note 40 to the consolidated financial statements in this annual report, the Group is not aware of any significant events which could have a material impact on our operating and financial performance after the Reporting Period.

Biographies of Directors, Supervisors and Senior Management

Below are the brief profiles of our current Directors, Supervisors and senior management.

DIRECTORS

The Board currently comprises eight Directors, of which three are executive Directors, two are non-executive Directors and three are independent non-executive Directors.

Executive Directors

Mr. Feng Lei (馮雷), aged 54, is an executive Director and the chairman of the Board. Mr. Feng is also one of the founders and promoters of our Company. Mr. Feng joined our Company as a Director and chairman of the Board in June 2010 and was re-designated as an executive Director of our Company in October 2021. Mr. Feng has over 30 years of experience and accumulated expertise in information technology sector. Mr. Feng is principally responsible for formulating overall strategic planning and overseeing the business operations of our Group. In addition to his directorship in our Company, Mr. Feng is currently also serving as an executive director or supervisor at certain of our subsidiaries.

In addition to his roles in our Group, Mr. Feng has also been a director of Anhui Jika Lubrication Technology Co., Ltd.* (安徽吉卡潤滑科技有限公司) ("**Anhui Jika**") (since November 2017), an associate company of our Group that is principally engaged in research and development of lubrication technology and manufacturing of lubricant products. As of the Latest Practicable Date, Anhui Jika was owned as to 40% by Kayou Zone Logistics, one of our wholly-owned subsidiaries, and 60% by Anhui Runtian Vehicle Maintenance Products Co., Ltd.* (安徽潤天汽車養護用品有限公司), an independent third party. Mr. Feng has also been serving as the director of Tianjin Qingkong Shoulu Supply Chain Management Co., Ltd.* (清控首路供應鏈管理(天津)有限公司) ("**Tianjin Qingkong**") since January 2019. Tianjin Qingkong is an associate company of our Group which is principally engaged in the provision of highway-railway combined freight transportation services. As of the Latest Practicable Date, Tianjin Qingkong was owned as to (i) 30% by our Company, and (ii) 40% by Tianyou Jingtie Technology Development (Tianjin) Co., Ltd.* (天佑京鐵科技發展(天津)有限公司), 20% by Beijing Star International Energy Investment Co., Ltd.* (北京斯塔國際能源投資有限公司) and 10% by Taiheda (Tianjin) Enterprise Management Partnership (Limited Partnership)* (泰和達(天津)企業管理合夥企業(有限合夥)), which are all independent third parties.

Mr. Feng received his bachelor's degree in telecommunications engineering from Beijing University of Post and Telecommunications (北京郵電大學) (formerly known as Beijing College of Post and Telecommunications (北京郵電學院)) the PRC, in July 1992. He later received a master's degree in telecommunications and control from Beijing Jiaotong University (北京交通大學) (formerly known as Northern Jiaotong University (北方交通大學)), the PRC, in April 1998. In June 2004, Mr. Feng obtained his MBA degree from School of Economics & Management at Tsinghua University (清華大學經濟管理學院), the PRC.

In 2016, Mr. Feng was recognized as China's Top Ten Logistics People of the Year (中國物流十大年度人物). In 2018, Mr. Feng was recognized as the Top Ten Influential People in Logistics Information Platform (物流信息化十大風雲人物) and Member of China Logistics 100 Think Tank (中國物流100人智庫成員). In 2021, Mr. Feng was recognized as the Outstanding Private Entrepreneur of Anhui Province (安徽省優秀民營企業家) and was awarded a May 1st Labor Medal in Hefei, Anhui Province (安徽省合肥市五一勞動獎章). In 2022, Mr. Feng was elected as the vice president of Anhui Provincial Federation of Industry and Commerce, as well as a member of the 13th Executive Committee of the National Federation of Industry and Commerce.

In 2023, Mr. Feng was recognized as the China's supply chain management pioneer (中國供應鏈管理先鋒人物) and "Warm Road Truckers Career Development and Security Action" excellent public welfare partner ("暖途•貨車司機職業發展與保障行動"優秀公益夥伴).

Save for that Mr. Feng and Mr. Ye Sheng (one of our executive Directors) are cousins, none of our Directors, supervisors and other senior management members has any relationship with other Directors, supervisors and other senior management members or any substantial shareholder or Controlling Shareholder.

Mr. Du Bing (杜兵), aged 55, is currently an executive Director, the chief executive officer and the general manager of our Company. Mr. Du is one of the founders and promoters of our Group. Mr. Du joined our Company as a Director in June 2010 and was re-designated as an executive Director of our Company in October 2021. He is principally responsible for managing the daily business operations of our Group. Mr. Du is currently also an executive director and/or general manager of certain subsidiaries of our Group.

In addition, since September 2020, Mr. Du has been serving as non-executive director of Wuhu Luge Logistics Technology Co., Ltd.* (蕪湖路歌物流科技有限公司) ("**Wuhu Luge**"), a company invested by our Company and which is principally engaged in providing multi-modal transportation services including shipping and trucking. As of the Latest Practicable Date, Wuhu Luge was owned as to (i) 24% by our Company, and (ii) 40% by Anhui Ganghang Logistics Co., Ltd.* (安徽港航物流有限公司), 29.4% by Wuhu Honghao Equity Investment Partnership (Limited Partnership)* (蕪湖宏浩股權投資合夥企業(有限合夥)) and 6.6% by Tianjin Jintaishi Enterprise Management Partnership (Limited Partnership)* (天津金泰石企業管理合夥企業(有限合夥)) ("**Tianjin Jintaishi**"), who are independent third parties. Further, since January 18, 2022, Mr. Du has been serving as a director and the chairman of the board directors of Xinjiang Zhongya Log Digital Technology Co., Ltd* (新疆中亞路歌數字科技有限公司) ("**Xinjiang Zhongya**"), a company jointly set up by our Company and a few other independent third parties (see details below) and which is principally engaged in the provision of bulk cargo services. Mr. Du was nominated by our Company to the board of directors of Xinjiang Zhongya. As of the Latest Practicable Date, Xinjiang Zhongya was owned as to (i) 46% by our Company, and (ii) 21% by Ms. Yu Haijie (于海潔), 18% by Xinjiang Zhongya Oil and Gas Co., Ltd* (新疆中亞石油天然氣有限公司), 10% by Xinjiang Guoxing Agricultural Development Group Co., Ltd* (新疆國興農業發展集團有限公司) and 5% by Tianjin Jintaishi, which are all independent third parties. As of the Latest Practicable Date, Mr. Du was not involved in the daily management and operation of Wuhu Luge and Xinjiang Zhongya. As such, the directorship held by Mr. Du in Wuhu Luge and Xinjiang Zhongya would not give rise to any material competition issue under Rule 8.10 of the Listing Rules.

Mr. Du has also been serving as the chairman of the board of supervisors of Tianjin Qingkong since January 2019. In addition, Mr. Du has been serving as the supervisor of Beijing Lvyangchun Technology Co., Ltd.* (北京綠陽醇科技有限公司) ("**Beijing Lvyangchun**"), a company principally engaged in technology development and consultancy, since September 2020. As of the Latest Practicable Date, Beijing Lvyangchun was owned by Mr. Hao Xiaoyu (郝曉宇). To the best knowledge of our Directors after due enquiry, Mr. Hao Xiaoyu is an independent third party.

Mr. Du started his career as a salesman at China P&T Appliances Co., Ltd. (Beijing)* (中國郵電器材北京有限公司), a company principally engaged in the retail of communication terminal products and accessories, from August 1992 to September 1994. Subsequently, he acted as vice president at Beijing Jiangyu Jinse Zhongguang Communication Equipment Co., Ltd.* (北京金色中光通信設備有限公司), a company principally engaged in retailing of communication power products and surge protection device, from February 1997 to March 2001.

Mr. Du received his bachelor's degree in telecommunications engineering from Beijing University of Post and Telecommunications (北京郵電大學) (formerly known as Beijing College of Post and Telecommunications (北京郵電學院)), the PRC, in July 1992.

In 2020, Mr. Du was recognized as one of the 2020 Online Freight Platform Influential People (2020年度網絡貨運平台風雲人物). In 2022, Mr. Du was elected as the vice president of Hefei Federation of Industry and Commerce.

Mr. Ye Sheng (葉聖), aged 45, is an executive Director and the chief technology officer of our Company. Mr. Ye joined our Company as the chief technology officer in July 2010 and was elected as a Director of our Company in September 2021 and was further re-designated as an executive Director in October 2021. He is principally responsible for developing technology strategies and innovation projects to enhance the quality of the products and services provided by our Group. Mr. Ye is currently also an executive director or supervisor of certain subsidiaries of our Group.

Prior to joining our Group and from December 2002 to July 2010, Mr. Ye served as chief technology officer at Beijing Yihe Jiaxun Information Technology Co., Ltd.* (北京怡和佳訊信息技術有限責任公司) where his main duties were overseeing technology innovation projects and developing product strategies. Mr. Ye worked as a supervisor at Anhui Ningge Logistics Technology Co., Ltd.* (安徽寧歌物流科技有限公司) ("**Anhui Ningge**") from July 2018 to September 2021 and as a supervisor of Lianjiang Jinwang Yuntong Logistics Technology Co., Ltd.* (連江金網運通物流科技有限公司) ("**Lianjiang Jinwang Yuntong**") and Lianjiang Huilian Logistics Technology Co,. Ltd.* (連江慧連物流科技有限公司 ("**Lianjiang Huilian**") from November 2018 to September 2019. Anhui Ningge, Liangjiang Jinwang Yuntong and Liangjiang Huilian were the subsidiaries of the Company and were dissolved by voluntary deregistration.

Mr. Ye received a bachelor's degree in science from Nanjing University (南京大學), the PRC, in July 2001.

Mr. Ye and Mr. Feng Lei (one of our executive Directors and the chairman of the Board) are cousins.

Non-executive Directors

Ms. Wang Yao (王瑤), aged 50, is a non-executive Director of our Company. Ms. Wang joined our Company as the chief financial officer in August 2019 and was elected as an executive Director of our Company in October 2021. With effect from August 30, 2024, Ms. Wang has been re-designated from her position as an executive Director to a non-executive Director and retired from her position as the chief financial officer of the Company as she approaches the age of retirement and desires to devote more time on personal affairs. Ms. Wang has more than 25 years of experience in large-scale enterprise financial management and team management.

Prior to joining our Group and from May 2017 to July 2019, Ms. Wang worked as a senior director of the Finance Department at Alibaba Group Holding Limited (阿里巴巴集團控股有限公司), a company listed on the New York Stock Exchange (symbol: BABA) and the Stock Exchange (stock code: 9988), principally engaged in e-commerce, retail, internet and technology, where she was in charge of management accounting, middle platform financial accounting and overseas financial matters. From May 1998 to April 2017, she held various senior management roles including chief financial officer of the Enterprise Business Group, chief financial officer of South Pacific region and vice president of tax management, at Huawei Technologies Co., Ltd.* (華為技術有限公司), a company principally engaged in building telecommunications networks, providing operational and consulting services and equipment to enterprises and manufacturing consumer communications devices.

Ms. Wang has been a Chinese Certified Public Accountant (中國註冊會計師) recognized by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since 1998. She received both of her bachelor's degree in industrial catalysis in July 1995 and a master's degree in management engineering in January 1998 from Tianjin University (天津大學), the PRC.

Biographies of Directors, Supervisors and Senior Management

Mr. Chen Zhijie (陳志傑), aged 42, is a non-executive Director of our Company. Mr. Chen joined our Company as a Director in September 2021 and was re-designated as a non-executive Director of our Company in October 2021. He is primarily responsible for supervising the management of our Company and providing professional opinion and judgment to our Board. Mr. Chen was nominated by Shanghai Yunxin, one of our Pre-IPO Investors and a substantial shareholder of our Company.

Mr. Chen has been serving as a director at Investment and Enterprise Development Division of Ant Group which is engaged in businesses that provide inclusive, convenient digital life and digital financial services to consumers and SMEs, and introduce new technologies and products to support the digital transformation and industrial collaboration worldwide, since August 2018.

Mr. Chen has also been serving as (i) an non-executive Director of Servyou Group Co.,Ltd.* (稅友軟件集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: SH.603171) and which is leading comprehensive financial and tax information service provider in China, since September 2021; (ii) a supervisor at Hundsun Technologies Inc.* (恒生電子股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: SH.600570) and which is a technology company focused on the financial sector, since November 2021.

Mr. Chen received his master's degree in global economics from Peking University (北京大學), the PRC, in July 2007.

Independent non-executive Directors

Mr. Dai Dingyi (戴定一), aged 77, has been an independent non-executive Director of our Company since October 2021, is primarily responsible for supervising and providing independent judgment to our Board.

Prior to joining our Company, Mr. Dai has more than 30 years of experience in logistics and transportation sectors. Mr. Dai worked at different departments of China Logistics Information Center* (中國物流信息中心 (formerly known as 中國物資信息中心)) from April 1992 to September 2004, in the capacity of deputy director and director. Mr. Dai also served as the executive vice chairman of China Society of Logistics* (中國物流學會) from November 2006 to December 2015. In addition, from November 2015 to December 2021, Mr. Dai was the chairman of the expert committee of China Society of Logistics* (中國物流學會).

Mr. Dai received his research fellow qualification certificate (研究員資格證書) from Chinese Academy of Social Sciences (中國社會科學院) in 2005. Mr. Dai also received his bachelor's degree with a major in mathematics from Capital Normal University (首都師範大學) (previously known as Beijing Normal College (北京師範學院)), the PRC, in July 1982 and his master's degree in quantitative economics from Graduate School of Chinese Academy of Social Sciences (中國社會科學院研究生院), in December 1984.

Biographies of Directors, Supervisors and Senior Management

Mr. Li Dong (李東), aged 48, has been an independent non-executive Director of our Company since October 2021. He is primarily responsible for supervising and providing independent judgment to our Board.

Mr. Li has over 24 years of experience in finance and accounting industry. Mr. Li joined Tim Hortons China, a multinational coffee chain, as the chief financial officer in September 2021. Before that, Mr. Li worked at KPMG's auditing business group in its Beijing office and Silicon Valley office in California, USA from August 1999 to April 2006. From September 2008 to February 2015, Mr. Li worked as an associate and later vice president of the investment banking division at BofA Securities Inc. (美銀證券集團) (formerly known as the Bank of America Merrill Lynch (美銀美林集團)), a company listed on the New York Stock Exchange (symbol: MER-K), and as a vice president of the investment banking department of ICBC International Holdings Limited* (工銀國際控股有限公司), a wholly-owned subsidiary of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司). Subsequently, he served as chief financial officer at several companies, including (i) Ecovacs Robotics Co., Ltd. (科沃斯機器人股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603486) and a leading consumer robotics company in the PRC, from March 2015 to February 2016; (ii) Pegasus Media Group Limited, a company principally engaged in movie and TV show production, investment, licensing, marketing and derivatives, from April 2016 to April 2017; (iii) OneSmart International Education Group Ltd. (精鋭國際教育集團有限公司) ("**OneSmart International**"), a company listed on the New York Stock Exchange (symbol: ONE) and which is principally engaged in providing premium K-12 after-school education service in the PRC, from July 2017 to June 2019; and (iv) Ximalaya Inc., a non-music audio platform in the PRC, from September 2019 to September 2021.

Mr. Li has also been serving as (i) an independent director of GreenTree Hospitality Group Ltd. (格林酒店集團), a company listed on the New York Stock Exchange (symbol: GHG) and which is principally engaged in hospitality management, since March 2018; (ii) an independent non-executive director of Helens International Holdings Co., Ltd. (海倫司國際控股有限公司), a company listed on the Stock Exchange (stock code: 9869) and Singapore Exchange Limited (stock code: HLS) and which is principally engaged in bar chain operating and alcohol retailing, since September 2021; and (iii) an independent non-executive director of ZJLD Group lnc (珍酒李渡集團有限公司), a company listed on the Stock Exchange (stock code: 6979) and which is principally engaged in alcohol retailing, since April 2023. Besides, Mr. Li (i) served as an independent non-executive director of Sinosoft Technology Group Limited (中國擎天軟件科技集團有限公司), a company listed on the Stock Exchange (stock code: 1297) and principally engaged in the provision of application software products and solutions, from February 2023 to March 2024 (after it was privatized); and (ii) an independent non-executive director at BQ-Boqii Holding Ltd. (波奇寵物控股有限公司), a company listed on the New York Stock Exchange (symbol: BQ) and which is principally engaged in managing pet-focused online sales platform, from September 2020 to January 2025.

Mr. Li obtained a bachelor's degree in international accounting from School of Economics and Management at Tsinghua University (清華大學經濟管理學院), the PRC, in July 1999 and a MBA degree from Kellogg School of Management at Northwestern University, the United States, in June 2008. Mr. Li has been a member of the Chinese Institute of Certified Public Accountants since December 2002 and a member of the Certified General Accountants Association of Canada since September 2001.

Biographies of Directors, Supervisors and Senior Management

Mr. Liu Xiaofeng (劉曉峰), aged 62, has been an independent non-executive Director of our Company since October 2021. He is primarily responsible for supervising and providing independent judgment to our Board.

Mr. Liu has over 30 years of experience in corporate finance. Mr. Liu was an independent director at UBS Securities Co., Ltd., a company principally engaged in securities brokerage, investment banking and asset management services, from June 2016 to June 2022. Prior to that, Mr. Liu worked at various international financial institutions including N M Rothschild & Sons (Hong Kong) Limited (洛希爾父子(香港)有限公司) ("**Rothschild**"), a multinational investment bank and financial services company, from July 1994 to April 2000, where his last position was the Director of Corporate Finance Department. Mr. Liu later joined the Hong Kong branch of JPMorgan Chase Bank., an American multinational investment bank, as the vice- president of the Investment Banking Department from April 2000 to January 2003. Mr. Liu rejoined Rothschild as the head of China Investment Banking Department from February 2003 to March 2005. From September 2005 to August 2009, Mr. Liu joined DBS Asia Capital Limited (星展亞洲融資有限公司), a wholly-owned subsidiary of DBS Bank Limited* (星展銀行有限公司), and which is principally engaged in investment banking services, as the managing director and head of the PRC. Mr. Liu then joined China Resources Capital Holdings Co., Ltd. (華潤金融控股有限公司), a wholly-owned subsidiary of China Resources (Holdings) Co., Ltd.* (華潤(集團)有限公司), and which is principally engaged in financial services, as the managing director from March 2010 to January 2016.

Mr. Liu has also been serving as (i) an independent non-executive director of Kunlun Energy Co., Ltd. (昆侖能源有限公司), a company listed on the Stock Exchange (stock code: 0135) and which is principally engaged in producing and supplying oil and gas, since April 2004; (ii) an independent non-executive director of Sunfonda Group Holdings Ltd. (新豐泰集團控股有限公司), a company listed on the Stock Exchange (stock code: 1771) and an automobile dealership group, since May 2017; and (iii) an independent non-executive director of China Risun Group Limited (中國旭陽集團有限公司), a company whose shares are listed on the Main Board of the Stock Exchange (stock code:1907) since October 10, 2024. Further, Mr. Liu was (i) an independent non-executive director of Haier Electronic Group Co., Ltd. (海爾電器集團有限公司), a company listed on the Stock Exchange (stock code: 1169) and which is principally engaged in the research, development, manufacture and wholesale of washing machines and water heaters, from June 2007 to June 2014; (ii) an independent non-executive director at Honghua Group Ltd. (宏華集團有限公司), a company listed on the Stock Exchange (stock code: 0196) and which is principally engaged in manufacturing land drilling rigs, from February 2008 to November 2021; (iii) an independent non-executive director of Hisense Home Appliances Group Co., Ltd. (海信家電集團股份有限公司) (formerly known as Hisense Kelon Electrical Holdings Co., Ltd. (海信科龍電器股份有限公司)), a company listed on the Stock Exchange (stock code: 0921) and a consumer electronics company, from September 2017 to August 2018; (iv) an independent non-executive director of AAG Energy Holdings Limited (亞美能源控股有限公司), a company listed on the Stock Exchange (stock code: 2686) and principally engaged in the exploration, development and production of coalbed methane, from August 2018 to August 11 2023 (when it was privatized); and (v) an independent non-executive director of Cinda International Holdings Ltd. (信達國際控股有限公司), a company listed on the Stock Exchange (stock code: 0111) and a financial institution, from July 2016 to July 2024.

Notwithstanding that Mr. Liu is currently holding directorships in three listed companies on the Stock Exchange as disclosed above and he may be occupied by appointments of these listed companies during the financial reporting seasons, our Directors are of the view that Mr. Liu will be able to devote sufficient time to discharge his duties and responsibilities as an independent non-executive Director on the basis that (i) his roles in other listed companies primarily requires him to oversee their management independently, rather than to allocate substantial time on the participation of the day-to-day management and operations of their respective businesses; (ii) he has demonstrated that he does not have a full time position and he is capable of devoting sufficient time to discharge his duties owed to each of these listed companies by attending 100% of their board meetings and board committee meetings as well as the general meetings that he was eligible to attend during their latest financial year, as disclosed in the annual reports of the relevant listed companies; (iii) he has acquired extensive management experience and developed substantial knowledge on corporate governance through his directorships in other listed companies, which is expected to facilitate the proper discharge of his duties and responsibilities as an independent non- executive Director; and (iv) he has confirmed that he will allocate sufficient time to fulfill his duties as an independent non- executive Director despite his existing independent non-executive directorships in four other listed companies. To ensure that he is able to carry out his duties as an independent non-executive Director despite multiple directorships, we will also make appointments with Mr. Liu in advance to reserve his time for our regular board meetings, board committee meetings and other matters to be transacted. Based on the foregoing and Mr. Liu's satisfactory attendance record in the other listed companies' meetings, our Directors believe that Mr. Liu's positions outside our Company will not affect his functions and responsibilities for our Company.

Mr. Liu obtained his bachelor's degree in economics from Southwest University of Finance and Economics (西南財經大學) (previously known as Sichuan Institute of Finance and Economics, China) (前稱為中國四川財經學院), the PRC, in July 1983. Mr. Liu obtained his master's degree and Ph.D. in development economics from University of Cambridge, United Kingdom, in October 1988 and May 1994, respectively, and a master's degree in Development Studies from the University of Bath, United Kingdom, in December 1987.

Save as otherwise disclosed above, none of our Directors holds any other directorships in any other companies listed in Hong Kong or elsewhere during the three years immediately preceding the date of this Annual Report.

Independence of Independent Non-executive Directors

The Company considers all of the independent non-executive Directors to be independent in accordance with the guidelines of assessing independence as set out in Rule 3.13 of the Listing Rules.

Biographies of Directors, Supervisors and Senior Management

SUPERVISORS

Our Board of Supervisors currently consists of three supervisors, among which one of them is the chairman to the Board of Supervisors.

Ms. Liang Xiaojia (梁曉佳), aged 43, is the employee representative supervisor of our Company. Ms. Liang joined our Company as an administrator of the office affairs department in May 2015 and was elected as supervisor of our Company in October 2021. Ms. Liang is principally responsible for supervising the performance of duties of our Directors and senior management.

Ms. Liang has been acting as an administrator of the office affairs department and the president assistant of our Company since May 2015. Prior to joining our Company, Ms. Liang served as an assistant notary officer (公證員助理) at Zhong'an Notary Office of Hefei City, Anhui Province (安徽省合肥市中安公證處) (formerly known as Yiaohai Notary Office of Hefei City (合肥市瑤海區公證處)) from 2004 to August 2006. From November 2008 to April 2011, Ms. Liang served as an administrative and human resources manager at Anhui Heans Information Technology Co., Ltd.* (安徽和安信息科技有限公司), a company principally engaged in computer hardware development. From March 2012 to April 2015, Ms. Liang served as a business manager at Anhui Yizhong Network Technology Co., Ltd.* (安徽易眾網絡科技有限公司), a company principally engaged in providing internet information service. From July 2020 to October 2021, Ms. Liang worked as a supervisor at Fujian Log Kajia Automobile Service Co., Ltd.* (福建路歌卡加汽車服務有限公司) ("**Fujian Log Kajia**"), a previously wholly owned subsidiary of our Company, principally engaged in car rental and cargo transportation. Fujian Log Kajia was dissolved on a voluntary basis by way of deregistration on October 21, 2021.

Ms. Liang has been a Secondary Enterprise Human Resources Professional (二級企業人力資源管理師) recognized by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國勞動和社會保障部) since July 2008. Ms. Liang obtained her diploma in legal affairs at Anhui Vocational College of Police Officers (安徽警官職業學院), the PRC, in July 2004. She then obtained her bachelor's degree in law at Anhui University (安徽大學), the PRC, in July 2005.

Ms. Liang received her honorary credential for "2020 High-tech District March 8th Red Banner Pacesetter (2020年合肥市高新區三八紅旗手)" from Hefei High-tech District Women Association (合肥高新區婦女聯合會) in March 2021.

Mr. Fan Hua (樊驊), aged 36, has been our chairman of the Board of Supervisors of our Company since March 2019. Mr. Fan is principally responsible for supervising the performance of duties of our Directors and senior management.

Mr. Fan has been serving as partner at Beijing Zhongrong Yingtong Investment Management Co., Ltd.* (北京中融盈通投資管理有限公司) since March 2020. Since August 2019, Mr. Fan has been serving as a director at Panda Fine Brewing (Qingdao) Liquor Co., Ltd.* (熊貓精釀(青島)酒業有限公司), a company principally engaged in liquor and food business. Before joining our Company, Mr. Fan worked as an investment manager at M&A Department of Beijing Ocean Co-stone Capital Investment Management Co., Ltd.* (北京海洋基石創業投資管理有限公司), a company principally engaged in private equity investment, from June 2015 to July 2017. From August 2017 to April 2019, Mr. Fan served as a business director at Investment Banking Business Centre of CCB Trust Co., Ltd.* (建信信託有限責任公司), a non-bank financial intermediary of China Construction Bank Corporation Limited (中國建設銀行股份有限公司). From November 2019 to December 2022, Mr. Fan served as a director of Chengdu Happy Player Technology Co., Ltd.* (成都開心玩家科技有限責任公司) ("**Happy Player**"). Since January 2022, Mr. Fan has been serving as a director of Inner Mongolia Kuainiu IoT Services Co., Ltd.* (內蒙古儈牛物聯網服務有限公司). Since October 2022, Mr. Fan has been serving as a director of Anhui Gongbu Zhizao Industrial Technology Co., Ltd.* (安徽工布智造工業科技有限公司). Since June 2023, Mr. Fan has been serving as a director of Beijing Jianjia Rehabilitation Hospital Co., Ltd (北京健嘉康復醫院有限公司).

Due to cessation of business operations, Happy Player was deregistered on December 15, 2022. Mr. Fan confirmed that (i) to the best of his knowledge, information and belief, Happy Player was solvent immediately prior to its deregistration; (ii) there is no wrongful act on his part leading to the deregistration of Happy Player; (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the deregistration of Happy Player; and (iv) no misconduct or misfeasance had been involved on his part in the deregistration of Happy Player.

Mr. Fan obtained a bachelor's degree in financial engineering at Central University of Finance and Economics (中央財經大學), the PRC, in July 2011 and a master's degree in finance at University of Texas at Dallas (德克薩斯州大學達拉斯分校), the United States, in May 2013. In July 2022, Mr. Fan obtained a MBA degree from Tsinghua University.

Mr. Wang Yang (汪洋), aged 42, has been a supervisor of our Company since September 2021. Mr. Wang is principally responsible for supervising the performance of duties of our Directors and senior management. Mr. Wang was nominated by Anhui Province SME Development Fund Co., Ltd.* (安徽省中小企業發展基金有限公司), one of our Pre-IPO Investors.

From February 2018 to 2022, Mr. Wang served as the deputy general manager of the investment department of Anhui Province Venture Capital Co., Ltd.* (安徽省創業投資有限公司), a company principally engaged in venture capital financing and venture capital consultancy. Mr. Wang was promoted in 2022 and has since then served as the general manager of the investment department of this company.

Prior to joining our Company, Mr. Wang held various positions at (i) Anhui Petroleum branch of Sinopec Marketing Co., Ltd.* (中國石化銷售股份有限公司安徽石油分公司), a company principally engaged in retailing and marketing of petrol, kerosene, diesel fuel and other chemical products, from January 2010 to August 2014; (ii) Anhui Wantou Mining Investment Co., Ltd.* (安徽皖投礦業投資有限公司), a company principally engaged in mining industry investment and management, from November 2014 to October 2015; and (iii) Anhui Provincial Emerging Industry Investment Co., Ltd.* (安徽省高新技術產業投資有限公司), a company principally engaged in high-tech industry investment and related derivative business, from November 2015 to January 2018.

Mr. Wang obtained a bachelor's degree in business administration from China Agricultural University (中國農業大學) in July 2006. He received his qualification certificate of specialty and technology (intermediate accounting) ((專業技術資格證書)(中級會計)) from the Ministry of Finance of the PRC in January 2013 and has been a member of the Chinese Institute of Certified Public Accountants since December 2017.

Biographies of Directors, Supervisors and Senior Management

SENIOR MANAGEMENT

Our Senior management consists of Mr. Du, Mr. Ye Sheng and Mr. Long Ke. For the biographical details of Mr. Du and Mr. Ye, please see the paragraph headed "Directors — Executive Directors" in this section.

Mr. Long Ke (龍科), aged 41, is the vice president of our Company, the secretary of the Board and one of our joint company secretaries. Mr. Long joined our Company as the vice president in February 2021, and was appointed as the secretary of the Board in September 2021 and was further appointed as one of the joint company secretaries of our Company in October 2021. Mr. Long has been primarily responsible for managing our Group's capital operation, overseeing outbound investment and financing, information disclosure, maintaining investors relationships and implementing the Board's resolutions. As considered and approved by the Board at the Board meeting held on March 28, 2025, Mr. Long was nominated as a candidate for executive Director of our Company, and a proposal in relation to the proposed appointment of Mr. Long as an executive Director will be submitted at the 2024 AGM for consideration by the Shareholders.

Prior to joining our Company, Mr. Long accumulated extensive investment experience from several state-owned asset management companies. From July 2008 to April 2017, he served as an investment manager and investment director at three subsidiary asset management companies of China South Industries Group Corporation* (中國兵器裝備集團), namely China South Industry Assets Management Co., Ltd.* (南方工業資產管理有限責任公司), China South Demao Capital Management Co., Ltd.* (南方德茂資本管理有限責任公司) and China South Jiuding Investment Management Co., Ltd.* (南方九鼎投資管理有限公司). From April 2017 to February 2021, Mr. Long served as an investment director at BAIC Group Industrial Investment Co., Ltd.* (北京汽車集團產業投資有限公司), a company principally engaged in investment management of new energy, autonomous driving technology and advanced manufacture industry, where he was mainly responsible for making investment decisions in the automotive aftermarket and autonomous driving field.

Mr. Long obtained his bachelor's degree in management from Sichuan Normal University (四川師範大學), the PRC, in July 2006 and his master's degree in economics from Central University of Finance and Economics (中央財經大學), the PRC, in June 2008.

JOINT COMPANY SECRETARIES

Mr. Long Ke (龍科), aged 41, was appointed as one of our joint company secretaries in October 2021. Mr. Long is also the vice president of our Company and the secretary of our Board. Please see the paragraph headed "Senior Management — Mr. Long Ke" in this section for his biography.

Ms. Yuen Wing Yan, Winnie (袁頴欣), has been appointed as one of our joint company secretaries in August 2022 with effect from the Listing Date. Ms. Yuen is currently a director of the company secretarial services division of Tricor Services Limited. Ms. Yuen has over 25 years of experience in corporate services and provided professional corporate service for listed companies in Hong Kong, multinational companies, private companies and offshore companies. Ms. Yuen graduated from Lingnan College (currently known as Lingnan University). Ms. Yuen is a Chartered Secretary and a fellow of both of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

Biographies of Directors, Supervisors and Senior Management

CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Changes in Directors, Supervisors and Senior Management

The changes in the Directors, the Supervisors and the senior management of the Company during the Reporting Period and up to the date of this annual report is set out below:

(i) At the annual general meeting held on May 29, 2024, Mr. Fu Da (傅達) ("**Mr. Fu**") was nominated and appointed as a non-executive Director of the fifth session of the Board. Mr. Fu has resigned from his position as a non-executive Director of the Company in order to devote more time to his other work and personal commitments and his resignation took effect on March 28, 2025.

(ii) With effect from July 27, 2024, Mr. Liu Xiaofeng (劉曉峰) ("**Mr. Liu**"), one of our independent non-executive Directors, ceased to serve as an independent non-executive director of Cinda International Holdings Limited (信達國際控股有限公司), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 0111), upon expiration of his term of appointment.

(iii) With effect from August 30, 2024, Ms. Wang Yao (王瑤) ("**Ms. Wang**") has been re-designated from her position as an executive Director to a non-executive Director of the Company and retired from her position as the chief financial officer of the Company.

(iv) With effect from October 10, 2024, Mr. Liu has been appointed as an independent non-executive director of China Risun Group Limited (中國旭陽集團有限公司), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1907).

(v) In January 2025, Mr. Li Dong (李東), one of our independent non-executive director, resigned from his position as an independent non-executive director of BQ-Boqii Holding Ltd. (波奇寵物控股有限公司), a company listed on the New York Stock Exchange (symbol: BQ).

(vi) As considered and approved by the Board at the Board meeting held on March 28, 2025, Mr. Long Ke (龍科) ("**Mr. Long**") was nominated as a candidate for executive Director, and a proposal in relation to the proposed appointment of Mr. Long as an executive Director will be submitted at the 2024 AGM for consideration by the Shareholders. The biographic details of Mr. Long will be contained in the circular with a notice convening the 2024 AGM to be duly despatched to the Shareholders who wish to receive a printed copy of the corporate communication in accordance with the Listing Rules.

Save as disclosed above, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Report of the Directors

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended December 31, 2024.

GLOBAL OFFERING

On March 9, 2023, the H Shares of the Company were listed on the Main Board of the Stock Exchange in a global offering of 43,211,000 H Shares, comprising a Hong Kong public offering of 12,964,000 H Shares and an international offering of 30,247,000 H Shares (as adjusted in the Company's allotment results announcement dated March 8, 2023). The H Shares were issued and subscribed to Hong Kong and overseas investors at an Offer Price of HK$2.9 per H Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, the Stock Exchange transaction fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%) by way of an initial public offering. The over-allotment option as described in the Prospectus was not exercised by the overall coordinator (for itself and on behalf of the International Underwriters). For details of the Global Offering, please refer to the Prospectus, the allotment results announcement of the Company dated March 8, 2023 and the announcement of the Company dated April 3, 2023 in relation to, among others, lapse of the over-allotment option.

USE OF PROCEEDS

Use of Proceeds from the Global Offering

The net proceeds from the Global Offering (after deducting the underwriting fees and related cost and expenses) amounted to approximately HK$63.1 million. There is no change to the intended use of net proceeds and the expected implementation timetable as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As of December 31, 2024, the Company had utilized approximately HK$23.4 million of net proceeds from the Global Offering, representing approximately 37.1% of the total net proceeds from the Global Offering, in accordance with the intended use set out in the Prospectus. The following table sets out breakdown of the use of proceeds from the Global Offering. As of December 31, 2024, the unutilized net proceeds have been placed in licensed banks and/or authorized financial institution as defined under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and laws in the relevant jurisdictions (where applicable). For details of the use of net proceeds from the Global Offering, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Use of net proceeds	Percentage of net proceeds	Estimated net proceeds allocated as disclosed in the Prospectus (HK$ million)	Allocated net proceeds from the Global Offering(Note) (HK$ million)	Net proceeds utilized since the Listing and up to December 31, 2024 (HK$ million)	Expected timeline of full utilization of net proceeds	Unutilized net proceeds as of December 31, 2024 (HK$ million)
To further upgrade and enhance our digital freight business, with a goal to address more in-depth demands from our customers under more diversified business scenarios and to relentlessly improve the user experience for our digital freight business	**45.0%**	**34.2**	**28.4**	**5.8**	**2031**	**22.6**
(i) To acquire additional customers for our freight transportation services and freight platform services	15.0%	11.4	9.5	1.6	2031	7.9
(ii) To improve our penetration into our existing customer base	15.0%	11.4	9.5	3.1	2027	6.4
(iii) To promote our involvement of other participants in our ecosystem and exploring additional opportunities for synergistic development within our ecosystem	15.0%	11.4	9.4	1.1	2031	8.3
To further expand our Trucker Community and Truck Plus solutions	**15.0%**	**11.4**	**9.5**	**2.3**	**2031**	**7.2**
(i) To explore and improve the commercialization of Trucker Community, including attracting registered members and enhancing commercialization opportunities through Truck Plus	7.5%	5.7	4.7	0.9	2027	3.8
(ii) To foster and maintain the nationwide service network of authorized stores for Truck Plus solutions	5.0%	3.8	3.2	0.7	2031	2.5
(iii) To strengthen the supply chain system that supports our Truck Plus solutions	2.5%	1.9	1.6	0.7	2027	0.9
To enhance our research and development efforts and to strengthen our technological capabilities	**20.0%**	**15.2**	**12.6**	**9.8**	**2025**	**2.8**
(i) To reinforce our technological strengths in big data	15.0%	11.4	9.4	6.6	2025	2.8
(ii) To improve our existing research and development capacities in the high-tech fields	5.0%	3.8	3.2	3.2	2024	0.0
To recruit additional sales, marketing and operational personnel	**10.0%**	**7.6**	**6.3**	**3.0**	**2026**	**3.3**
Working capital and other general corporate purposes	**10.0%**	**7.6**	**6.3**	**2.5**	**2027**	**3.8**

Note: The net proceeds finally received from the Global Offering was lower than the estimated net proceeds as disclosed in the Prospectus. A difference of approximately HK$12.8 million has been adjusted in the same manner and in the same proportion to the use of proceeds as disclosed in the Prospectus.

The Company does not have any intention to change the purposes of the proceeds from the Global Offering as set out in the Prospectus, and will gradually utilize the net proceeds from the Global Offering with the intended purposes.

Report of the Directors

PRINCIPAL ACTIVITIES

We have built a digitalized ecosystem for road freight transportation in China. According to the China Federation of Logistics and Purchasing, in terms of Online GTV, freight volume and other indicators, we operate the largest digital freight platforms in China. In addition to our digital freight platform, we also operate Trucker Community, an "online + offline" community for truckers. It is the largest community for truckers in China and the largest community in the logistics industry in China, in terms of the number of registered users.

There were no significant changes in the nature of the Group's principal activities during the year ended December 31, 2024. Please refer to note 1 to the consolidated financial statements in this annual report for details of the principal activities of the principal subsidiaries of the Group. An analysis of the Group's revenue, other income and gains for the Reporting Period by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and note 5 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group's business during the Reporting Period could be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. The review and discussion form part of this Directors' report.

Principal Risks and Uncertainties

Our business and operation are subject to the following principal risks and uncertainties.

(i) Our historical growth may not be indicative of our future growth, and if we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

(ii) The profitability of our business has been and is expected to continue to be reliant upon, among others, government grants provided by local financial bureaus relating to digital freight business. If we cannot continue to receive such grants, our financial performance may be materially and adversely affected.

(iii) Our business and growth are affected by various macroeconomic factors, including the continued growth of demand for digital freight services in the road freight transportation industry in China.

(iv) We operate in a competitive industry, and if we fail to compete effectively, our business and prospect could suffer.

(v) Our business, financial condition and results of operations may be materially and adversely affected if we are unable to provide high-quality services to our customers.

(vi) If we are unable to continue to meet changing market demands, adapt to evolving market trends and continue to innovate, our ability to sustain and grow our business may suffer. We may face challenges associated with expanding or diversifying our solution and service offerings and exploring new business.

(vii) We may fail to cost-effectively attract and retain a large number of shippers or increase their utilization of our services.

(viii) We may fail to efficiently attract and retain a large number of truckers in order to maintain and improve our transportation capabilities.

(ix) We have established long-term relationships with a number of major customers, and deterioration in our relationships with them may adversely affect our business, financial condition and results of operation.

(x) We work with third-party business partners in certain aspects of our business and if any of such business partners fails to deliver quality products or services in a timely manner, or if our relationship with any of them deteriorates, our business operations may be adversely affected.

As the principal risks and uncertainties mentioned above are not exhaustive, please refer to the section headed "Risk Factors" in the Prospectus for detailed information.

RESULTS OF OPERATIONS

The results of the Group for the year ended December 31, 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 91 of this annual report.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the audited consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 3 of this annual report. This summary does not form part of the audited consolidated financial statements.

DIVIDEND POLICY AND FINAL DIVIDEND

Our Board may declare dividends in the future after taking into account various factors including our future earnings and cash inflows, future plan for use of funds, long-term development of our business and other legal and regulatory restrictions.

The Company is a joint stock limited company incorporated under the laws of the People's Republic of China. The payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year determined according to PRC accounting principles. PRC laws also require foreign invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves until the aggregate amount of such reserves reach 50% of its registered capital, which are not available for distribution as cash dividends. The Company does not currently have any plan to pay any dividend to its shareholders. However, the Company may distribute dividends in cash or in such other manner as the Board may consider appropriate in the future. During the Reporting Period, none of the Shareholders has waived or agreed to waive any dividends.

Having due regard to the long-term interests of the Shareholders and the Company, the Board did not recommend any payment of dividends for the year ended December 31, 2024.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company and the Group for the year ended December 31, 2024 are set out in note 13 to the consolidated financial statements of this annual report.

CLOSURE OF REGISTER OF MEMBERS

The 2024 AGM will be held on Tuesday, June 10, 2025. A notice convening the 2024 AGM will be published and despatched to the Shareholders in due course in the manner prescribed by the Listing Rules.

The register of members of the Company will be closed from Wednesday, June 4, 2025 to Tuesday, June 10, 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify to attend the 2024 AGM and to vote at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Tuesday, June 3, 2025.

COMPLIANCE WITH LAWS AND REGULATIONS

We may be involved in legal proceedings in the ordinary course of business from time to time. During the Reporting Period, the Company has been in compliance with the relevant laws and regulations that have a significant impact on the Company.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environment protection and has not noted any material incompliance with all relevant laws and regulations in relation to its business including environmental protection, health and safety, workplace conditions, employment and the environment. We strive to comply with applicable rules, laws, regulations and industry standards on workplace safety and environmental matters. In doing so, our human resources department would, if necessary, adjust our human resources policies to accommodate material changes to relevant labor and safety laws and regulations. During the Reporting Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to non-compliance with health, safety or environmental laws or regulations.

For details, please refer to the Company's Environmental, Social and Governance Report dated April 25, 2025.

SHARE CAPITAL

As at the Latest Practicable Date, the total share capital of the Company was RMB87,117,256.5, divided into 1,393,876,104 shares of RMB0.0625 each. Details of movements in the Company's share capital for the year ended December 31, 2024 are set out in note 28 to the consolidated financial statements of this annual report.

RESERVES

Details of the movements in the reserves of the Company for the year ended December 31, 2024 are set out in note 30 to the consolidated financial statements of this annual report.

Report of the Directors

DISTRIBUTABLE RESERVES

As at December 31, 2024, the Company had no reserves available for distribution to the Shareholders.

Details of movements in reserves of the Group and the Company are set out in note 30 and note 39 to the financial statements, respectively.

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares, if any). As at December 31, 2024, there were no treasury shares (as defined in the Listing Rules) held by the Company.

PRE-EMPTIVE RIGHTS

The Company had no arrangement for pre-emptive rights and share options during the Reporting Period. Neither the Articles of Associates nor the PRC laws stipulates that the Company shall give priority to existing shareholders in offering new shares in proportion to the shareholdings.

DIRECTORS AND SUPERVISORS

The Board currently consists of the following 8 Directors:

Executive Directors

Mr. Feng Lei (馮雷) *(Chairman)*
Mr. Du Bing (杜兵) *(Chief executive officer)*
Mr. Ye Sheng (葉聖)

Non-Executive Directors

Ms. Wang Yao (王瑤)
Mr. Chen Zhijie (陳志傑)

Independent Non-Executive Directors

Mr. Dai Dingyi (戴定一)
Mr. Li Dong (李東)
Mr. Liu Xiaofeng (劉曉峰)

The Board of Supervisors currently consists of the following 3 Supervisors:

Supervisors

Ms. Liang Xiaojia (梁曉佳)
Mr. Fan Hua (樊驊)
Mr. Wang Yang (汪洋)

As considered and approved by the Board at the Board meeting held on March 28, 2025, Mr. Long Ke (龍科) ("**Mr. Long**") was nominated as a candidate for executive Director, and a proposal in relation to the proposed appointment of Mr. Long as an executive Director will be submitted at the 2024 AGM for consideration by the Shareholders. Details of the appointment proposal of executive Director at the forthcoming 2024 AGM will be set out in the circular to the Shareholders.

Report of the Directors

BIOGRAPHICAL DETAILS OF THE DIRECTORS, SUPERVISORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors, the Supervisors and senior management of the Company are set out in the section headed "Biographies of Directors, Supervisors and Senior Management" on pages 28 to 38 of this annual report.

CHANGE OF INFORMATION OF DIRECTORS AND SUPERVISORS

After making specific enquiry by the Company and confirmed by the Directors and the Supervisors, save as disclosed below, there is no change to any information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting Period and up to the Latest Practicable Date.

(i) At the annual general meeting held on May 29, 2024, Mr. Fu Da (傅達) ("**Mr. Fu**") was nominated and appointed as a non-executive Director of the fifth session of the Board. Mr. Fu has resigned from his position as a non-executive Director of the Company in order to devote more time to his other work and personal commitments and his resignation took effect on March 28, 2025.

(ii) With effect from July 27, 2024, Mr. Liu Xiaofeng (劉曉峰), one of our independent non-executive Directors, ceased to serve as an independent non-executive director of Cinda International Holdings Limited (信達國際控股有限公司), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 0111), upon expiration of his term of appointment.

(iii) With effect from August 30, 2024, Ms. Wang Yao (王瑤) has been re-designated from her position as an executive Director to a non-executive Director of the Company.

(iv) With effect from October 10, 2024, Mr. Liu Xiaofeng (劉曉峰) has been appointed as an independent non-executive director of China Risun Group Limited (中國旭陽集團有限公司), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1907).

(v) In January 2025, Mr. Li Dong (李東), one of our independent non-executive director, resigned from his position as an independent non-executive director of BQ-Boqii Holding Ltd. (波奇寵物控股有限公司).

(vi) As considered and approved by the Board at the Board meeting held on March 28, 2025, Mr. Long Ke (龍科) ("**Mr. Long**") was nominated as a candidate for executive Director, and a proposal in relation to the proposed appointment of Mr. Long as an executive Director will be submitted at the 2024 AGM for consideration by the Shareholders. The biographic details of Mr. Long will be contained in the circular with a notice convening the 2024 AGM to be duly despatched to the Shareholders who wish to receive a printed copy of the corporate communication in accordance with the Listing Rules.

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company considers all of the independent non-executive Directors are independent in accordance with the guidelines of assessing independence as set out in Rule 3.13 of the Listing Rule during the year ended December 31, 2024.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

We enter into service contracts with each of our Directors and Supervisors in relation to, among other things, (i) compliance with relevant laws and regulations; (ii) compliance with the Articles of Association; and (iii) arbitration clauses.

The terms of the Directors and Supervisors do not exceed three years and will expire upon conclusion of general meeting at which a new session of the Board and/or Board of Supervisors are elected. The appointments are always subject to the provisions of retirement and rotation of directors under the Articles of Association.

Save as disclosed above, none of our Directors or Supervisors has entered, or has proposed to enter, a service contract with any member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

Details of Directors and Supervisors' remuneration for the year ended December 31, 2024 are set out in note 8 to the consolidated financial statements of this annual report.

INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

To the best knowledge of the Directors, none of the Directors or Supervisors or any entity connected with the Directors or the Supervisors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party during the year ended December 31, 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of December 31, 2024, Mr. Feng and Mr. Du, our executive Directors and Controlling Shareholders, were interested in certain companies outside of our Group, details of which are set out below:

	Company name	Place of Incorporation	Date of Incorporation	Ownership
1.	Nanjing Luge Investment Management Center LLP* (南京路歌投資管理中心(有限合夥)) ("**Nanjing Luge Investment**")	Nanjing, PRC	September 23, 2015	76.94% by Mr. Feng, 1% by Mr. Du, 14.71% by Mr. Wang Tiejun[(1)] and 7.35% by Mr. Pan Ruibo (潘瑞波)[(2)]
2.	Nanjing Luge Information Technology Co., Ltd.* (南京路歌信息技術有限公司) ("**Nanjing Luge Information**")	Nanjing, PRC	June 17, 2015	100% by Mr. Feng

Note:

(1) Details of Mr. Wang Tiejun are set out in the section headed "Our History and Development — B. Establishment of Our Company" in the Prospectus.

(2) Further details of Mr. Pan Ruibo are set out in the section headed "Our History and Development — C. Earlier Shareholding Changes — (c) Conversion of Capital Reserve into Paid-in Registered Share Capital" in the Prospectus.

Nanjing Luge Investment was set up by Mr. Feng and Mr. Du for the purpose of holding our Company's equity interests on behalf of our employees. Since its establishment and up to the Latest Practicable Date, Nanjing Luge Investment had no actual business operations. Mr. Du is the executive partner of Nanjing Luge Investment.

Nanjing Luge Information was set up and wholly owned by Mr. Feng. In 2018, Nanjing Luge Information transferred all its equity interests in our Company to Ganzhou Jinxi Investment Partnership (Limited Partnership)* (贛州金羲投資合夥企業(有限合夥)), details of which are set out in the section headed "Our History and Development — Corporate Development of Our Company" in the Prospectus. Since its establishment and up to the Latest Practicable Date, Nanjing Luge Information had no actual business operations. Mr. Feng is the sole director of Nanjing Luge Information.

In addition to his roles in our Group, Mr. Feng has also been a director of Anhui Jika Lubrication Technology Co., Ltd.* (安徽吉卡潤滑科技有限公司) ("**Anhui Jika**") (since November 2017), an associate company of our Group that is principally engaged in research and development of lubrication technology and manufacturing of lubricant products. As of December 31, 2023, Anhui Jika was owned as to 40% by Kayou Zone Logistics, one of our wholly-owned subsidiaries, and 60% by Anhui Runtian Vehicle Maintenance Products Co., Ltd.* (安徽潤天汽車養護用品有限公司), an independent third party. Mr. Feng has also been serving as the director of Tianjin Qingkong Shoulu Supply Chain Management Co., Ltd.* (清控首路供應鏈管理(天津)有限公司) ("**Tianjin Qingkong**") since January 2019. Tianjin Qingkong is an associate company of our Group which is principally engaged in the provision of highway-railway combined freight transportation services. As of the Latest Practicable Date, Tianjin Qingkong was owned as to (i) 30% by our Company, and (ii) 40% by Tianyou Jingtie Technology Development (Tianjin) Co., Ltd.* (天佑京鐵科技發展(天津)有限公司), 20% by Beijing Star International Energy Investment Co., Ltd.* (北京斯塔國際能源投資有限公司) and 10% by Taiheda (Tianjin) Enterprise Management Partnership (Limited Partnership)* (泰和達(天津)企業管理合夥企業(有限合夥)), which are all independent third parties.

In addition, since September 2020, Mr. Du has been serving as non-executive director of Wuhu Luge Logistics Technology Co., Ltd.* (蕪湖路歌物流科技有限公司) ("**Wuhu Luge**"), a company invested by our Company and which is principally engaged in providing multi-modal transportation services including shipping and trucking. As of the Latest Practicable Date, Wuhu Luge was owned as to (i) 24% by our Company, and (ii) 40% by Anhui Ganghang Logistics Co., Ltd.* (安徽港航物流有限公司), 29.4% by Wuhu Honghao Equity Investment Partnership (Limited Partnership)* (蕪湖宏浩股權投資合夥企業(有限合夥)) and 6.6% by Tianjin Jintaishi Enterprise Management Partnership (Limited Partnership)* (天津金泰石企業管理合夥企業(有限合夥)) ("**Tianjin Jintaishi**"), who are independent third parties. Further, since January 18, 2022, Mr. Du has been serving as a director and the chairman of the board directors of Xinjiang Zhongya Log Digital Technology Co., Ltd* (新疆中亞路歌數字科技有限公司) ("**Xinjiang Zhongya**"), a company jointly set up by our Company and a few other independent third parties and which is principally engaged in the provision of bulk cargo services. Mr. Du was nominated by our Company to the board of directors of Xinjiang Zhongya. As of the Latest Practicable Date, Xinjiang Zhongya was owned as to (i) 46% by our Company, and (ii) 21% by Ms. Yu Haijie (于海潔), 18% by Xinjiang Zhongya Oil and Gas Co., Ltd* (新疆中亞石油天然氣有限公司), 10% Xinjiang Guoxing Agricultural Development Group Co., Ltd* (新疆國興農業發展集團有限公司) and 5% by Tianjin Jintaishi, which are all independent third parties. As of December 31, 2024, Mr. Du was not involved in the daily management and operation of Wuhu Luge and Xinjiang Zhongya. As such, the directorship held by Mr. Du in Wuhu Luge and Xinjiang Zhongya would not give rise to any material competition issue under Rule 8.10 of the Listing Rules.

Save as disclosed above, as of December 31, 2024, none of our Controlling Shareholders or our Directors was engaged or had any interest in any business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

COMPENSATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Directors, the Supervisors and the Company's senior management receive compensation in the form of fees, salaries, allowances, and benefit in kind, discretionary bonuses, pension scheme contributions and social welfare and equity-settled share-based compensation. The compensation of Directors, Supervisors and the Company's senior management is determined based on each Director, Supervisor and senior management's responsibilities, qualification, position and seniority. Details of the emoluments of the Directors, the Supervisors and the Company's senior management and emoluments of the five highest paid individuals in the Group are set out in notes 8 and 9 to the consolidated financial statements of this annual report.

During the Reporting Period, no emoluments were paid by the Group to any Director, Supervisor or senior management as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors, Supervisors or senior management has waived any emoluments during the Reporting Period.

Except as disclosed above, no other payments have been made or are payable, during the Reporting Period, by our Group to or on behalf of any of the Directors, the Supervisors or the Company's senior management.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

As at December 31, 2024, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed for the year ended December 31, 2024 or any time during the Reporting Period.

CONVERTIBLE BONDS

During the Reporting Period, the Group has not issued any convertible bonds.

EQUITY-LINKED AGREEMENT

To the best knowledge of the Directors, there was no equity-linked agreement entered into by the Company or any of its subsidiaries during the period ended December 31, 2024 and up to the date of this annual report.

MATERIAL LEGAL PROCEEDINGS

During the Reporting Period and up to the date of this annual report, no member of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

LOANS AND OTHER BORROWINGS

Details of bank loans or other borrowings of the Company and its subsidiaries for the year ended December 31, 2024 are set out in note 26 to the consolidated financial statements in this annual report.

As at December 31, 2024, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors and senior management of the Company, or their respective connected persons.

INTERESTS AND SHORT POSITION OF EACH OF OUR DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the December 31, 2024, the interests and short positions of the Directors, the Supervisors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

Name of Director/ Supervisor/ Chief Executive	Position	Nature of interest	Class of Shares	Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares[1]	Approximate percentage of shareholding in the total issued Shares of the Company[2]
Mr. Feng	Chairman and Executive Director	Beneficial owner	Domestic Shares	273,447,680	31.56%	19.62%
		Interest in controlled corporation[3]	Domestic Shares	4,970,665	0.57%	0.36%
		Interest held jointly with another person[3]	Domestic Shares	273,447,680	31.56%	19.62%
		Interest in controlled corporation[3]	H Shares	8,062,151	1.53%	0.58%
			Sub-total	559,928,176		40.17%
Mr. Du	Chief executive officer and Executive Director	Beneficial owner	Domestic Shares	273,447,680	31.56%	19.62%
		Interest in controlled corporation[3]	Domestic Shares	4,970,665	0.57%	0.36%
		Interest held jointly with another person[3]	Domestic Shares	273,447,680	31.56%	19.62%
		Interest in controlled corporation[3]	H Shares	8,062,151	1.53%	0.58%
			Sub-total	559,928,176		40.17%
Mr. Ye Sheng	Executive Director	Beneficial owner	Domestic Shares	9,763,739	1.13%	0.70%
		Interest in controlled corporation[4]	Domestic Shares	18,523,737	2.14%	1.33%
		Beneficial owner	H Shares	15,836,261	3.00%	1.14%
		Interest in controlled corporation[4]	H Shares	30,044,503	5.70%	2.16%
			Sub-total	74,168,240		5.32%

Name of Director/ Supervisor/ Chief Executive	Position	Nature of interest	Class of Shares	Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares(1)	Approximate percentage of shareholding in the total issued Shares of the Company(2)
Mr. Fan Hua	Supervisor	Interest in controlled corporation(5)	Domestic Shares	505,988	0.06%	0.04%
		Interest in controlled corporation(5)	H Shares	820,684	0.16%	0.06%
			Sub-total	1,326,672		0.10%

Notes:

(1). The calculation is based on a total number of 866,444,180 Domestic Shares in issue and a total number of 527,431,924 H Shares in issue as at December 31, 2024.

(2). The calculation is based on the total number of 1,393,876,104 Shares in issue as at the December 31, 2024.

(3). As at December 31, 2024, Shanghai Chuyan directly holds 13,032,816 Domestic Shares and H Shares in total, representing approximately 0.93% of the enlarged registered share capital of our Company. Mr. Feng is the general partner of Shanghai Chuyan and owns 52% of the equity interests of Shanghai Chuyan. Mr. Du is the sole limited partner of Shanghai Chuyan and owns 48% of the equity interests of Shanghai Chuyan. As such, both Mr. Feng and Mr. Du are deemed under the SFO to be interested in the Shares held by Shanghai Chuyan.

By virtue of the concert party agreement entered into by and between Mr. Feng and Mr. Du on July 30, 2021, Mr. Feng and Mr. Du are deemed under the SFO to be interested in each other's interests in the Shares.

(4). Tianjin Mingyin Enterprise Management Partnership (Limited Partnership)* (天津明印企業管理合夥企業(有限合夥)) ("**Tianjin Mingyin**"), Tianjin Mingtong Enterprise Management Partnership (Limited Partnership)* (天津明通企業管理合夥企業(有限合夥)) ("**Tianjin Mingtong**"), Tianjin Mingyun Enterprise Management Partnership (Limited Partnership)* (天津明運企業管理合夥企業(有限合夥)) ("**Tianjin Mingyun**") and Tianjin Mingwei Enterprise Management Partnership (Limited Partnership)* (天津明維企業管理合夥企業(有限合夥)) ("**Tianjin Mingwei**") are the employee shareholding platform of the Company. Mr. Ye Sheng is the general partner of and have full control over Tianjin Mingyin, Tianjin Mingtong, Tianjin Mingyun and Tianjin Mingwei. As such, Mr. Ye Sheng is deemed under the SFO to be interested in the Shares held by Tianjin Mingyin, Tianjin Mingtong, Tianjin Mingyun and Tianjin Mingwei.

(5). Hainan Fanrong No.2 Investment Center (Limited Partnership)* (海南樊榮二號投資中心(有限合夥)) ("**Fanrong No.2**") is owned as to (i) 1.0% by Duolinuo (Beijing) Technology Consultancy Co., Ltd.* (多利諾(北京)科技諮詢有限公司 (formerly known as Duolinuo (Beijing) Engineering Consultancy Co., Ltd.* (多利諾(北京)工程諮詢有限公司)) (as the general partner) which is wholly owned by Mr. Fan Hua, and (ii) 99% by Mr. Fan Hua (as the sole limited partner). As such, Mr. Fan Hua has full control over Fanrong No.2 and is therefore deemed under the SFO to be interested in the Shares held by Fanrong No.2.

(6). All interests stated are long positions.

Save as disclosed above, as at December 31, 2024, none of the Directors, Supervisors or the chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the December 31, 2024, to the best knowledge of the Directors, the following persons (other than a Director, Supervisor or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder/ Ultimate Controller	Nature of interest	Class of Shares	Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares[(1)]	Approximate percentage of interest in our Company[(2)]
Shanghai Yunxin	Beneficial owner	Domestic Shares	72,103,345	8.32%	5.17%
	Beneficial owner	H Shares	116,947,759	22.17%	8.39%
		Sub-total	189,051,104		13.56%
Ant Group	Interested in controlled corporation[(4)]	Domestic Shares	72,103,345	8.32%	5.17%
	Interested in controlled corporation[(4)]	H Shares	116,947,759	22.17%	8.39%
		Sub-total	189,051,104		13.56%

Notes:

(1). The calculation is based on a total number of 866,444,180 Domestic Shares in issue and a total number of 527,431,924 H Shares in issue as at December 31, 2024.

(2). The calculation is based on the total number of 1,393,876,104 Shares in issue as at December 31, 2024.

(3). Shanghai Yunxin is a direct wholly-owned subsidiary of Ant Group. As such, Ant Group shall be deemed under the SFO to be interested in the Shares held by Shanghai Yunxin. As of June 30, 2024, Hangzhou Junhan Equity Investment Partnership (Limited Partnership)* (杭州君瀚股權投資合夥企業(有限合夥)) ("**Junhan**") and Hangzhou Junao Equity Investment Partnership (Limited Partnership)* (杭州君澳股權投資合夥企業(有限合夥)) ("**Junao**") held approximately 31% and 22% of Ant Group's total issued shares, respectively. Hangzhou Xingtao Enterprise Management Consultancy Co., Ltd.* (杭州星滔企業管理諮詢有限公司) ("**Xingtao**") is the executive partner and general partner of Junhan; Hangzhou Yunbo Investment Consultancy Co., Ltd.* (杭州雲鉑投資諮詢有限公司) ("**Yunbo**") is the executive partner and general partner of Junao; and each of Xingtao and Yunbo is held by five individuals as to 20% each. The remaining issued shares in Ant Group are held as to approximately 33% by Taobao (China) Software Co., Ltd.* (淘寶(中國)軟件有限公司), an indirect wholly-owned subsidiary of Alibaba Holding, and as to approximately 14% by other minority shareholders.

(4). All interests stated are long position.

ARRANGEMENTS FOR PURCHASE OF SHARES OR DEBENTURES

At no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouse or children under the age of 18 had any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

KEY RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that various stakeholders including customers, suppliers, employees and other business associates are key to the Group's success. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationships with them.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the Group's five largest suppliers contributed less than 30% of the total purchases and the Group's five largest customers contributed less than 30% of the total sales.

For the year ended December 31, 2024, none of the Directors or any of their close associates or any Shareholders (which to the knowledge of the Directors owns more than 5% of the number of the issued shares of the Company) was interested in the top five customers or suppliers of the Group.

TAXATION

Tax position of the Company during the year ended December 31, 2024 is set forth in note 10 to the consolidated financial statements of this annual report.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the H Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the H Shares, they are advised to consult their professional advisers.

EMPLOYEES AND REMUNERATION POLICIES

As of December 31, 2024, we had 868 full-time employees, all of whom were based in China. The number of employees employed by the Group may change from time to time as required and employee emoluments are determined with reference to market conditions and the performance, qualifications and experience of individual employees.

As part of our human resources strategies, we are committed to establishing a competitive and fair remuneration and benefits system. Compensation for our employees typically consists of basic salary and performance-based bonus. We provide our employees with benefits such as pension scheme, medical insurance, workplace injury insurance, unemployment insurance and housing providence funds in accordance with relevant PRC laws and regulations. We offer employees additional benefits such as additional commercial insurance, among other things. In order to effectively motivate our staff, we continually refine our remuneration and incentive policies through market research. The Group also has in place share incentive schemes for the employees.

We provide training sessions tailored to the needs of our employees in different functions. Topics covered by such training sessions include our corporate culture, internal rules and policies and professional knowledge, know-hows and skills. We also provide training to management and administrative personnel at all levels, in order to enhance their leadership capabilities. Such training sessions are conducted in both online and offline forms.

The Remuneration Committee is established to review the Group's remuneration policy and remuneration structure for all Directors, Supervisors and senior management taking into account the Group's operating performance, individual performance of Directors, Supervisors and senior management and comparable market practices.

The five highest paid employees during the year included three directors (2023: two directors), details of whose remuneration are set out above in note 8 to the consolidated financial statements in this annual report. Details of the remuneration of the remaining for the year of the was two (2023: three) highest paid employees who are not a director, supervisor or chief executive of the Company are set out in note 9 to the consolidated financial statements in this annual report.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement benefit scheme are set out in note 2.4 to the consolidated financial statements.

SHARE INCENTIVE SCHEMES

2019 LOGORY LOGISTIC SHARE INCENTIVE PLAN

Purpose and validity period

On October 31, 2019, the Board approved the 2019 Logory Logistics Share Incentive Plan, for the purpose of attracting and retaining employees and directors who are considered essential to the success of the Company and the Group. The 2019 Logory Logistics Share Incentive Plan shall be valid until all the Logory Logistics Options are vested or become invalid, but for a period of no longer than 72 months.

Participants

Eligible participants under the 2019 Logory Logistics Share Incentive Plan include any Director, senior management, core technical personnel, and other personnel whom the Board of Directors deems necessary (excluding independent Directors, Supervisors, Shareholders who individually or collectively hold more than 5% of the Company's Shares, the Company's de facto controllers, and their spouses, parents and children).

Total number of 2019 Logory Logistics RSs available for grant

The 2019 Logory Logistics Share Incentive Plan does not involve any subscription or issuance of new shares.

Pursuant to the 2019 Logory Logistics Share Incentive Plan, the Company grants employees awards, including new options (the "**Logory Logistics Options**") to purchase ordinary shares of the Company and restricted shares (the "**2019 Logory Logistics RSs**"). Vesting of the Logory Logistics Options requires the relevant employees to remain in service for the period from the date of grant to the date of vesting, and satisfy the performance assessment requirements, along with a condition requiring an initial public offering ("**IPO**") of the Company, which was a performance vesting condition. On November 30, 2020, the Company's Board of Directors approved the a modification plan of Logory Logistics Options (the "**Modification Plan**"), pursuant to which, all the Logory Logistics Options should be converted into restricted shares with the same conditions under corresponding Logory Logistics Option awards other than extending the remaining vesting schedule.

As at December 31, 2024, the remaining number of restricted shares to be granted under the 2019 Logory Logistics Share Incentive Plan was 5,026,667, representing approximately 0.3606% of the total issued Shares as at the date of this Annual Report.

Maximum entitlement of each participant

The terms of the 2019 Logory Logistics Share Incentive Plan (as amended by the Modification Plan) has no limit on the maximum entitlement of each participant.

Vesting period

Logory Logistics Options granted are generally subject to a vesting schedule from 19 months to 55 months and were classified as an equity award. Depending on the nature and the purpose of the grant, the vesting schedule of the Logory Logistics Options is generally as follows: (i) 25% of the awards shall be vested 19 months after the grant date and the date of IPO, as provided in the grant agreement, (ii) 25% of the awards shall be vested 31 months after the grant date, (iii) 25% of the awards shall be vested 43 months after the grant date and (iv) 25% of the awards shall be vested 55 months after grant date. No outstanding Logory Logistics Options will be exercisable after the expiry of a maximum of 12 months from the date of vesting or when the relevant employees cease to remain in service. Upon the Logory Logistics Options converted into restricted shares in accordance with the Modification Plan, the vesting period remains unchanged to corresponding Logory Logistics Option awards.

2019 Logory Logistics RSs granted to senior management of the Company are subject to a vesting schedule of 12 months upon the date of IPO and were classified as an equity award.

The grant price per share is RMB2.50 before Share Subdivision and the weighed grant price per share is RMB0.15625 after Share Subdivision. The grant price shall be paid within the period as stipulated in the respective grant letter.

Details of the restricted shares granted under the 2019 Logory Logistics Share Incentive Plan during the Reporting Period are as follows:

	Date of grant	Number of awards unvested as at December 31, 2023	Number of awards granted during the Reporting Period	Fair value of awards granted during the Reporting Period at the date of grant (RMB)	Number of awards vested during the Reporting Period[3]	Number of awards unvested as at December 31, 2024	Closing price of shares immediately before the date on which awards were granted (HK$)
Directors							
Wang Yao	October 31, 2019	3,100,800	–	–	3,100,800	–	N/A
	December 30 , 2019	3,200,000	–	–	3,200,000	–	N/A
Five highest paid individuals (excluding Directors)[1]	December 30 , 2019	3,200,000	–	–	3,200,000	–	N/A
Other employee participants	October 31, 2019	23,000,000	–	–	22,816,000	–[2]	N/A
	December 30, 2019	9,600,000	–	–	6,400,000	–[2]	N/A
Total		42,100,800	–		38,716,800	–	

Notes:

1. One of the five highest paid individuals during the Reporting Period has been granted awards under the 2019 Logory Logistics Share Incentive Plan. The remaining four of the five highest paid individuals are not granted any awards under the 2019 Logory Logistics Share Incentive Plan.

2. A total number of 5,018,667 restricted share awards granted (including 3,384,000 unvested awards and1,634,667 vested awards) were forfeited due to employees' departure with the terms of the 2019 Logory Logistics Share Incentive Plan during the Reporting Period. No restricted share awards granted were cancelled or lapsed in accordance with the terms of the 2019 Logory Logistics Share Incentive Plan during the Reporting Period.

3. A total of 38,716,800 restricted share awards were vested under the 2019 Logory Logistics Share Incentive Plan during the Reporting Period. In respect of the vesting of restricted share awards to Ms. Wang Yao during the Reporting Period, the weighted average closing price of shares immediately before the date on which the restricted share awards were vested is HK$0.77. In respect of the vesting of restricted share awards to the five highest paid individuals (excluding Directors)during the Reporting Period, the weighted average closing price of shares immediately before the date on which the restricted share awards were vested is HK$0.78.In respect of the vesting of restricted share awards to the other employee participants during the Reporting Period, the weighted average closing price of shares immediately before the date on which the restricted share awards were vested is HK$0.77.

2020 LOGORY LOGISTICS SHARE INCENTIVE PLAN

Purpose and validity period

On November 30, 2020, the Board approved the 2020 Logory Logistics Share Incentive Plan, for the purpose of attracting and retaining employees and directors who are considered essential to the success of the Company and the Group. The 2020 Logory Logistics Share Incentive Plan shall remain in effect unless terminated in accordance with relevant provisions of the 2020 Logory Logistics Share Incentive Plan and considered by the Board and approved by the Shareholders.

Participants

Eligible participants under the 2020 Logory Logistics Share Incentive Plan include any Director (excluding independent Directors), senior management, core technical personnel, and other personnel whom the Board of Directors deems necessary (including management who have primary management responsibility for operating units and divisions and other managers and business cadres who, in the opinion of the Board of Directors, have a direct impact on the Company's operating performance and future development).

Total number of 2020 Logory Logistics RSs available for grant

The 2020 Logory Logistics Share Incentive Plan does not involve any subscription or issuance of new shares.

Pursuant to the 2020 Logory Logistics Share Incentive Plan, the Company grants employees restricted shares (the "**2020 Logory Logistics RSs**"). Vesting of the above 2020 Logory Logistics RSs requires the relevant employees to remain in service for the period from the date of grant to the date of vesting, and satisfy the performance assessment requirements, along with a condition requiring an IPO of the Company, which was deemed as a performance vesting condition.

The maximum number of restricted shares in respect of which awards may be granted under the Scheme shall not exceed 515,015 Shares (subdivided into 8,240,240 Shares after Share Subdivision). As at December 2024, 31, the remaining number of 2020 Logory Logistics RSs to be granted under the 2020 Logory Logistics Share Incentive Plan was 1,493,307, representing approximately 0.1071% of the total issued Shares as at the date of this Annual Report.

Maximum entitlement of each participant

The terms of the 2020 Logory Logistics Share Incentive Plan has no limit on the maximum entitlement of each participant.

Vesting period

2020 Logory Logistics RSs granted are generally subject to a vesting schedule from 2 years to 5 years and were classified as an equity award. Depending on the nature and the purpose of the grant, the vesting schedule of the 2020 Logory Logistics RSs is generally as follows: (i) 25% of the awards shall be vested 2 years after the grant date and 12 months after the date of IPO (which later), as provided in the grant agreement, (ii) 25% of the awards shall be vested 3 years after the grant date, (iii) 25% of the awards shall be vested 4 years after the grant date, and (iv) 25% of the awards shall be vested 5 years after the grant date, and 25% every year from the second year of the grant date thereafter. The grant price per share is RMB2.50 before Share Subdivision and the weighed grant price per share is RMB0.15625 after Share Subdivision. The grant price shall be paid within the period as stipulated in the respective grant letter.

Details of the 2020 Logory Logistics RSs granted under the 2020 Logory Logistics Share Incentive Plan during the Reporting Period are as follows:

	Date of grant	Number of awards unvested as at December 31, 2023	Number of awards granted during the Reporting Period	Fair value of awards granted during the Reporting Period at the date of grant (RMB)	Number of awards vested during the Reporting Period[3]	Number of awards unvested as at December 31, 2024	Closing price of shares immediately before the date on which awards were granted (HK$)
Directors							
Ye Sheng	November 30, 2020	30,640	–	–	22,980	7,660	N/A
Five highest paid individuals (excluding Directors)[1]	–	–	–	–	–	–	N/A
Other employee participants	November 30 , 2020	6,940,800	–	–	4,844,400	1,658,000[2]	N/A
Total		6,971,440	–		4,867,380	1,665,660	

Notes:

1. Except for Mr. Ye Sheng, the remaining four of the five highest paid individuals during Reporting Period are not granted any awards under the 2020 Logory Logistics Share Incentive Plan.

2. A total number of 480,507 restricted share awards granted (including 438,400 unvested awards and 42,107 vested awards) were forfeited due to employees' departure in accordance with the terms of the 2020 Logory Logistics Share Incentive Plan during the Reporting Period. No restricted share awards granted were cancelled or lapsed in accordance with the terms of the 2020 Logory Logistics Share Incentive Plan during the Reporting Period.

3. A total of 4,867,380 restricted share awards were vested under the 2020 Logory Logistics Share Incentive Plan during the Reporting Period. In respect of the vesting of restricted share awards to Mr. Ye Sheng during the Reporting Period, the weighted average closing price of shares immediately before the date on which the restricted share awards were vested is HK$0.78. In respect of the vesting of restricted share awards to the other employee participants during the Reporting Period, the weighted average closing price of shares immediately before the date on which the restricted share awards were vested is HK$0.78.

2021 LOGORY LOGISTICS SHARE INCENTIVE PLAN

Purpose and validity period

On September 13, 2021, the Board approved the 2021 Logory Logistics Share Incentive Plan, for the purpose of attracting and retaining employees and directors who are considered essential to the success of the Company and the Group. The 2021 Logory Logistics Share Incentive Plan shall remain in effect unless terminated in accordance with relevant provisions of the 2021 Logory Logistics Share Incentive Plan and considered by the Board and approved by the Shareholders.

Participants

Eligible participants under the 2021 Logory Logistics Share Incentive Plan include any Director (excluding independent directors), senior management, core technical personnel, and other personnel whom the Board of Directors deems necessary (including management who have primary management responsibility for operating units and divisions and other managers and business cadres who, in the opinion of the Board of Directors, have a direct impact on the Company's operating performance and future development).

Total number of 2021 Logory Logistics RSs available for grant

The 2021 Logory Logistics Share Incentive Plan does not involve any subscription or issuance of new shares.

Pursuant to the 2021 Logory Logistics Share Incentive Plan, the Company grants employees restricted shares (the "**2021 Logory Logistics RSs**"). Vesting of the above 2021 Logory Logistics RSs requires the relevant employees to remain in service for the period from the date of grant to the date of vesting, and meet the performance assessment requirements, along with a condition requiring an IPO of the Company, which was deemed as a performance vesting condition.

The maximum number of restricted shares in respect of which awards may be granted under the Scheme shall not exceed 742,000 Shares (subdivided into 11,872,000 Shares after Share Subdivision). As at December 31, 2024, the remaining number of 2021 Logory Logistics RSs to be granted under the 2021 Logory Logistics Share Incentive Plan was 32,000, representing approximately 0.0023% of the total issued Shares as at the date of this Annual Report.

Maximum entitlement of each participant

The terms of the 2021 Logory Logistics Share Incentive Plan has no limit on the maximum entitlement of each participant.

Vesting period

2021 Logory Logistics RSs granted to senior management of the Company are subject to a vesting schedule of 12 months upon the date of IPO and were classified as an equity award.

2021 Logory Logistics RSs granted to the employees except for senior management are generally subject to a vesting schedule from 2 years to 5 years and were classified as an equity award. Depending on the nature and the purpose of the grant, the vesting schedule of the 2021 Logory Logistics RSs is generally as follows: (i) 25% of the awards shall be vested 2 years after the grant date and 12 months after the date of IPO (which later), as provided in the grant agreement, (ii) 25% of the awards shall be vested 3 years after the grant date, (iii) 25% of the awards shall be vested 4 years after the grant date, and (iv) 25% of the awards shall be vested 5 years after the grant date, and 25% every year from the second year of the grant date thereafter.

The grant price per share is RMB2.50 before Share Subdivision and the weighed grant price per share is RMB0.15625 after Share Subdivision. The grant price shall be paid within the period as stipulated in the respective grant letter.

Details of the 2021 Logory Logistics RSs granted under the 2021 Logory Logistics Share Incentive Plan during the Reporting Period are as follows:

	Date of grant	Number of awards unvested as at December 31, 2023	Number of awards granted during the Reporting Period	Fair value of awards granted during the Reporting Period at the date of grant (RMB)	Number of awards vested during the Reporting Period[3]	Number of awards unvested as at December 31, 2024	Closing price of shares immediately before the date on which awards were granted (HK$)
Directors							
Ye Sheng	September 13 , 2021	3,200,000	–	–	3,200,000	–	N/A
Five highest paid individuals (excluding Directors)[1]	September 13, 2021	5,600,000	–	–	5,600,000	–	N/A
Other employee Participants	September 13, 2021	1,600,000	–	–	640,000	960,000[2]	N/A
	November 30, 2023	1,440,000	–	–	360,000	1,080,000[2]	1.2
Total		11,840,000	–		9,800,000	2,040,000	

Notes:

1. Except for Mr. Ye Sheng, one of the five highest paid individuals during the Reporting Period has been granted awards under the 2021 Logory Logistics Share Incentive Plan. The remaining three of the five highest paid individuals are not granted any awards under the 2021 Logory Logistics Share Incentive Plan.

2. No restricted share awards granted were cancelled, lapsed or forfeited in accordance with the terms of the 2021 Logory Logistics Share Incentive Plan during the Reporting Period.

3. A total of 9,800,000 restricted share awards were vested under the 2021 Logory Logistics Share Incentive Plan during the Reporting Period. In respect of the vesting of restricted share awards to Mr. Ye Sheng during the Reporting Period, the weighted average closing price of shares immediately before the date on which the restricted share awards were vested is HK$0.78. In respect of the vesting of restricted share awards to the five highest paid individuals (excluding Directors)during the Reporting Period, the weighted average closing price of shares immediately before the date on which the restricted share awards were vested is HK$0.78.In respect of the vesting of restricted share awards to the other employee participants during the Reporting Period, the weighted average closing price of shares immediately before the date on which the restricted share awards were vested is HK$0.75.

RELATED PARTY TRANSACTION

Details of material related party transactions entered into by our Group during the Reporting Period are disclosed in note 35 to the financial statements. None of the related party transactions as disclosed in note 35 to the financial statements constitute any non-exempt connected transactions or continuing connected transaction which should be disclosed pursuant to the Listing Rules.

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

During the year ended December 31, 2024, none of the related party transactions as disclosed in note 35 to the consolidated financial statements constitute any non-exempt connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules. During the year ended December 31, 2024, the Company has not entered into any non-exempt connected transaction or continuing connected transaction which should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules.

CONTRACT OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

During the year ended December 31, 2024, none of the Company or any of its subsidiaries entered into any contract of significance with the Controlling Shareholder or any of its subsidiaries, and there is no contract of significance in relation to provision of services by the Controlling Shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued Shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, was held by the public during the Reporting Period and up to the date of this annual report.

PERMITTED INDEMNITY PROVISIONS

The Company has maintained directors' liability insurance to protect the Directors of the Company against any potential losses arising from his/her actual or alleged misconduct.

DONATIONS

For the year ended December 31, 2024, the Group made charitable and other donations of RMB79,000 (2023: RMB644,000).

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**"), which comprises three independent non-executive Directors, namely, Mr. LI Dong (chairman of the Audit Committee), Mr. LIU Xiaofeng and Mr. DAI Dingyi. The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has, together with the management of the Company and the Auditor, reviewed the applicable accounting principles, standards and practices adopted by the Group as well as the consolidated financial statements of the Group for the year ended December 31, 2024 and the disclosure in this annual report.

Report of the Directors

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

During the Reporting Period, the Company has complied with all the principles and applicable code provisions under the CG Code.

The Directors will review the corporate governance policies and compliance with the CG Code each financial year and apply the "comply or explain" principle in the "Corporate Governance Report" included in this annual report.

AUDITOR

The consolidated financial statements have been prepared in accordance with IFRSs and audited by Ernst & Young who will retire at the forthcoming AGM of the Company and, being eligible, offer themselves for reappointment.

The Company issued H Shares and its H Shares were listed on the Main Board of the Stock Exchange on March 9, 2023, and there has been no change in auditor since the Listing Date and up to December 31, 2024.

By order of the Board
Feng Lei
Executive Director and Chairman of the Board
Hefei, the PRC, March 28, 2025

Report of the Board of Supervisors

During the Reporting Period, all members of the Board of Supervisors have complied with the principle of integrity and earnestly performed their supervisory duties in accordance with the relevant regulations set out in the PRC Company Law, the Articles of Association and Rules of Procedure of the Board of Supervisors (《合肥維天運通信息科技股份有限公司監事會議事規則》) to protect the interests of the shareholders and the Company.

COMPOSITION OF THE BOARD OF SUPERVISORS

The Board of Supervisors currently consists of three Supervisors, among which one of them is the chairman to the Board of Supervisors. Pursuant to our Articles of Association, at least one-third of our supervisors must be employee representatives elected by our employees. We have one employee representative supervisor elected by our employees and two shareholder representative supervisors elected and appointed by our Shareholders at a Shareholders' meeting. Each of the supervisors elected by our employees and/or by our Shareholders is appointed for a term of three years which is renewable upon re-election and re-appointment.

Composition of the Board of Supervisors is set out as follows.

Name	Position	Date of Appointment/ Re-election	Duties
Ms. Liang Xiaojia (梁曉佳)	Supervisor and employee representative supervisor	March 2023	Supervising the performance of duties of Directors and senior management of our Company
Mr. Fan Hua (樊驊)	Supervisor and chairman of the Board of Supervisors	June 2023	Supervising the performance of duties of Directors and senior management of our Company
Mr. Wang Yang (汪洋)	Supervisor	June 2023	Supervising the performance of duties of Directors and senior management of our Company

WORKS OF THE BOARD OF SUPERVISORS DURING THE REPORTING PERIOD

For the year ended December 31, 2024, the Board of Supervisors held 2 meeting and the details are as follows:

On March 27, 2024, the second meeting of the fifth session of the Board of Supervisors was held and the "Proposal on the Report on the Work of the Board of Supervisors of the Company for the Year 2023" (《關於公司2023年度監事會工作報告的議案》), the "Proposal to Review the Draft Annual Results Announcement of the Company for the Year 2023" (《關於審閱公司2023年度業績公告草稿的議案》), the "Proposal to Review the Draft Annual Report of the Company for the Year 2023" (《關於審閱公司2023年年報草稿的議案》), the "Proposal to Review the Consolidated Financial Statements of the Company for the Year 2023" (《關於審閱公司2023年度綜合財務報表的議案》), the "Proposal on the Plan for the Distribution of Profit of the Company for the Year 2023" (《關於公司2023年度利潤分配方案的議案》) and the "Proposal on the Re-appointment of the Company's Auditor for the Year 2024" (《關於續聘公司2024年度核數師的議案》) were duly considered and approved.

On August 30, 2024, the third meeting of the fifth session of the Board of Supervisors was held and the "Proposal to Review the Unaudited Consolidated Financial Statements of the Company for the First Half-Year of 2024" (《關於審閱公司2024年度中期未經審核綜合財務報表的議案》), the "Proposal to Review the Interim Results Announcement of the Company for the First Half-Year of 2024" (《關於審閱公司2024年度中期業績公告的議案》), the "Proposal to Review the Interim Report of the Company for the First Half-Year of 2024" (《關於審閱公司2024年度中期報告的議案》), and the "Proposal on the Plan for the Distribution of Profit of the Company for the First Half-Year of 2024" (《關於公司2024年度中期利潤分配方案的議案》) were duly considered and approved.

Report of the Board of Supervisors

COMMENTS OF THE BOARD OF SUPERVISORS ON CERTAIN MATTERS OF THE COMPANY IN 2024

During the Reporting Period, the members of the Board of Supervisors adhered to the principles of fidelity and accountability to all shareholders and duly performed their duties and works according to the relevant laws and regulations. The Board of Supervisors worked actively, supervised the regulatory compliance and operation, financial condition, use of proceeds and internal control, etc. of the Company through attending shareholders' general meetings and board meetings and audit and inspection center as nonvoting delegates and onsite inspections. The Board of Supervisors has arrived at the following opinions:

(1) During the Reporting Period, the Board of Directors conscientiously performed the rights and obligations conferred by the PRC Company Law and the Articles of Association, made timely decisions on major matters such as operation plans and conscientiously implemented the resolutions of the General Meeting and the Board of Directors. The senior management operated in accordance with the law and in a standardized manner. The Directors and senior management were able to perform their obligations in good faith, and there were no violations of the law, the Articles of Association or acts detrimental to the interests of shareholders.

(2) During the Reporting Period, the Board of Supervisors supervised and inspected the financial system and financial position of the Company and considered that the Company's financial system was sound, its financial operations were standardised and its financial position was good, and that the Company's annual audit report and the independent auditor's report truly, accurately and completely reflected the financial position, results of operations and cash flows of the Company.

(3) During the Reporting Period, the connected transactions between the Company and various connected persons were in compliance with the relevant regulations of the Hong Kong Stock Exchange. The prices of the connected transactions were reasonable and fair, and the principles of fairness, equity and impartiality were followed. No circumstances were found to be prejudicial to the interests of the Company and the non-connected shareholders.

(4) During the Reporting Period, the Board of Supervisors conducted supervision and inspection on the preparation and review procedures of the Company's annual report and interim report and considered that the preparation and review procedures were in compliance with the requirements of the Stock Exchange and no violation of confidentiality provisions by the personnel involved in the preparation and review was found.

In the coming year, the Board of Supervisors will continue to play the role of supervising and monitoring with an aim to protect the interests of all shareholders and the Company.

Chairman of the Board of Supervisors
Fan Hua

Hefei, the PRC, March 25, 2025

Corporate Governance Report

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

CORPORATE STRATEGY, BUSINESS MODEL AND CULTURE

Stay on the moral and virtuous path in the field of transportation and logistics. We always adhere to our corporate values of "pursuit of truth, fairness, and altruism" and integrate the six management philosophies of "not being evil", "targeting at the main battlefield and aiming for the right time", "focusing on customer value and optimizing user experience", "creating value and make reasonable profits", "achieving win-win with partners" and "sharing business benefits with employees" into our corporate development strategy. Through innovative technology applications and service models, we aim to create a benign logistics ecosystem as a leader in the digital freight transportation process and become a digital support platform for the benign logistics ecosystem.

For a detailed description of our corporate strategy, business model and culture, please refer to the Company's 2024 Environmental, Social and Governance Report dated April 25, 2025.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions of the CG Code as its own code of corporate governance.

During the Reporting Period and up to the date of this annual report, the Company has complied with all the principles and applicable code provisions under the CG Code.

In addition, the balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-caliber individuals. The Board currently consists of three executive Directors, two non-executive Directors and three independent non-executive Directors. Therefore, we consider that the Board has a fairly strong independence element in its composition.

The Directors will review the corporate governance policies and compliance with the CG Code and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company each financial year and apply the "comply or explain" principle in the corporate governance report which is included in this annual report.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code to regulate all dealings by the Directors, the Supervisors and relevant employees of securities in the Company and other matters covered by the Model Code since the Listing Rate. Having made specific enquiry with all the Directors and Supervisors of the Company, all the Directors and Supervisors confirmed that they have strictly complied with the required standards set out in the Model Code during the Reporting Period and up to the date of this annual report.

Corporate Governance Report

THE BOARD

Responsibilities

The Company clearly defines the responsibilities of the Shareholders' General Meetings, the Board, the senior management and the Board of Supervisors.

The Shareholders' General Meetings is the highest authority of the Company, and the Board is responsible to the general meeting.

The Board is responsible for and has the general power over the management and operation of our business, including determining our business strategies and investment plans, implementing resolutions passed at our Shareholders' General Meetings, and exercising other powers, functions and duties as conferred by the Articles of Association. The Board also assumes the responsibilities for exercising other powers, functions and duties in accordance with the Articles of Association, and all applicable laws and regulations, including the Listing Rules.

The Board shall represent the long-term interest of the Company and the interest of shareholders and related parties when making scientific and strategic decisions, be effectively supervised and evaluated when controlling corporate resources and conducting operation management and maintain effective stimulation and supervision over the senior management when duly delegating its power to the senior management. The Company has a Chief Executive Officer, which is mainly accountable to the Board and responsible for managing the daily business operations of our Group. The Board is the core of the Company's corporate governance framework and its role is clearly separated from that of senior management.

The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees, including the Audit Committee, the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**") (collectively, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

The Board of Supervisors is responsible for supervising the performance of duties of our Board and the senior management of our Company and overseeing the financial, internal control and risk conditions of our Company. Under the leadership of the Board, senior management is responsible for implementing the resolutions of the Board and for daily business and management of the Company, and reports to the Board and the Board of Supervisors.

All Directors have carried out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

The Company has arranged appropriate insurance cover in respect of liability arising from legal action against its Directors.

Directors' Responsibilities for Financial Reporting

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period. The management has provided sufficient explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company in order to put forward such information to the Board for approval. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Auditor's Report on pages 85 to 90.

Corporate Governance Report

Board Composition

As at the date of this annual report, the Board comprised eight Directors, including three executive Directors, two non-executive Directors and three independent non-executive Directors as set out below:

Name	Position	Date of Appointment/ Re-election	Duties
Executive Directors			
Mr. Feng Lei (馮雷)	Executive Director and chairman of the Board	June 2023[(1)]	Formulating overall strategic planning and overseeing the business operations of our Group
Mr. Du Bing (杜兵)	Executive Director, Chief executive officer and general manager	June 2023[(2)]	Managing the daily business operations of our Group
Mr. Ye Sheng (葉聖)	Executive Director and chief technology officer	June 2023[(3)]	Developing technology strategies and innovation projects to enhance the quality of the products and services provided by our Group
Non-executive Directors			
Ms. Wang Yao (王瑤)	Non-executive Director	June 2023[(4)]	Supervising the management of our Company and providing professional opinion and judgment to our Board
Mr. Chen Zhijie (陳志傑)	Non-executive Director	June 2023[(5)]	Supervising the management of our Company and providing professional opinion and judgment to our Board
Independent Non-executive Directors			
Mr. Dai Dingyi (戴定一)	Independent non-executive Director	June 2023	Supervising and providing independent judgment to our Board
Mr. Li Dong (李東)	Independent non-executive Director	June 2023	Supervising and providing independent judgment to our Board
Mr. Liu Xiaofeng (劉曉峰)	Independent non-executive Director	June 2023	Supervising and providing independent judgment to our Board

Notes:

(1) Mr. Feng joined our Company as a Director and chairman of the Board in June 2010 and was re-designated as an executive Director of our Company in October 2021, and was further re-elected in June 2023.

(2) Mr. Du joined our Company as a Director in June 2010 and was re-designated as an executive Director of our Company in October 2021, and was further re-elected in June 2023.

(3) Mr. Ye joined our Company as the chief technology officer in July 2010 and was elected as a Director of our Company in September 2021 and was further re-designated as an executive Director in October 2021, and was further re-elected in June 2023.

(4) Ms. Wang joined our Company as the chief financial officer in August 2019 and was elected as an executive Director of our Company in October 2021, and was further re-elected in June 2023. She has been redesignated from her position as an executive Director to a non-executive Director and retired from her position as the chief financial officer of the Company as she reaches the age of retirement and desires to devote more time on personal affairs with effect from August 30, 2024.

(5) Mr. Chen joined our Company as a Director in September 2021 and was re-designated as a non-executive Director of our Company in October 2021, and was further re-elected in June 2023.

The biographies of the Directors are set out in the section headed "Biographies of Directors, Supervisors and Senior Management" of this annual report.

During the Reporting Period, Mr. Fu Da (傅達) ("**Mr. Fu**") joined our Company and has been elected as a non-executive Director on the annual general meeting held on May 29, 2024. Mr Fu has resigned from his position as a non-executive Director of the Company in order to devote more time to his other work and personal commitments and his resignation took effect on March 28, 2025. Mr. Fu, following taking relevant legal advice provided by a firm of solicitors qualified to advise on Hong Kong law on May 20, 2024, confirmed his understanding of his obligations as a director of a listed issuer pursuant to Rule 3.09D of the Listing Rules. Save for Mr. Fu, all other Directors have obtained the legal advice referred to under Rule 3.09D of the Listing Rules on March 3, 2023.

As considered and approved by the Board at the Board meeting held March 28, 2025, Mr. Long Ke (龍科) ("**Mr. Long**") was nominated as a candidate for executive Director, and a proposal in relation to the proposed appointment of Mr. Long as an executive Director will be submitted at the 2024 AGM for consideration by the Shareholders. The biographic details of Mr. Long will be contained in the circular with a notice convening the 2024 AGM to be duly despatched to the Shareholders who wish to receive a printed copy of the corporate communication in accordance with the Listing Rules.

During the Reporting Period and up to the date of this annual report, the Board has met at all times the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

During the Reporting Period and up to the date of this annual report, the Company has also complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive directors representing at least one-third of the Board.

The Company considers all of the independent non-executive Directors to be independent in accordance with the guidelines of assessing independence as set out in Rule 3.13 of the Listing Rules.

Save as disclosed in the biographies of the Directors as set out in the section headed "Biographies of Directors, Supervisors and Senior Management" of this annual report, none of the Directors, Supervisors or senior management has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors, Supervisors or senior management or any chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee. In addition, the balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-caliber individuals. The Board currently consists of three executive Directors, two non-executive Director and three independent non-executive Directors. Therefore, we consider that the Board has a fairly strong independence element in its composition.

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which ensures independent views and inputs are available to the Board and allows the Board to effectively exercise independent judgment to better safeguard Shareholders' interests. The Board will conduct an annual review on its Board Independence Evaluation Mechanism. The Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism for the year ended December 31, 2024 and the results were satisfactory.

As regards the code provision under the CG Code requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

The Board shall review the structure from time to time to ensure that the structure facilitates the execution of the business strategies of the Group and maximizes effectiveness of its operation.

The changes in the Directors, the Supervisors and the senior management of the Company during the year ended December 31, 2024 and up to the date of this annual report are set out below:

(i) Mr. Fu Da (傅達) was appointed as a non-executive Director of the fifth session of the Board with effect from May 29, 2024, and has resigned from his position as a non-executive Director of the Company in order to devote more time to his other work and personal commitments and his resignation took effect on March 28, 2025.

(ii) Ms. Wang Yao (王瑤) has been redesignated from her position as an executive Director to a non-executive Director and retired from her position as the chief financial officer of the Company as she reaches the age of retirement and desires to devote more time on personal affairs with effect from August 30, 2024.

(iii) As considered and approved by the Board at the Board meeting held on March 28, 2025, Mr. Long Ke (龍科) ("**Mr. Long**") was nominated as a candidate for executive Director, and a proposal in relation to the proposed appointment of Mr. Long as an executive Director will be submitted at the 2024 AGM for consideration by the Shareholders. The biographic details of Mr. Long will be contained in the circular with a notice convening the 2024 AGM to be duly despatched to the Shareholders who wish to receive a printed copy of the corporate communication in accordance with the Listing Rules.

Save as disclosed above, there are no changes in Directors, Supervisors and senior management of the Company during the year ended December 31, 2024 up to the date of this annual report.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual, to reinforce their respective independence and accountability. During the Reporting Period, Mr. Feng Lei has been the Chairman of the Board, while Mr. Du Bing being the chief executive officer of our Company and responsible for managing the daily business operations of the Group. Therefore, the division of responsibilities between the chairman and the chief executive has been clearly established.

Independent Non-executive Directors

During the Reporting Period, the Board at all times fulfilled the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing one-third of the board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company is of the view that all independent non-executive Directors are independent in accordance with the guidelines of assessing independence as set out in Rule 3.13 of the Listing Rules.

Board Diversity Policy

To enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to board diversity policy, we seek to achieve board diversity by taking into consideration of various factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service.

Our Directors have a balanced mix of gender, knowledge, skills and experience, including the areas of information technology, telecommunications, computer science and application, logistics, asset management, accounting, and economics. They obtained academic degrees in various majors, including telecommunications engineering, computer science, business management, industrial catalysis and management engineering. The board diversity policy is well implemented as evidenced by the fact that are one female and seven male Directors with experience from different industries and sectors. Furthermore, our Board has a wide range of age, ranging from 42 years old to 77 years old. Our Nomination Committee is responsible for ensuring the diversity of our Board members and compliance with relevant codes governing board diversity under the CG Code contained in Appendix C1 to the Listing Rules. Our Nomination Committee will review the board diversity policy and our diversity profile (including gender balance) from time to time to ensure its continued effectiveness. We will also disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

We are also committed to adopting similar approach to promote diversity, including but not limited to gender diversity, at all other levels of our Company from our Board downwards to enhance the effectiveness of our corporate governance as a whole.

Measurable objectives of the Company are as follows: (1) candidates for appointment as directors will be considered from a wide range of individuals including cultural, educational background, professional and industry experience, skills, experience, knowledge, perspective and other contributions that may complement the current needs of the Board; and (2) to review whether the composition and structure of the Board of Directors are suitable for the Group's overall development strategy every year according to the Group's business operation and development needs, and propose an adjustment implementation plan.

Going forward, the Board aims to increase the proportion of female members over time when selecting and making recommendations on suitable candidates for Board appointments. Our Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices, with the ultimate goal of bringing our Board to gender parity. With a view to developing a pipeline of potential successors to our Board will (i) continue to make appointments based on merits with reference to board diversity as a whole; (ii) take steps to promote gender diversity at all levels of our Company by recruiting staff of different gender; (iii) consider the possibility of nominating female management staff who has the necessary skills and experience to our Board; and (iv) provide career development opportunities and more resources in training female staff with the aim of promoting them to the senior management or board of our Company so that we will have a pipeline of female senior management and potential successors to our Board in a few years' time. Our Directors will exercise fiduciary duties in the process, acting in the best interests of our Company and the Shareholders as a whole when making the relevant appointments.

Our nomination committee is responsible for ensuring diversity within our Board members and will use its best efforts to identify and recommend suitable candidates, including female candidates, for the Board's consideration. We also welcome candidates of different genders to apply for our mid to senior level positions. The ultimate decision of the appointment will be based on merits and the contribution the selected candidates could bring to our Board and management team. Our Board believes that such merit-based selection criteria will best enable our Company to serve our Shareholders and other stakeholders going forward.

At present, the Nomination Committee considered that the Board is sufficiently diverse and will review our board diversity policy and its implementation from time to time to ensure its implementation and monitor its continued effectiveness, and the same will be disclosed in our corporate governance report, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives on an annual basis.

Induction and Continuous Professional Development

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

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

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, all Directors attended training sessions on the respective obligations of the Directors and senior management. In addition, relevant reading materials including legal and regulatory update have been provided to the Directors for their reference and studying. The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors during the Reporting Period is summarized as follows:

Name of Directors	Nature of Continuous Professional Development
Executive Directors:	
Mr. Feng Lei	A/B
Mr. Du Bing	A/B
Mr. Ye Sheng	A/B
Non-executive Directors:	
Ms. Wang Yao (re-designated from an executive Director with effect from August 30, 2024)	A/B
Mr. Fu Da (appointed on May 29, 2024 and resigned on March 28, 2025)	A/B
Mr. Chen Zhijie	A/B
Independent Non-executive Directors:	
Mr. Dai Dingyi	A/B
Mr. Li Dong	A/B
Mr. Liu Xiaofeng	A/B

Notes:

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

Appointment and Re-Election of Directors

Code provision B.2.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Pursuant to Article 96 of the Articles of Association, the Directors shall be elected or replaced at a shareholders' general meeting and the tenure shall be three years. A director may serve consecutive terms if re-elected upon the expiration of his/her term. The tenure of a director shall be from the date of appointment to the expiry of tenure of the current Board of Directors. When the directors' term expires and re-election not be held in time, or where the resignation of a director during his/her term of office causes the number of members of the Board of Directors to be less than the quorum, the original directors shall still perform their duties as directors in accordance with laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and the Articles of Association before the re-elected directors take office.

The non-executive Directors (including independent non-executive Directors) of the Company are appointed for a specific term of three years.

At the annual general meeting held on June 20, 2023, Mr. Feng Lei (馮雷), Mr. Du Bing (杜兵), Mr. Ye Sheng (葉聖) and Ms. Wang Yao (王瑤) were re-elected as executive Directors of the fifth session of the Board, Mr. Liu Junjie (劉俊傑) (resigned on December 29, 2023) and Mr. Chen Zhijie (陳志傑) were re-elected non-executive Directors of the fifth session of the Board and Mr. Dai Dingyi (戴定一), Mr. Li Dong (李東) and Mr. Liu Xiaofeng (劉曉峰) as independent non-executive Directors of the fifth session of the Board.

At the annual general meeting held on May 29, 2024, Mr. Fu Da (傅達) was appointed as a non-executive Director of the fifth session of the Board, and he has resigned from his position as a non-executive Director of the Company in order to devote more time to his other work and personal commitments on March 28, 2025. With effect from August 30, 2024, Ms. Wang Yao (王瑤) has been re-designated from her position as an executive Director to a non-executive Director of the Company.

As considered and approved by the Board at the Board meeting held on March 28, 2025, Mr. Long Ke (龍科) ("**Mr. Long**") was nominated as a candidate for executive Director, and a proposal in relation to the proposed appointment of Mr. Long as an executive Director will be submitted at the 2024 AGM for consideration by the Shareholders. The biographic details of Mr. Long will be contained in the circular with a notice convening the 2024 AGM to be duly despatched to the Shareholders who wish to receive a printed copy of the corporate communication in accordance with the Listing Rules.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, and for making recommendations to the Board on the appointment, re-appointment of Directors and succession plans for the Directors.

Board Meetings and General Meetings

The Company has adopted the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices and documents of meeting shall be served to all Directors at least fourteen (14) days prior to the date of meeting (excluding the date of the meeting). The board of directors shall make arrangements to ensure that all Directors are given an opportunity to put matters for discussion on the agenda of regular meetings of the Board. The Board shall keep minutes of resolutions passed at board meetings. The minutes shall be signed by the Directors present at the meeting. The Directors shall be responsible for the resolutions of the Board, and the Shareholders have the right to inspect the Board resolution.

Corporate Governance Report

There are two types of Shareholders' general meetings: annual general meetings and extraordinary general meetings. A Shareholders' general meeting shall be convened by the Board of Directors. The annual general meeting shall be convened once a year, and be held within 6 months after the end of the previous accounting year. The convener shall inform each Shareholder of the time, venue and matters to be considered at the meeting 20 working days before the annual Shareholders' general meeting, and shall inform each Shareholder the extraordinary general meeting 15 days or 10 working days (whichever is longer) before the meeting.

At Board meetings, the senior management of the Company shall report the information regarding business activities and development of the Company to all Directors on a timely basis. The executive Directors shall also often communicate with the non-executive Directors for their opinions on the Company's business development and operations. If any Director has conflict of interests in any proposed resolution to be considered at the Board meeting, such Director shall abstain from voting on such resolution.

During the Reporting Period, 4 Board meetings and one annual general meeting were held and the attendance records of Board meetings and annual general meeting are set out below:

Name of Directors	**Attendance No. of**	
	Board meeting(s) held	**Annual general meeting**
Executive Directors:		
Mr. Feng Lei	4/4	1/1
Mr. Du Bing	4/4	1/1
Mr. Ye Sheng	4/4	1/1
Non-executive Directors:		
Ms. Wang Yao *(re-designated from an executive Director on August 30, 2024)*	4/4	1/1
Mr. Fu Da *(appointed on May 29, 2024 and resigned on March 28, 2025)*	3/3	1/1
Mr. Chen Zhijie	4/4	1/1
Independent non-executive Directors:		
Mr. Dai Dingyi	4/4	1/1
Mr. Li Dong	4/4	1/1
Mr. Liu Xiaofeng	4/4	1/1

Corporate Governance Function

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

During the year ended December 31, 2024, the Board confirms that it has:

(a) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;

(b) reviewed and monitored the training and continuous professional development of the Directors and senior management;

(c) reviewed the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on matters;

(d) to develop, review and monitor the code of conduct and compliance manual applicable to the Group's employees and directors; and

(e) reviewed the Company's compliance with the CG Code and disclosures in the Corporate Governance Report.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee. All Board Committees are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of each of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2 of this annual report.

Audit Committee

The Company has established an Audit Committee with written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. The Audit Committee comprises three members, namely Mr. Li Dong (李東), Mr. Liu Xiaofeng (劉曉峰) and Mr. Dai Dingyi (戴定一), all being independent non-executive Directors. The Audit Committee is chaired by Mr. Li Dong (李東).

The primary duties of the Audit Committee are (i) to make recommendations to the Board on the appointment, reappointment, renewal or replacement, dismissal or removal of the external auditor and to review and approve the remuneration and terms of engagement of the external auditor; (ii) to review and monitor the integrity of the Company's financial statements, annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements set out therein; (iii) to review the Company's financial supervisions and controls, risk management and internal control systems; and (iv) to review the Group's financial and accounting policies and practices. The written terms of reference of Audit Committee are available on the websites of the Stock Exchange and the Company.

For the year ended December 31, 2024, the Audit Committee held 2 meetings and has reviewed the Company's audited consolidated results for the year ended December 31, 2023 and the unaudited consolidated results for the six months ended June 30, 2024, and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also reviewed and discussed the risk management and internal control measures and systems of the Company, the effectiveness of the Company's internal audit function, financial reporting and the appointment of the Auditor, including selecting and assessing the independence and qualifications of the Auditor, and ensuring effective communication between the Directors and Auditor. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the Auditor.

For the year ended December 31, 2024, the attendance records for the Audit Committee meetings are set out below:

Name of Directors	Attendance/ No. of Meetings held
Mr. Li Dong	2/2
Mr. Dai Dingyi	2/2
Mr. Liu Xiaofeng	2/2

Nomination Committee

The Nomination Committee was established by our Company with written terms of reference in compliance with the CG Code as set out in Appendix C1 to the Listing Rules. The Nomination Committee currently comprises five members, including one executive Director, namely, Mr. Feng Lei (馮雷), one non-executive Director, namely Ms. Wang Yao (王瑤),and three independent non-executive Directors, namely, Mr. Dai Dingyi (戴定一), Mr. Liu Xiaofeng (劉曉峰) and Mr. Li Dong (李東). The Nomination Committee is chaired by Mr. Dai Dingyi (戴定一).

The primary duties of the Nomination Committee are (i) to review the structure, size and composition of our Board on regular basis, (ii) to identify and recommend to our Board suitable and qualified candidates of directors and senior management members, and consider removal of directors and senior management members of our Company on regular basis and (iii) assess the independence of independent non-executive Directors. Our Nomination Committee is responsible for ensuring the diversity of our Board members and compliance with relevant codes governing board diversity under the CG Code. Our Nomination Committee will review the Board Diversity Policy and our diversity profile (including gender balance) from time to time to ensure its continued effectiveness. For details of our Board Diversity Policy please refer to the paragraph named "The Board — Board Diversity Policy" in this Corporate Governance Report.

In overseeing the conduct of the annual review and assessing the composition and effectiveness of the Board, the Nomination Committee considers the benefits of all aspects of diversity, including without limitation, those described above, in order to maintain an appropriate range and balance of talents, skills, experience and diversity of perspectives on the Board. Factors to be taken into account include: gender, age, ethnicity, cultural and educational background, professional skills, experience, independence and knowledge. Due regard is to be given to the business model and specific needs of the Company.

In recommending candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board and the factors as described above. The recommendations of the Nomination Committee will then be submitted to the Board for decision. The written terms of reference of Nomination Committee are available on the websites of the Stock Exchange and the Company.

Nomination Policy

The Company has adopted a nomination policy which sets out the selection criteria and procedures for nomination and appointment of Directors and senior management and considerations for succession plan of the Board, with an aim of ensuring the balance of skills, experience, knowledge and diverse perspectives of the Board to satisfy the requirements of the Company's business.

The Director nomination policy contains several factors to assess the suitability of proposed candidates and their potential contribution to the Board, including but not limited to (i) reputation for character and integrity; (ii) in compliance with the qualification stipulated in the Company Law of the PRC and the Listing Rules; (iii) commitment for responsibilities of the Board in respect of available time and relevant interest; (iv) diversity in the aspects, including but not limited to, of gender, age, cultural and educational background, professional experience, skills, knowledge and length of service; and (v) potential contributions that the candidate can bring to the Board.

The Board has adopted a board diversity policy which sets out the basic principles to be followed to ensure that the Board has an appropriate balance of required skills, experience and diversity of perspectives to enhance the effective operation of the Board and maintain a high level of corporate governance. The Nomination Committee shall review this policy and measurable objectives at least annually when appropriate to ensure the continued and effective operation of the Board.

Nomination Procedures

The Company has also adopted procedures for nomination and election of Directors. The policy sets out the criteria and procedures for selection and performance evaluation and provides guidance to the Board on the nomination and appointment of Directors. The Board believes that a clear selection process facilitates corporate governance, ensures the continuity of Board, maintains the leadership of Board, and enhances the efficiency and diversity of the Board.

The Nomination Committee can nominate candidates for Directors. When evaluating the suitability of recommended candidates and their potential contributions to the Board, the Nomination Committee may refer to certain selection criteria such as integrity, professional qualifications and skills, achievements and experience in the Internet and technology fields, commitment and related contributions. The Nomination Committee shall report the evaluation results to the Board on the appointment of suitable Director candidates and provide relevant recommendations for the Board to make decisions and formulate a general election plan. The Board shall bear the ultimate responsibility for the selection and appointment of Directors.

For the year ended December 31, 2024, the Nomination Committee held 2 meetings, during which the Nomination Committee has assessed the independence of independent non-executive Directors and reviewed the structure, number, composition and diversity of the Board. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained and has not set any measurable objective implementing the Board diversity policy.

For the year ended December 31, 2024, the attendance records for the Nomination Committee meetings are set out below:

Name of Directors	Attendance/ No. of Meetings held
Mr. Feng Lei	2/2
Mr. Dai Dingyi	2/2
Mr. Liu Xiaofeng	2/2
Mr. Li Dong *(appointed on March 28, 2025)*	N/A
Ms. Wang Yao *(appointed on March 28, 2025)*	N/A

Remuneration Committee

The Company has established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. As at the date of this annual report, the Remuneration Committee currently comprises three members, including one executive Director, namely Mr. Du Bing (杜兵). and two independent non-executive Directors, namely, Mr. Liu Xiaofeng (劉曉峰), Mr. Li Dong (李東). The Remuneration Committee is chaired by Mr. Liu Xiaofeng (劉曉峰).

The primary duties of the Remuneration Committee are (i) to make recommendations to the Board on the Company's policy and structure for all directors and senior management members' remuneration; (ii) to be responsible for preparing remuneration packages for directors including non-executive directors and senior management members of the Company and to make recommendations to the Board on such remuneration packages; (iii) to review the performance of directors and senior management members and to conduct performance appraisals for them and (iv) to ensure that no director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration. The remuneration of all our Directors and senior management is subject to regular monitoring by our Remuneration Committee to ensure that levels of their remuneration and compensation are appropriate. The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

For the year ended December 31, 2024, the Remuneration Committee held 1 meeting, during which the Remuneration Committee has reviewed and determined the remuneration policy and structure of the Company, assessed performance of the executive Directors and the senior management of the Company, approved the terms of service contracts of the executive Directors and senior management of the Company as well as the remuneration packages of Directors and senior management and other related matters of the Company.

For the year ended December 31, 2024, the attendance records for the Remuneration Committee meeting are set out below:

Name of Directors	Attendance/ No. of Meetings held
Mr. Du Bing	1/1
Mr. Li Dong	1/1
Mr. Liu Xiaofeng	1/1

Remuneration of Senior Management

Details of the remuneration by band of the senior management of the Company, whose biographies are set out in the section headed "Biographies of Directors, Supervisors and Senior Management" of this annual report, for the year ended December 31, 2024, are set out below:

Remuneration range (RMB)	Number of individuals
Nil to RMB1,000,000	–
RMB1,000,001 to RMB2,000,000	2
RMB2,000,001 to RMB3,000,000	1
RMB3,000,001 to RMB4,000,000	–
RMB4,000,001 to RMB5,000,000	–
RMB5,000,001 to RMB6,000,000	–
RMB6,000,001 to RMB7,000,000	–
RMB7,000,001 to RMB8,000,000	–

Further details of the remuneration of the Directors and the 5 highest paid employees required to be disclosed under Appendix D2 of the Listing Rules have been set out in notes 8 and 9 to the consolidated financial statements in this annual report.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2024 and to the date of this annual report which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company has provided all members of the Board with monthly updates on the Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. The Directors have prepared the accounts on a going concern basis.

The external Auditor's statement about reporting responsibility is set out on pages 85 to 90 of this annual report.

BOARD OF SUPERVISORS

Composition of Board of Supervisors

Name of Supervisor	Position(s)	Date of Appointment/ Re-election	Roles and responsibilities
Ms. Liang Xiaojia (梁曉佳)	Supervisor and employee representative supervisor	March 2023	Supervising the performance of duties of Directors and senior management of our Company
Mr. Fan Hua (樊驊)	Supervisor and chairman of the board of supervisors	June 2023	Supervising the performance of duties of Directors and senior management of our Company
Mr. Wang Yang (汪洋)	Supervisor	June 2023	Supervising the performance of duties of Directors and senior management of our Company

The biographies of the Supervisors are set out in the section headed "Biographies of Directors, Supervisors and Senior Management" of this annual report.

During the Reporting Period, all members of the Board of Supervisors have complied with the principle of integrity and earnestly performed their supervisory duties in accordance with the relevant regulations set out in the PRC Company Law, the Articles of Association and Rules of Procedures for the Board of Supervisors of the Company to protect the interests of the Shareholders and the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Company is devoted to establishing and maintaining risk management and internal control systems including policies and procedures that it considers to be appropriate for its business operations, and it is dedicated to continuously improving these systems.

The Audit Committee assists the Board in leading the reviewing of the Company's financial supervisions and controls, risk management and internal control systems. This review formally takes place at each Audit Committee meeting, one of which includes an annual review on the effectiveness of the risk management and internal control systems.

We have designated responsible personnel in our Company to monitor the risk management and internal control performance of our Company. In addition, we have adopted a set of internal rules, policies and procedures governing the conduct of our employees to ensure effective risk management and internal control. We are dedicated to continually improving these rules, policies and procedures. Such rules, policies and procedures cover various aspects of our business operations, such as human resources, information technology and financial reporting.

Risk Management

Our risk management mainly includes the following three areas:

- **Human Resource Risk Management**

  We provide training tailored to our human resource management policies, and the needs of our employees in different departments. We from time to time organize training session for our employees covering various aspects of our business operations and compliance issues, such as anti-bribery and anti-corruption. Through these training sessions, we strive to ensure that our employee's knowledge level of our internal policies remain up-to-date, and to enable them to better comply with applicable laws and regulations in the course of exploring business. We have in place an employee handbook and a code of conduct which is distributed to all our employees, covering topics such as work ethics, fraud prevention, negligence prevention and anti-corruption policies, among others. We emphasize the importance of integrity in business conduct through various training mechanisms, and require our employees to observe our anti-corruption and anti-bribery policies throughout our business operations.

- **Information Technology Risk Management**

  Sufficient maintenance and protection of our information technology infrastructure, as well as the user data and other information we collect in the course of our business, is critical to our operations. We have implemented a number of IT risk management measures throughout our system, such as data back-up, recovery and emergency response mechanisms. We have put in place a series of back-up management procedures. We perform data recovery tests on a regular basis and we retain relevant records. We have an emergency response mechanism to evaluate critical risks, formulate disaster response plans and perform emergency drills regularly. We take extra precaution regarding the usage, storage and protection of user data we collect. In addition, we have formed partnerships with key information technology and internet players to jointly enhance business performance in workplace collaboration and cybersecurity.

  Our information technology department, consists of experience professionals in information technology, is responsible for the maintenance and protection of our information technology infrastructure, and for ensuring that our usage, storage and protection of user data are in compliance with our internal rules and applicable laws and regulations. They also work closely with our human resources team to provide information security trainings to our employees from time to time.

- **Financial Reporting Risk Management**

  We have in place various accounting policies in connection with our financial reporting risk management. We have also installed our financial reporting management system, which can monitor the our financial reporting and recording procedures, to safeguard the implementation of our accounting policies. We also provide regular trainings to our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our operations.

In conducting risk assessments, the Company comprehensively utilized a combination of qualitative and quantitative methods to analyse the possibility of risk occurrence and the impact on the achievement of objectives, and finally prioritized the risks according to their significance.

Establishment of the Internal Control System

The Board has established the internal control system, monitored and reviewed on an annual basis in compliance with paragraph D.2 of the CG Code. Such system is designed to manage rather to eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Our Directors are responsible for formulating and overseeing the implementation of our internal control measures and the effectiveness of our internal control system. The Audit Committee is delegated to monitor the implementation of the risk management policies and internal control system across the Company on an ongoing basis in order to ensure that the internal control system is effective in identifying, managing and mitigating risks in its business operations.

Main Features of the Internal Control System and Process Used to Review the Effectiveness of the Internal Control System and Rectify Defects

Below is a summary of the internal control policies, measures and procedures our Company has implemented:

- The Board has delegated the Audit Committee chaired by Mr. Li Dong, with the responsibility to review and supervise the financial reporting process and internal control system of the Company on an on-going basis and to review the effectiveness of the systems annually in compliance with paragraph D.2 of the CG Code. The review covers all material controls, including financial, operational and compliance controls. The duties of the Audit Committee shall include but not limited to: (i) assisting the Board in reviewing the financial information and reporting process of the Company; (ii) monitoring and reviewing risk management and internal control systems of the Company through the internal audit department; (iii) reviewing the effectiveness of the internal audit function of the Company; (iv) reviewing the scope of audit and appointment of external auditor of the Company; and (v) supervising internal investigation and reviewing the arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

- The Company has adopted various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure.

- The Company has adopted various measures regarding conflict of interests in our operations, which enable us to identify, monitor and review transactions with potential conflict of interests, and to take corresponding actions.

- The Company has provided and will continue to provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against non-compliance in employee handbooks.

- The Company has engaged Guotai Junan Capital Limited as its compliance adviser to provide advice to its Directors and management team until the end of the first fiscal year after the Listing regarding matters relating to the Listing Rules. The Company's compliance adviser is expected to ensure the use of funding complies with the disclosure in the Prospectus, as well as to provide support and advice regarding requirements of relevant regulatory authorities in a timely fashion.

- The Company will also consult its PRC legal advisor on a regular basis for advice on relevant PRC laws and regulations to increase compliance awareness and to keep it abreast of relevant regulatory developments.

- Under the Company's risk management and internal control structure, the management is responsible for the design, implementation and maintenance of risk management and internal control systems to ensure, amongst others, (i) appropriate policies and control procedures have been designed and established to safeguard the Company's assets against improper use or disposal; (ii) relevant laws, rules and regulations are adhered to and complied with; and (iii) that reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements. During the Reporting Period, major works performed by the management in relation to risk management and internal control included the following:

  — each major operation unit or department was responsible for daily risk management activities, including identifying major risks that may impact on the Company's performance; assessing and evaluating the identified risks according their likely impacts and the likelihood of occurrence; formulating and implementing measures, controls and response plans to manage and mitigate such risks;

  — the management, together with the controller's department, monitored and reviewed the risk management and internal control systems on an ongoing basis and reported to the Audit Committee regarding the status of the systems;

  — the management periodically followed up and reviewed the implementation of the measures, controls and response plans to major risks identified in order to make sure that sufficient attention, monitor and responses were paid to all major risks identified;

  — the management reviewed the risk management and internal control systems periodically to identify process and control deficiencies, and designed and implemented corrective actions to address such deficiencies; and

  — the management ensured appropriate procedures and measures such as safeguarding assets against unauthorized use or disposition, controlling capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publications, etc. were in place.

Procedures and Internal Controls for Processing and Releasing Inside Information

With approval from the Board and pursuant to the requirements of domestic and foreign laws and regulations, Listing Rules and Articles of Association as well as the practical conditions of our Company, our Company has formulated a policy on information disclosure management to determine the division of duties and responsibilities on information disclosure, the procedures for processing and releasing inside information and other information required to be disclosed. Pursuant to this system, our Company must, as soon as any inside information comes to its knowledge or a false market may be established, disclose the information to the public to the reasonable and practicable extent.

During the Reporting Period and up to the date of this annual report, our Company has truthfully, accurately, legally and timely disclosed information in strict compliance with the requirements of domestic and foreign laws and regulations, the Listing Rules, the Articles of Association and the policy on information disclosure management of our Company without any false statements, misleading statements or material omissions, to ensure investors will be able to receive the disclosed information fairly, timely and effectively.

Anti-corruption and Whistleblowing Policy

The Company has adopted anti-corruption and whistleblowing policies to facilitate employees and other stakeholders to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. The Audit Committee of the Company shall review such policies regularly and ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

Effectiveness of Risk Management and Internal Control

For the year ended December 31, 2024 and up to the date of this annual report, the Board was not aware of any material defect in internal control of the Group. The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group for once for the year ended December 31, 2024 and up to the date of this annual report, and considered the risk management and internal control systems to be effective and adequate and the Group has established an effective risk management and internal control system, which achieves our objectives of risk management and internal control and is free of material defect and significant defect. The review has been discussed by the Company's management and evaluated by the Audit Committee.

DIVIDEND POLICY

Our Board may declare dividends in the future after taking into account various factors including our future earnings and cash inflows, future plan for use of funds, long-term development of our business and other legal and regulatory restrictions.

The Company is a joint stock limited company incorporated under the laws of the People's Republic of China. The payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year determined according to PRC accounting principles. PRC laws also require foreign invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves until the aggregate amount of such reserves reach 50% of its registered capital, which are not available for distribution as cash dividends.

AUDITOR'S REMUNERATION

The remuneration for the audit services provided by external auditors of the Company, for the year ended December 31, 2024 amounted to approximately RMB1.9 million.

During the Reporting Period, there were no non-audit services provided by the external auditors of the Company.

JOINT COMPANY SECRETARIES

Mr. Long Ke (龍科), has been as one of our joint company secretaries since October 2021, who is responsible for advising the Board on corporate governance matters and ensuring that the Board's policies and procedures, as well as the applicable laws, rules and regulations are followed. Mr. Long is also the vice president of our Company and the secretary of our Board. Please see the paragraph headed "Senior Management — Mr. Long Ke" in the section headed "Biographies of Directors, Supervisors and Senior Management" for his biography.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company engaged Ms. Yuen Wing Yan, Winnie (袁穎欣), a director of the corporate services division of Tricor Services Limited as the other joint company secretary to assist Mr. Long. Ms. Yuen is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures and applicable laws, rules and regulations are followed. Mr. Long has also been designated as the primary contact person at the Company who would work and communicate with Ms. Yuen on the Company's corporate governance and secretarial and administrative matters.

Mr. Long and Ms. Yuen have confirmed that they received no less than 15 hours of relevant professional training during the year ended December 31, 2024 and therefore complied with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Company's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The annual general meetings provide opportunity for the Shareholders to communicate directly with the Directors. The Chairman of the Company and the chairmen of the Board Committees of the Company will attend the annual general meetings to answer Shareholders' questions.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at www.logory.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

The Company's management regularly reviewed the implementation and effectiveness of these shareholder communication channels and confirmed their effectiveness for the year ended December 31, 2024.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Pursuant to article 59 of the Articles of Association, the Company shall convene an extraordinary general meeting within two months from the date of occurrence of, inter alia, (i) at the request of Shareholders who individually or collectively hold more than 10% of the Company's shares by written requisition(s), (ii) the Board deems it necessary to convene the meeting, (iii) the Board of Supervisors proposes to convene the meeting and (iv) two or more independent non-executive Directors propose to convene the meeting. However, prior to the announcement of the resolutions approved at the general meeting, the number of the Company's shares individually or jointly held by the above shareholders shall not be lower than 10% of the total number of the Company's shares with voting rights; should the shareholding is less than 10%, resolutions passed at the extraordinary general meeting shall be null and void.

Pursuant to Article 80 of the Articles of Association, the Board shall convene the extraordinary general meeting as soon as possible after receipt of the written requisition(s). Where the Board fails to issue a notice to convene the meeting within 30 days after receiving the aforesaid written requisitions, the Shareholders who made the written requisition may request the Board of Supervisors to convene an extraordinary general meeting.

Pursuant to Article 61 of the Articles of Association, when the Company convenes a shareholders' general meeting, the shareholders who individually or jointly, hold more than 3% of the total number of voting shares of the Company, have the right to put forward a new proposal to the Company and submit it to the convener not less than 10 days before the shareholders' general meeting is held. The convener of the shareholders' general meeting shall, within 2 days after receiving the proposal, issue a supplementary notice of the shareholders' general meeting to inform other shareholders and include the matters which are within the scope of responsibilities of the shareholders' general meeting in the agenda of the meeting and submitted to the shareholders' general meeting for deliberation.

The convener shall inform each Shareholder of the time, venue and matters to be considered at the meeting 15 days or 10 working days (whichever is longer) before extraordinary general meeting.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Enquiries to the Board and Contact Details

For enquiries about shareholdings, share registration and related matters, Shareholders shall direct their enquiries to the Company's Hong Kong branch share registrar and the contact details are set out as follows:

Tricor Investor Services Limited

Address	:	17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Email	:	is-enquiries@vistra.com
Telephone	:	(852) 2980 1333
Fax	:	(852) 2810 8185

For any other enquiries to be brought to the attention of the Board, Shareholders shall send their written enquiries to the Company either via mail to the Company's principal office in Hong Kong or the registered office or via email, attention to the joint company secretary. The contact details of the Company are set out as follows:

Registered office in the PRC	:	No. 2700 Chuangxin Avenue, High-tech District, Hefei, Anhui Province, China
Principal place of business in Hong Kong	:	Room 1922, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
Email	:	ir@logory.com

For the avoidance of doubt, Shareholder(s) must deposit and send the duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law. The Company will not normally deal with verbal or anonymous enquiries.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company has adopted the Articles of Association on October 28, 2021, which has been effective from the Listing Date. In view of the expansion of business scope of the Company, amendments have been made to the Company's Articles of Association (for details please refer to the Company's circular dated May 18, 2023), and were duly passed at the annual general meeting held on June 20, 2023.

As considered and approved at the meeting of the Board held on August 30, 2024, the Board proposed to, among other things, make certain amendments (the "**Proposed Amendments**") to the existing Articles of Association in accordance with relevant changes in the laws, rules and regulations in the PRC and the Listing Rules, as well as taking into account the actual conditions of the Company. The Proposed Amendments and adoption of a new Articles of Association would be subject to the approval of the Shareholders by way of special resolution at a general meeting, and prior to the passing of such special resolution at a general meeting, the existing Articles of Association shall remain valid. A full version of the Proposed Amendments will be set out in the circular to be despatched to the Shareholders (if requested).

The latest version of the Articles of Association is available on the Company's website and the Stock Exchange's website.

DIVERSITY

The Company is committed to promote diversity in our Company to the extent practicable by taking into consideration a number of factors in respect of our corporate governance structure. The Company seeks to achieve board diversity and workforce diversity through the consideration of a number of factors, including but not limited to gender, age, language, cultural background, educational background, industry experience and professional experience.

We have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. The Board Diversity Policy is well implemented as evidenced by the fact that there are one female and seven male Directors with experience from different industries and sectors. For more details, please refer to the section headed "Corporate Governance Report — Board of Directors — Board Diversity Policy" in this annual report. In 2024, we hired 868 full-time employees, of which 466 were male and 402 were female. As at December 31, 2024, the gender ratio in the workforce (including senior management) was approximately 53.69% males to 46.31% female. The Board considers that the current gender ratio reflects a gender balance in our employee structure. Going forward, the Company will continue to monitor and evaluate the diversity policy and adopt measurable objectives from time to time to ensure continued effectiveness and the Company's diversity policy and the gender balance in our employee structure. The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is committed to ensuring the recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates will be considered. The Company will also continue to create favorable conditions in our working environment to attract more women to join the Group and maintain or increase the proportion of female employees (including senior management) in the future.

Independent Auditor's Report

Ernst & Young
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To the shareholders of Logory Logistics Technology Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Logory Logistics Technology Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 91 to 162, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition of digital freight services	
During the year ended 31 December 2024, the Group generated revenue mainly from the digital freight business amounting to RMB7,519 million. We identified revenue recognition of digital freight services as a key audit matter because (i) revenue was one of the Group's key performance indicators and the inherent risk of misstatement in revenue recognition was high; (ii) there was a huge volume of revenue transactions generated from two forms of services through our digital freight business, namely freight transportation services and freight platform services and their revenue recognition was highly dependent on IT system. The Group's accounting policies are disclosed in note 2.4 and note 3 and details of the Group's revenue are disclosed in note 5 to the consolidated financial statements.	We performed the following procedures to address this key audit matter, including: (i) Evaluating the design, implementation, and effectiveness of key internal controls including IT-related controls over the revenue recognition and disclosure; (ii) Understanding the business model of freight transportation services and freight platform services, reviewing contract terms of the service agreements between truckers and shippers on a sample basis, and assessing the accounting policy for revenue recognition of freight transportation services and freight platform services adopted by the Group to be consistent with the accounting standards; (iii) Performing tests of details on revenue amounts, on a sample basis, by examining the supporting documents, including contracts, transaction records in the IT system, GPS tracking records, cash receipts and invoices; (iv) Performing confirmation procedures on a sample basis for transactions and balances; (v) Involving data analytical specialists to perform transaction data analytical procedures by assessing and analysing the transaction data generated from the Group's information system regarding the digital freight business; (vi) Performing analytical review procedures on the fluctuation of the revenue and gross profit margin of freight transportation services and freight platform services; and (vii) Reviewing the adequacy and reasonableness of disclosures related to revenue recognition.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

Recognition of government grants for digital freight business

During the year ended 31 December 2024, the Group was granted a substantial amount of government grants from local financial bureaus related to the digital freight business, which amounted to RMB1,727 million. Specific conditions were generally attached to the government grants including the achievement of income target, financial contribution target and other obligations.

Management evaluated, on a periodic basis, whether the Group could comply with the relevant conditions attached to the government grants and whether reasonable assurance that the government grants would be received had been obtained, in order to determine the timing and amounts of government grants to be recognised.

We identified the recognition of government grants for the digital freight business as a key audit matter because the amount of government grants was material to the consolidated financial statements and the exercise of significant management judgement was required in assessing whether the conditions attached to the government grants could be met, and whether there was reasonable assurance that the government grants would be received.

The Group’s accounting policies are disclosed in note 2.4 and note 3 and details of the government grants relating to digital freight business are disclosed in note 5 and note 6 to the consolidated financial statements.

How our audit addressed the key audit matter

We performed the following procedures to address this key audit matter, including:

(i) Evaluating the design, implementation, and effectiveness of key internal controls over the recognition and disclosure of government grants;

(ii) Inspecting, on a sample basis, documentation relating to the government grants obtained from local financial bureaus and identifying the specific conditions attached to the respective government grants;

(iii) Understanding the basis of management’s judgement about whether the conditions attached to the government grants could be met and whether reasonable assurance that the government grants would be received had been obtained, and evaluating, on a sample basis, management’s judgement by examining the terms of the underlying documentation and by examining the information used by management to form such judgements, which included analyses of relevant operational and financial data;

(iv) Performing tests of details on government grants amounts, on a sample basis, by recalculating the accrued government grants according to the terms of the underlying documentation;

(v) Inspecting cash receipts from local financial bureaus on a sample basis, for the government grants which were received during the year or subsequently; and

(vi) Reviewing the adequacy and reasonableness of disclosures related to government grants.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements, that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cheung Bing Yin Benny.

Ernst & Young
Certified Public Accountants
Hong Kong
28 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	**7,541,926**	5,616,216
Cost of revenue	6	**(7,143,977)**	(5,302,952)
GROSS PROFIT		**397,949**	313,264
Other income and gains	5	**42,783**	31,729
Selling and marketing expenses	6	**(88,337)**	(125,388)
Administrative expenses	6	**(104,471)**	(94,956)
Research and development expenses	6	**(85,617)**	(79,909)
Impairment of financial and contract assets, net	6	**(22,702)**	(12,283)
Other expenses	6	**(59,512)**	(60,929)
Finance costs	7	**(12,279)**	(2,451)
Share of losses of associates		**(553)**	(1,382)
PROFIT/(LOSS) BEFORE TAX		**67,261**	(32,305)
Income tax (expense)/credit	10	**(22,771)**	2,682
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**44,490**	(29,623)
Attributable to:			
owners of the parent		**50,034**	(29,564)
non-controlling interests		**(5,544)**	(59)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	12	**0.04**	(0.02)

Consolidated Statement of Financial Position

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**54,863**	58,963
Right-of-use assets	14	**25,551**	32,302
Intangible assets	15	**1,782**	1,783
Investments in associates	16	**11,842**	4,395
Prepayments, other receivables and other assets	19	**9,234**	3,275
Deferred tax assets	27	**14,417**	27,587
Total non-current assets		**117,689**	128,305
CURRENT ASSETS			
Inventories		**365**	3,839
Trade and notes receivables	17	**177,495**	142,803
Contract assets	18	**9,928**	6,583
Prepayments, other receivables and other assets	19	**1,578,855**	1,629,731
Financial assets at fair value through profit or loss ("FVTPL")	20	**289,115**	20,000
Derivative financial instruments	21	**3,775**	–
Restricted bank deposits	22	**3,307**	1,640
Cash and cash equivalents	22	**547,241**	517,861
Total current assets		**2,610,081**	2,322,457
CURRENT LIABILITIES			
Trade payables	23	**172,087**	155,267
Other payables and accruals	24	**1,511,707**	1,464,746
Contract liabilities	25	**8,760**	12,814
Interest-bearing bank and other borrowings	26	**290,651**	120,000
Lease liabilities	14	**9,521**	5,619
Tax payable		**13,794**	18,115
Total current liabilities		**2,006,520**	1,776,561
NET CURRENT ASSETS		**603,561**	545,896
TOTAL ASSETS LESS CURRENT LIABILITIES		**721,250**	674,201
NON-CURRENT LIABILITIES			
Lease liabilities	14	**14,927**	21,572
Deferred tax liabilities	27	**36**	23
Total non-current liabilities		**14,963**	21,595
NET ASSETS		**706,287**	652,606

Consolidated Statement of Financial Position

31 December 2024

	Notes	**2024** **RMB'000**	2023 RMB'000
EQUITY			
Equity attributable to owners of the parent			
Share capital	28	**87,117**	87,117
Reserves	30	**624,773**	565,548
		711,890	652,665
Non-controlling interests		**(5,603)**	(59)
TOTAL EQUITY		**706,287**	652,606

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 28 March, 2025 and were signed on its behalf by:

Executive Director: Feng Lei

Executive Director: Du Bing

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

	Attributable to owners of the parent								
	Share capital RMB'000 Note 28	Capital reserve RMB'000 Note 30	Share-based payments reserve RMB'000 Note 29	Statutory surplus reserve RMB'000 Note 30	Other reserve RMB'000 Note 30	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	87,117	587,169	162,193	625	(8,288)	(176,151)	652,665	(59)	652,606
Total comprehensive income for the year	–	–	–	–	–	50,034	50,034	(5,544)	44,490
Equity-settled share-based payments	–	–	9,191	–	–	–	9,191	–	9,191
Vested restricted shares	–	84,561	(84,561)	–	–	–	–	–	–
At 31 December 2024	87,117	671,730	86,823	625	(8,288)	(126,117)	711,890	(5,603)	706,287

Year ended 31 December 2023

	Attributable to owners of the parent									
	Share capital RMB'000 Note 28	Capital reserve RMB'000 Note 30	Special reserve RMB'000	Share-based payments reserve RMB'000 Note 29	Statutory surplus reserve RMB'000 Note 30	Other reserve RMB'000 Note 30	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023	84,417	489,105	1,725	135,221	625	(8,288)	(148,312)	554,493	–	554,493
Issuance of shares upon listing on the Hong Kong Stock Exchange	2,700	98,064	–	–	–	–	–	100,764	–	100,764
Total comprehensive income for the year	–	–	–	–	–	–	(29,564)	(29,564)	(59)	(29,623)
Equity-settled share-based payments	–	–	–	26,972	–	–	–	26,972	–	26,972
Special reserve										
Appropriation of special reserve	–	–	7,704	–	–	–	(7,704)	–	–	–
Amount utilised in the year	–	–	(9,429)	–	–	–	9,429	–	–	–
At 31 December 2023	87,117	587,169	–	162,193	625	(8,288)	(176,151)	652,665	(59)	652,606

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**67,261**	(32,305)
Adjustments for:			
Finance costs	7	**12,279**	2,451
Interest income	5	**(7,512)**	(8,138)
Investment income arising from financial investments		**(2,495)**	(968)
Share of losses of associates		**553**	1,382
Equity-settled share-based payments expenses		**9,191**	26,972
Fair value gains, net:			
Financial asset at fair value through profit or loss		**(3,775)**	–
(Gain)/loss on disposal of items of property, plant and equipment, net	6	**(30)**	261
Gain on revision of lease terms		**–**	(24)
Depreciation of property, plant and equipment	6	**5,730**	9,057
Depreciation of right-of-use assets	6	**9,766**	3,115
Amortisation of intangible assets	6	**585**	440
Impairment of financial and contract assets, net	6	**22,702**	12,283
Impairment of associates		**–**	3,619
Impairment of inventories	6	**41**	–
Decrease/(increase) in inventories		**3,433**	(1,426)
Increase in trade and notes receivables		**(34,049)**	(18,712)
Increase in contract assets		**(3,322)**	(208)
Decrease/(increase) in prepayments, other receivables and other assets		**14,334**	(273,644)
(Increase)/decrease in restricted bank deposits		**(1,667)**	2,423
Increase in trade payables		**16,820**	46,572
Increase/(decrease) in other payables and accruals		**47,046**	(22,171)
(Decrease)/increase in contract liabilities		**(4,054)**	439
Cash generated from/(used in) operations		**152,837**	(248,582)
Interest received		**7,512**	8,138
Income tax paid		**(6,694)**	(5,149)
Net cash flows generated from/(used in) operating activities		**153,655**	(245,593)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(1,721)**	(3,372)
Purchase of intangible assets		**(584)**	(503)
Investments in associates		**(8,000)**	–
Purchase of FVTPL financial assets		**(3,072,500)**	(1,060,000)
Proceeds from disposal of items of property, plant and equipment		**36**	619
Maturity or disposal of FVTPL financial assets		**2,805,880**	1,090,968
Net cash flows (used in)/generated from investing activities		**(276,889)**	27,712

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**–**	108,288
Proceeds from interest-bearing bank and other borrowings		**446,196**	326,000
Repayment of interest-bearing bank and other borrowings		**(280,000)**	(206,500)
Interest paid		**(7,824)**	(2,451)
Payment of issue expense		**–**	(7,524)
Principal portion of lease payments		**(5,758)**	(2,785)
Net cash flows generated from financing activities		**152,614**	215,028
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**29,380**	(2,853)
Cash and cash equivalents at beginning of year		**517,861**	520,714
CASH AND CASH EQUIVALENTS AT END OF YEAR		**547,241**	517,861
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	**550,548**	519,501
Restricted bank deposits	22	**(3,307)**	(1,640)
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CASH FLOWS		**547,241**	517,861

1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China ("PRC"). On 9 March 2023, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKEX") (stock code: 2482.HK). The registered office of the Company is located at No. 2700 ChuangXin Avenue, High-tech District, Hefei, Anhui Province, China.

During the year, the Company and its subsidiaries were principally engaged in digital freight businesses including freight transportation services and freight platform services.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are set out below:

Name of subsidiaries	Place and date of registration and place of operation	Nominal value of registered share capital	Percentage of effective equity interest attributable to the Company	Principal activities
Directly held:				
Hubei Log Logistics Co., Ltd. ("Hubei Log") (湖北路歌物流有限公司)	PRC 3 November 2014	RMB12,000,000	100%	Digital freight businesses
Anhui Jinwang Express Logistics Technology Co., Ltd. ("Anhui Jinwang Express") (安徽金網運通物流科技有限公司)	PRC 12 August 2016	RMB50,000,000	100%	Digital freight businesses
Anhui Yuntongda Logistics Technology Co., Ltd. ("Anhui Yuntongda") (安徽運通達物流科技有限公司)	PRC 7 September 2017	RMB50,000,000	100%	Digital freight businesses
Anhui Qiantong Logistics Technology Co., Ltd. ("Anhui Qiantong") (安徽乾通物流科技有限公司)	PRC 13 April 2018	RMB50,000,000	100%	Digital freight businesses
Fujian Huilian Logistics Technology Co., Ltd. ("Fujian Huilian") (福建慧連物流科技有限公司)	PRC 25 May 2018	RMB50,000,000	100%	Digital freight businesses
Sichuan Quanwang Express Logistics Technology Co., Ltd. ("Sichuan Quanwang Express") (四川全網運通物流科技有限公司)	PRC 12 July 2018	RMB10,000,000	100%	Digital freight businesses
Ma'anshan Cloud Net Logistics Technology Co., Ltd. ("Ma'anshan Cloud Net") (馬鞍山雲網物流科技有限公司)	PRC 11 January 2019	RMB30,000,000	100%	Digital freight businesses

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries *(continued)*

Particulars of the Company's principal subsidiaries are set out below: (continued)

Name of subsidiaries	Place and date of registration and place of operation	Nominal value of registered share capital	Percentage of effective equity interest attributable to the Company	Principal activities
Directly held: (continued)				
Anhui Log Transportation Co., Ltd. ("Anhui Log") (安徽路歌運輸有限公司)	PRC 2 March 2020	RMB50,000,000	100%	Digital freight businesses
Tianjin Log Logistics Technology Co., Ltd.("Tianjin Log") (天津路歌物流科技有限公司)	PRC 3 August 2021	RMB50,000,000	100%	Digital freight businesses
Huainan Log Express Logistics Co., Ltd.("Huainan Log") (淮南路歌物流運輸有限公司)	PRC 2 March 2022	RMB30,000,000	100%	Digital freight businesses
Huangshan Log Express Logistics Co., Ltd. ("Huangshan Log") (黃山路歌物流運輸有限公司)	PRC 24 June 2022	RMB10,000,000	100%	Digital freight businesses
Tianjin Luge Network Technology Co., Ltd.("Log Network") (天津路歌網絡科技有限公司)	PRC 19 September 2022	RMB10,000,000	100%	Digital freight businesses
Fuyang Luge Xinneng Supply Chain Management Co., Ltd. ("Fuyang Log") (阜陽路歌新能供應鏈管理有限公司)	PRC 10 October 2023	RMB2,000,000	60%	Supply chain management
Indirectly held:				
Fujian Jinwang Express Logistics Technology Co., Ltd. ("Fujian Jinwang Express") (福建金網運通物流科技有限公司)	PRC 10 August 2018	RMB50,000,000	100%	Digital freight businesses
Anqing Jinwang Express Transportation Co., Ltd. ("Anqing Jinwang Express") (安慶金網運通運輸有限公司)	PRC 25 December 2018	RMB50,000,000	100%	Digital freight businesses

The English names of all group companies registered in the PRC represent the best efforts made by management of the Company to translate the Chinese names of these companies as they do not have official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee and the disclosure requirements of the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial information of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.1 BASIS OF PREPARATION (CONTINUED)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 1	*Non-current Liabilities with Covenants*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The adoption of the revised IFRSs does not have a significant impact on the Group's consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRSs, if applicable, when they become effective.

Amendments to IAS 21	*Lack of Exchangeability*[1]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Annual Improvements to IFRS Accounting Standards — Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group has expected that these standards will not have significant effect on the Group's financial performance and financial position.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Group measures its equity investments, wealth management products, derivative instruments and notes receivable which are managed in the business model of both collecting contractual cash flows and selling financial assets at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3% to 5%
Furniture, fixtures and equipment	3% to $33^1/_3$%
Motor vehicles	19%
Leasehold improvements	Over the shorter of the lease terms and 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Patents and licences

Patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years. The useful lives are estimated both based on authorization period of the patents and licences and the period over which the Group expects to obtain economic benefits from the patents and licences.

Software

Purchased software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 3 to 10 years. The useful life is estimated both based on contract terms of the purchased software and the period over which the Group expects to obtain economic benefits from the purchased software.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Prepaid land lease payments	50 years
Office premises	1 to 6 years
Trucks	4 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases *(continued)*

Group as a lessee *(continued)*

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment and office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Investment in wealth management products are classified as FVTPL. FVTPL are measured and recorded at fair value and any unrealised gains or losses are recognised in profit and loss. Realised gains and losses from the sale or withdrawal of FVTPL are determined on a specific-identification basis.

Notes receivable which are managed in the business model of both collecting contractual cash flows and selling the financial assets are classified as financial assets at fair value through other comprehensive income (debt instruments) ("FVOCI-debt"). For FVOCI-debt, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. The Group initially measures receivables, except for trade receivables that do not contain a significant financing component, at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

Receivables are stated at amortised cost, using the effective interest method less allowance for credit losses.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

In certain cases, the Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets *(continued)*

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value, and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax *(continued)*

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the reporting periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income or as a reduction of specific costs and expenses on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Government grants related to digital freight businesses are recognised as a reduction of freight costs or related expenses.

For freight transportation services, government grants related to digital freight businesses, which are recognised as a reduction of freight costs in accordance with the agreed purpose are considered to compensate the costs incurred with contracted freight transportation services for freight transportation.

For freight platform services, government grants related to digital freight businesses are recognised as a reduction from the consideration paid to the trucker in accordance with the agreed purpose. As the revenue from freight platform services is recognised on a net basis at the point of fulfilment of the shipping order, the government grants are indirectly reflected as net revenue of freight platform services.

Government grants related to digital freight businesses in accordance with the agreed purpose to compensate taxes and surcharges are recognised as a reduction of taxes and surcharge expenses.

Government grants other than above are recognised in other income and gains. Further details are contained in notes 5 and 6 to financial statements.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Freight transportation services

The Group provides freight transportation services to shippers. Revenue from freight transportation services represents the contract amount charged to shippers for these services. Costs incurred in contracted truckers for freight transportation are recorded in cost of revenue.

The primary performance obligation of the Group under the contracts with shippers is to transport the shippers' freight. The Group has the responsibility for transportation of the freight from the origin to the destination, once the shipper places the transportation service request and the Group accepts the service request, a transportation service order is set up between the shipper and the Group. The transaction price for each transportation request is generally fixed and readily determinable at inception.

The Group contracts with truckers separately, to deliver the transportation services. Contracted truckers are mainly individual drivers. Judgement is required in determining whether the Group is the principal or agent in transactions with shippers. The Group is at its own discretion for acceptance of transportation requests and releases the transportation requests to the truckers on the Group's own behalf to deliver the services. The Group also oversees the transportation process during the transit period. Therefore, the Group effectively controls the service before it is transferred to the shipper. The Group is primarily responsible for fulfilling the contract with the shipper and is legally liable for loss or damage to shippers' goods in transit period according to the contract. The Group also has the pricing discretion and negotiates separately the prices charged to shippers and amounts paid to truckers. Accordingly, the Group is the principal in these transactions. The Group recognises revenue over time using an output method of progress as shippers receive the benefits of the Group's services as the freights are shipped from the origin to the destination.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition *(continued)*

Revenue from contracts with customers *(continued)*

(b) Freight platform services

The Group provides freight platform services to the shippers registered on its platform. The platform provides the access to the shippers so they can select the appropriate truckers, coordinate with the truckers and negotiate freight price to complete the freight transportation request. As a freight platform service provider, the Group enters into shipping contract with the shipper and trucker separately to fulfil the shipping order.

The Group concludes that it acts as an agent in the provision of transportation services as the Group does not have the ability to fully control the related services. Specifically, the Group cannot fully direct truckers to perform the transportation service on the Group's behalf. The platform service fee recognised by the Group is the difference between the contract amount to be received from the shipper and the contract amount to be paid to the trucker, which are both fixed at the time when a transaction is entered into. The revenue is recognised on a net basis at the point of fulfilment of the shipping order.

The Group also earns freight platform service fees by allowing the users to use its software products and the nature of the Group's performance obligation in granting a license is considered to be a right to access the Group's software products. The Group accounts the grant of license as a performance obligation satisfied over the contracted period on a straight-line basis. The Group also charges additional fees to its users on the basis of the number times of the additional functions used, such as short messaging service and location service in the software products. The additional fees are recognised at the point of fulfilment of such services.

(c) Sale of goods

Revenue from the sale of goods, mainly including truck accessories is recognised at the point in time when control of the asset is transferred to the customers, generally on delivery of the goods.

(d) Other value-added services

The Group collects service fees from other value-added services, such as advertising services. Revenue from these services is recognised at the point in time when the relevant services are rendered.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. Further details of the fair value are given in note 29 to financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Other employee benefits

Pension scheme

The employees of the Company and its subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

All the borrowing costs of the Group are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in financial statements:

Principal versus agent

In freight transportation services and freight platform services, judgement is required in determining whether the Group is the principal or agent in transactions with shippers. When determining whether the Group is acting as the principal or agent in offering services to the shippers, the Group needs to first identify who controls the transportation services before they are transferred to the shippers. Further details are contained in note 2.4 Revenue recognition to financial statements.

Government grants

Government grants shall not be recognised until there is reasonable assurance that: (i) the entity will comply with the conditions attaching to them; and (ii) the grants will be received. The conditions of the government grants awarded by the local government authorities to the Group generally include the achievement of income target and financial contribution target. The judgement is required to determine whether the Group will comply with the conditions attached to the government grants and the grants should be recognised.

When the government grant relates to an expense item, it is recognised as income or as a reduction of specific costs and expenses on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Based on the analysis of the digital freight business model and nature of the government grants, the Group makes its accounting policy choice to account the government grant related to freight digital businesses on a net basis, i.e., as a reduction of specific costs and expense. Further details are contained in notes 5 and 6 to financial statements.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 27 to financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade and notes receivables

The Group uses a provision matrix to calculate ECLs for trade and notes receivables. The provision rates are based on their recoverability and ageing analysis.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and notes receivables is disclosed in note 17.

4. OPERATING SEGMENT INFORMATION

No operating segment information is presented as the Group's revenue and reported results during each of reporting period, and the Group's total assets as at the end of reporting period were derived from one single operating segment, i.e., provision of digital freight businesses and related services.

Geographical information

No further geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for each of reporting period.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers	**7,541,904**	5,616,192
Revenue from other sources		
Rental income	**22**	24
Total	**7,541,926**	5,616,216

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024 RMB'000	2023 RMB'000
Types of goods or services		
Freight transportation services	**7,174,460**	5,318,544
Freight platform services*	**344,716**	278,925
Sale of goods	**635**	3,120
Other value-added services	**22,093**	15,603
Total revenue from contracts with customers	**7,541,904**	5,616,192

Geographical markets

All of the Group's revenues were generated from customers located in Mainland China during each of reporting period.

* The revenue from freight platform services mainly represents the difference between the contract amount to be received from the shipper and the net freight cost, which is the contract amount to be paid to the trucker, net of the government grants related to digital freight businesses. Such government grants are presented in line with revenue of an amount of RMB1,122,756,099 (2023: RMB1,052,754,242) for the year ended 31 December 2024.

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers *(continued)*

(i) Disaggregated revenue information *(continued)*

	2024 RMB'000	2023 RMB'000
Timing of revenue recognition		
Services transferred over time	**7,174,460**	5,318,544
Services and goods transferred at a point in time	**367,444**	297,648
Total revenue from contracts with customers	**7,541,904**	5,616,192

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period.

	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the year:		
Freight platform services	**10,051**	10,478
Freight transportation services	**2,763**	1,897
Total	**12,814**	12,375

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Freight transportation services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon delivery of the shipments and issuance of the invoice to the customers.

Freight platform services

The main performance obligation is satisfied at the point in time as services are rendered and payment is generally due upon fulfilment of the shipping order by a trucker and issuance of the invoice to the customers.

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers *(continued)*

(ii) Performance obligations *(continued)*

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due upon delivery of goods.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2024 **RMB'000**	2023 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	**8,760**	12,814
Total	**8,760**	12,814

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

An analysis of other income and gains is as follows:

	2024 **RMB'000**	2023 RMB'000
Other income and gains		
Bank interest income	**7,512**	8,138
Other government grants* — related to income	**26,461**	17,643
Others	**8,810**	5,948
Total other income and gains	**42,783**	31,729

* The government grants other than those related to digital freight businesses are recognised in other income and gains. There are no unfulfilled conditions or contingencies relating to these government grants.

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Notes	2024 RMB'000	2023 RMB'000
Cost of freight transportation services	(i)	**7,097,835**	5,261,701
Cost of assistance from logistics cooperation partners	(ii)	**4,702**	6,293
Other costs of digital freight businesses	(iii)	**40,869**	31,768
Cost of inventories sold		**571**	3,190
Cost of revenue		**7,143,977**	5,302,952
Taxes and surcharges	(iv)	**58,520**	55,871
Depreciation of property, plant and equipment		**5,730**	9,057
Depreciation of right-of-use assets		**3,525**	2,930
Amortisation of intangible assets		**585**	440
Reversal of impairment of trade and notes receivables		**(643)**	(146)
Reversal of impairment of contract assets		**(23)**	(13)
Impairment of financial assets included in prepayments, other receivables and other assets		**23,368**	12,442
Impairment of associates		**–**	3,619
Impairment of inventories		**41**	–
Employee benefit expense (excluding directors', supervisors' and chief executive's remuneration) (note 8):			
Salaries, bonuses, allowances and benefits in kind		**156,239**	149,771
Pension scheme contributions and social welfare	(v)	**34,000**	33,752
Equity-settled share-based payments expenses		**8,337**	22,001
Lease payments not included in the measurement of lease liabilities		**880**	985
Loss on disposal of items of property, plant and equipment		**–**	261
Auditor's remuneration		**1,887**	1,887

6. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

(i) Cost of freight transportation services provided mainly represents costs incurred with contracted truckers for freight transportation, net of the government grants related to digital freight businesses, the amount of which is RMB294,259,666 (2023: RMB216,257,376) for the year ended 31 December 2024.

(ii) The portion of the Group's day-to-day contact with its shippers is through its network of independent logistics cooperation partners. The logistics cooperation partners could arrange temporary truckers on short notice, multiple pick-up and delivery points and drop-and-hook operations. Costs to logistics cooperation partners are directly related to the freight transportation and freight platform services, and then are recognised as costs of the Group.

(iii) Other costs of digital freight businesses mainly represent staff costs and costs incurred with third-party suppliers for the digital freight businesses, such as location service cost, short message service cost, and payment channels service costs.

(iv) It mainly represents taxes and surcharges, net of the government grants related to digital freight businesses, the amount of which is RMB310,255,487 (2023: RMB273,930,050) for the year ended 31 December 2024.

(v) As at 31 December 2024, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 RMB'000	2023 RMB'000
Interest on bank loans and other borrowings	**11,338**	2,382
Interest on lease liabilities	**941**	69
Total	**12,279**	2,451

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

The aggregate amounts of remuneration of the directors, supervisors and chief executive officer for the year are as follows:

	2024 RMB'000	2023 RMB'000
Fees	**693**	576
Salaries, bonuses, allowances and benefits in kind	**2,754**	2,894
Discretionary bonuses	**1,672**	2,072
Pension scheme contributions and social welfare	**342**	365
Equity-settled share-based payment expenses	**854**	4,971
Total	**6,315**	10,878

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(a) The remuneration of each director, supervisor and chief executive officer for the year is set out below:

Year ended 31 December 2024

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Pension scheme contributions and social welfare RMB'000	Share-based payment expenses RMB'000	Total remuneration RMB'000
Executive directors:						
Mr. Feng Lei	–	730	400	76	–	1,206
Mr. Du Bing	–	610	400	76	–	1,086
Mrs. Wang Yao[2]	–	302	400	38	226	966
Mr. Ye Sheng	–	610	400	76	615	1,701
Subtotal	–	2,252	1,600	266	841	4,959
Non-executive directors:						
Mr. Chen Zhijie	–	–	–	–	–	–
Mr. Fu Da[1]	–	–	–	–	–	–
Mrs. Wang Yao[2]	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Independent non-executive directors:						
Mr. Liu Xiaofeng	231	–	–	–	–	231
Mr. Dai Dingyi	231	–	–	–	–	231
Mr. Li Dong	231	–	–	–	–	231
Subtotal	693	–	–	–	–	693
Supervisors:						
Mr. Fan Hua	–	–	–	–	–	–
Mr. Wang Yang	–	–	–	–	–	–
Mrs. Liang Xiaojia	–	502	72	76	13	663
Subtotal	–	502	72	76	13	663
Total	693	2,754	1,672	342	854	6,315

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(a) The remuneration of each director, supervisor and chief executive officer for the year is set out below (continued):

Year ended 31 December 2023

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Pension scheme contributions and social welfare RMB'000	Share-based payment expenses RMB'000	Total remuneration RMB'000
Executive directors:						
Mr. Feng Lei	–	730	600	73	–	1,403
Mr. Du Bing	–	610	600	73	–	1,283
Mr. Ye Sheng	–	610	400	73	3,656	4,739
Mrs. Wang Yao	–	606	400	73	1,255	2,334
Subtotal	–	2,556	2,000	292	4,911	9,759
Non-executive directors:						
Mr. Chen Zhijie	–	–	–	–	–	–
Independent non-executive directors:						
Mr. Liu Xiaofeng	192	–	–	–	–	192
Mr. Dai Dingyi	192	18	–	–	–	210
Mr. Li Dong	192	–	–	–	–	192
Subtotal	576	18	–	–	–	594
Supervisors:						
Mr. Fan Hua	–	–	–	–	–	–
Mr. Wang Yang	–	–	–	–	–	–
Mrs. Liang Xiaojia	–	320	72	73	60	525
Subtotal	–	320	72	73	60	525
Total	576	2,894	2,072	365	4,971	10,878

1 Mr. Fu Da was appointed as a non-executive director on 29 May 2024.

2 Mrs. Wang Yao retired and was re-designated from executive director to non-executive director on 30 August 2024.

There were no other emoluments payable to the independent non-executive directors during each reporting period.

There was no arrangement under which a director, a supervisor or the chief executive officer waived or agreed to waive any remuneration during each of reporting period.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2023: two directors), details of whose remuneration are set out above in note 8. Details of the remuneration of the remaining for the year of the remaining two (2023: three) highest paid employees who are not a director, supervisor or chief executive of the Company are as follows:

	2024 **RMB'000**	2023 RMB'000
Salaries, bonuses, allowances and benefits in kind	**1,154**	1,667
Discretionary bonuses	**700**	1,100
Pension scheme contributions and social welfare	**172**	292
Equity-settled share-based payment expenses	**1,061**	8,105
Total	**3,087**	11,164

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2024	2023
Nil to RMB1,000,000	**–**	–
RMB1,000,001 to RMB2,000,000	**1**	1
RMB2,000,001 to RMB3,000,000	**1**	–
RMB3,000,001 to RMB4,000,000	**–**	1
RMB4,000,001 to RMB5,000,000	**–**	–
RMB5,000,001 to RMB6,000,000	**–**	–
RMB6,000,001 to RMB7,000,000	**–**	–
RMB7,000,001 to RMB8,000,000	**–**	1
Total	**2**	3

10. INCOME TAX EXPENSE

The Company and its subsidiaries are all incorporated in Mainland China and all are subject to income tax at a rate of 25% on the taxable income pursuant to the Enterprise Income Tax Law of the PRC and the respective regulations, except for:

(i) The Company as it is recognised as a high-tech enterprise and accordingly is entitled to a preferential enterprise tax rate of 15% during the year.

(ii) Certain of the subsidiaries as they are qualified as small and micro enterprises and are entitled to a preferential enterprise income tax rate of 20% during the year.

The income tax expense of the Group during the year is as follows:

	2024 RMB'000	2023 RMB'000
Current	9,588	7,576
Deferred tax	13,183	(10,258)
Total tax charge/(credit) for the year	22,771	(2,682)

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rate of 25% in Mainland China to the tax expense at the effective tax rate is as follows:

	2024 RMB'000	2023 RMB'000
Profit/(Loss) before tax	67,261	(32,305)
Tax at the statutory tax rate of 25% in Mainland China	16,815	(8,076)
Effect of tax rate differences in the Company and certain subsidiaries	(1,204)	6,199
Adjustments in respect of current and deferred tax of previous periods	3,768	806
Losses attributable to associates	138	345
Expenses not deductible for tax*	2,702	7,883
Additional deductible allowance for qualified research and development expenses	(16,426)	(15,795)
Unrecognised tax losses and temporary differences	16,978	5,956
Tax charge/(credit) at the Group's effective tax rate	22,771	(2,682)

* The items of expenses not deductible for tax mainly comprise the share-based payments expenses, business development expenses in excess of the deductible thresholds and other expenses which cannot be deducted on the tax basis.

11. DIVIDENDS

No dividend has been paid or declared by the Company during the year (2023: Nil).

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profits/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The newly issued shares are calculated in accordance with the conditions stated in the issuance agreement, starting from the consideration receivable date (usually the issuance date).

	2024	2023
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the Company (RMB'000)	**50,034**	(29,564)
Shares		
Weighted average number of ordinary shares in issue during the year (in thousand) (shares) (i)	**1,393,876**	1,385,944
Earnings/(loss) per share attributable to ordinary equity holders of the Company (RMB yuan per share)		
— Basic and Diluted (ii)	**0.04**	(0.02)

(i) The weighted average numbers of ordinary shares during the years ended were adjusted retrospectively to reflect the subdivision of shares on a one-for-sixteen basis in March 2023.

(ii) The Group had no potentially dilutive ordinary shares in issue during the year.

13. PROPERTY, PLANT AND EQUIPMENT

31 December 2024

	Buildings RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 1 January 2024					
Cost	67,650	26,788	3,026	23,392	120,856
Accumulated depreciation	(18,076)	(22,454)	(1,846)	(19,517)	(61,893)
Net carrying amount	49,574	4,334	1,180	3,875	58,963
At 1 January 2024, net of accumulated depreciation	49,574	4,334	1,180	3,875	58,963
Additions	–	666	309	661	1,636
Disposals	–	–	(6)	–	(6)
Depreciation provided during the year	(2,219)	(1,556)	(410)	(1,545)	(5,730)
At 31 December 2024, net of accumulated depreciation	47,355	3,444	1,073	2,991	54,863
At 31 December 2024:					
Cost	67,650	27,437	3,208	24,053	122,348
Accumulated depreciation	(20,295)	(23,993)	(2,135)	(21,062)	(67,485)
Net carrying amount	47,355	3,444	1,073	2,991	54,863

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

31 December 2023

	Buildings RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 1 January 2023					
Cost	67,946	26,324	3,772	23,295	121,337
Accumulated depreciation	(15,844)	(19,902)	(2,022)	(17,761)	(55,529)
Net carrying amount	52,102	6,422	1,750	5,534	65,808
At 1 January 2023, net of accumulated depreciation	52,102	6,422	1,750	5,534	65,808
Additions	–	679	369	2,044	3,092
Disposals	(296)	(39)	(401)	(144)	(880)
Depreciation provided during the year	(2,232)	(2,728)	(538)	(3,559)	(9,057)
At 31 December 2023, net of accumulated depreciation	49,574	4,334	1,180	3,875	58,963
At 31 December 2023:					
Cost	67,650	26,788	3,026	23,392	120,856
Accumulated depreciation	(18,076)	(22,454)	(1,846)	(19,517)	(61,893)
Net carrying amount	49,574	4,334	1,180	3,875	58,963

As at 31 December 2024, there were no Group's property, plant and equipment pledged to secure bank and other borrowings granted to the Group (2023: nil) (note 26).

14. LEASES

As a lessee

The Group has lease contracts for office premises and trucks in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of office premises generally have lease terms between 1 and 6 years. Leases of trucks generally have lease terms of 4 years. Other rental agreements generally have lease terms of 12 months or less and are individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

The Group	**Office premises**	**Trucks**	**Prepaid land lease payments**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	2,752	–	4,107	6,859
Additions	3,959	24,967	–	28,926
Revision of a lease term arising from a change in the non-cancellable period of a lease	(368)	–	–	(368)
Depreciation provided during the year	(2,823)	(185)	(107)	(3,115)
As at 31 December 2023	3,520	24,782	4,000	32,302
Additions	3,015	–	–	3,015
Depreciation provided during the year	(3,421)	(6,241)	(104)	(9,766)
As at 31 December 2024	3,114	18,541	3,896	25,551

As at 31 December 2024, there were no prepaid land lease payments of the Group pledged to secure bank and other borrowings granted to the Group (2023: nil) (note 26).

14. LEASES (CONTINUED)

As a lessee *(continued)*

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024 RMB'000	2023 RMB'000
Carrying amount at beginning of year	27,191	1,442
New leases	3,015	28,926
Accretion of interest recognised during the year	941	69
Revision of a lease term arising from a change in the non-cancellable period of a lease	–	(392)
Payments	(6,699)	(2,854)
Carrying amount at end of year	24,448	27,191
Analysed into:		
Current portion	9,521	5,619
Non-current portion	14,927	21,572

The maturity analysis of lease liabilities is disclosed in note 38 to financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	941	69
Depreciation charge of right-of-use assets	9,766	3,115
Expenses relating to short-term leases and leases of low-value assets	880	985
Total amount recognised in profit or loss	11,587	4,169

(d) The total cash outflow for leases is disclosed in note 31 to financial statements.

15. INTANGIBLE ASSETS

31 December 2024

	Software RMB'000	Patents and licences RMB'000	Development Cost RMB'000	Total RMB'000
At 1 January 2024				
Cost	**2,535**	**11,500**	**503**	**14,538**
Accumulated amortisation	**(1,255)**	**(11,500)**	**–**	**(12,755)**
Net carrying amount	**1,280**	**–**	**503**	**1,783**
At 1 January 2024, net of accumulated amortisation	**1,280**	**–**	**503**	**1,783**
Addition	**1,087**	**–**	**–**	**1,087**
Decrease	**–**	**–**	**(503)**	**(503)**
Amortisation provided during the year	**(585)**	**–**	**–**	**(585)**
At 31 December 2024, net of accumulated amortisation	**1,782**	**–**	**–**	**1,782**
At 31 December 2024:				
Cost	**3,622**	**11,500**	**–**	**15,122**
Accumulated amortisation	**(1,840)**	**(11,500)**	**–**	**(13,340)**
Net carrying amount	**1,782**	**–**	**–**	**1,782**

31 December 2023

	Software RMB'000	Patents and licences RMB'000	Development Cost RMB'000	Total RMB'000
At 1 January 2023				
Cost	2,535	11,500	–	14,035
Accumulated amortisation	(815)	(11,500)	–	(12,315)
Net carrying amount	1,720	–	–	1,720
At 1 January 2023, net of accumulated amortisation	1,720	–	–	1,720
Addition	–	–	503	503
Amortisation provided during the year	(440)	–	–	(440)
At 31 December 2023, net of accumulated amortisation	1,280	–	503	1,783
At 31 December 2023:				
Cost	2,535	11,500	503	14,538
Accumulated amortisation	(1,255)	(11,500)	–	(12,755)
Net carrying amount	1,280	–	503	1,783

16. INVESTMENTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Share of net assets	**11,842**	4,395

The Group's receivable and payable balances and transactions with the associates are disclosed in note 35 to the financial statements.

(a) Particulars of the Group's associates are as follows:

Name	Place and date of registration and place of business	Nominal value of registered share capital	Percentage of ownership interest attributable to the Group 2024	2023	Principal activities
Xinjiang Zhongya Log Digital Technology Co., Ltd. ("Xinjiang Zhongya") 新疆中亞路歌數字科技有限公司	PRC 18 January 2022	RMB10,000,000	**46%**	46%	Freight transportation
Qingkong Shoulu Supply Chain Management (Tianjin) Co., Ltd. ("Qingkong Shoulu") 清控首路供應鏈管理（天津）有限公司	PRC 4 January 2019	RMB20,000,000	**30%**	30%	Supply chain management and freight transportation
Anhui Jika Lubrication Technology Co., Ltd. ("Anhui Jika") 安徽吉卡潤滑科技有限公司	PRC 17 November 2017	RMB5,000,000	**40%**	40%	Lubricant production and sales
Wuhu Luge Logistics Technology Co., Ltd. ("Wuhu Luge") 蕪湖路歌物流科技有限公司	PRC 8 September 2020	RMB10,000,000	**24%**	24%	Freight transportation
Guangzhou Gaowei Information Technology Co., Ltd. ("Guangzhou Gaowei") 廣州市高為信息科技有限公司	PRC 24 February 2016	RMB2,812,939	**10%**	–	Geographic information processing and positioning services

16. INVESTMENTS IN ASSOCIATES (CONTINUED)

The Group's shareholdings in the all associates comprise equity shares held by the Company, except for Anhui Jika, the shareholdings in which are held through a wholly-owned subsidiary of the Company.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2024 **RMB'000**	2023 RMB'000
Share of the associates' losses for the year	**(553)**	(1,382)
Aggregate carrying amount of the Group's investments in the associates	**11,842**	4,395

The associates have been accounted for using the equity method in these financial statements.

The Group assessed at the end of year whether there is any indication that investments in associates may be impaired. If any such indication exists (e.g., continuous loss-making), the Group will estimate the recoverable amount of the investment. Based on the assessment results, the Group made an impairment provision of nil (2023: RMB3,619,094) for the year ended 31 December 2024.

17. TRADE AND NOTES RECEIVABLES

	2024 **RMB'000**	2023 RMB'000
Trade receivables	**168,164**	143,376
Notes receivable	**10,144**	–
Subtotal	**178,308**	143,376
Less: ECLs	**(813)**	(573)
Total	**177,495**	142,803

The Group's trading terms are normally due upon delivery and issuance of the invoice, except for a small number of customers with credit terms, which are generally 7 to 90 days, depending on the specific payment terms in each contract. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As of the end of the year, included in the Group's notes receivables is an amount of RMB4,137,693 (2023: nil), which is classified as debt investments at fair value through other comprehensive income, because it is managed in the business model of both collecting contractual cash flows and selling the financial assets. Further details are contained in note 37 to the financial statements.

17. TRADE AND NOTES RECEIVABLES (CONTINUED)

At the end of the year, the Group has no pledged trade receivables (2023: nil) to secure loans from other financial institution. Further details are contained in note 26 to the financial statements.

An ageing analysis of the trade and notes receivables as at the end of the reporting period, based on the transaction date and net of ECLs, is as follows:

	2024 RMB'000	2023 RMB'000
Within 90 days	158,331	126,547
90 days to 1 year	17,980	16,253
1 to 2 years	1,184	3
Total	177,495	142,803

As of the end of the reporting period, ECLs for trade and notes receivables based on the individual or collective assessment are as follows:

	2024 RMB'000	2023 RMB'000
Collectively determined to be impaired	178,308	143,376
Less: ECLs	(813)	(573)
Total	177,495	142,803

The movements in the expected credit losses for trade and notes receivables are as follows:

	2024 RMB'000	2023 RMB'000
At the beginning of the year	573	1,406
ECLs	(643)	(146)
Recoveries of trade receivables previously written off	883	–
Amounts written off as uncollectible	–	(687)
At the end of the year	813	573

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for the customers. The calculation reflects the best estimated outcome based on the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

17. TRADE AND NOTES RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables based on the collective assessment using a provision matrix:

As at 31 December 2024

	Ageing			
	Within 1 year	**1 to 2 years**	**Over 2 years**	**Total**
Gross carrying amount (RMB'000)	**166,868**	**1,296**	**–**	**168,164**
Expected credit loss (RMB'000)	**701**	**112**	**–**	**813**
Expected credit loss rate	**0.42%**	**8.64%**	**–**	**0.48%**

As at 31 December 2023

	Ageing			
	Within 1 year	1 to 2 years	Over 2 years	Total
Gross carrying amount (RMB'000)	143,373	3	–	143,376
Expected credit loss (RMB'000)	573	–	–	573
Expected credit loss rate	0.40%	–	–	0.40%

For notes receivable, based on historical data and management's analysis, loss on collection is not material and hence no provision is considered.

18. CONTRACT ASSETS

	2024 RMB'000	2023 RMB'000
Contract assets arising from:		
Freight transportation services	9,969	6,647
Less: ECLs	(41)	(64)
At the end of the year	9,928	6,583

Contract assets are initially recognised for revenue earned from the provision of freight transportation services as the receipt of consideration is conditional upon delivery of the shipments to the customers. Upon delivery of the shipments to the customers, the amounts recognised as contract assets are reclassified to trade receivables.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2024 RMB'000	2023 RMB'000
Within one year	9,928	6,583

The movements of the expected credit losses of contract assets are as follows:

	2024 RMB'000	2023 RMB'000
At the beginning of the year	64	77
ECLs	(23)	(13)
At the end of the year	41	64

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for the customers. The calculation reflects the best estimated outcome based on reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2024 RMB'000	2023 RMB'000
Gross carrying amount	9,969	6,647
ECLs	41	64
Expected credit loss rate	0.42%	0.96%

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024 RMB'000	2023 RMB'000
Non-current:		
Prepaid expenses	**9,234**	3,275
Current:		
Other receivables from shippers for shipping fees (i)	**770,878**	880,887
Government grants receivable (ii)	**788,547**	708,387
Advances to suppliers	**23,578**	17,249
Rental and business deposits	**4,993**	8,031
Due from related parties	**246**	261
Prepaid tax	**4,498**	11,713
Prepaid expenses	**1,432**	1,178
Others	**14,513**	17,708
Subtotal	**1,608,685**	1,645,414
Less: ECLs	**(29,830)**	(15,683)
Subtotal	**1,578,855**	1,629,731
Total	**1,588,089**	1,633,006

(i) Other receivables from shippers for shipping fees mainly represent the shipping fees uncollected from shippers upon fulfilment of the shipping orders under the freight platform services.

(ii) Government grants receivable represent the government grants from local government authorities to support the Group's digital freight businesses.

As of the end of the year, the Group has no pledged other receivables to secure loans from other financial institution (2023: nil). Further details are contained in note 26 to the financial statements.

Other receivables of the Group are unsecured, non-interest-bearing and have no fixed terms of repayment.

The movements of impairment for the prepayments, other receivables and other assets are as follows:

	2024 RMB'000	2023 RMB'000
At the beginning of the year	**15,683**	8,924
ECLs	**23,368**	12,442
Amounts written off as uncollectible	**(9,221)**	(5,683)
At the end of the year	**29,830**	15,683

Long ageing receivables were regarded as credit-impaired at the end of the reporting date and classified in stage 3, for which the loss allowance was provided with an amount equal to lifetime ECLs. At the end of the reporting date, the gross amount of other receivables at stage 3 was RMB26,671 (2023: RMB24,231,900).

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
Other unlisted investments, at fair value	**289,115**	20,000

The above unlisted investments of RMB289,115,349 as at 31 December 2024 were mainly wealth management products issued by banks. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

21. DERIVATIVE FINANCIAL INSTRUMENTS

	2024 RMB'000	2023 RMB'000
Foreign currency swaps	**3,624**	–
Forward currency contracts	**151**	–
Total	**3,775**	–

Derivative financial instruments — transactions not qualifying as hedges:

Foreign currency swaps with a total nominal amounts of USD13,270,000 (2023: nil) and forward currency contracts with a total nominal amounts of USD817,554 (2023: nil) are not designated for hedge purposes and are measured at fair value through profit or loss. Unrealised gains on the fair value of these financial derivatives amounting to RMB3,774,840 (2023: nil) was included in profit or loss during the year ended 31 December 2024.

22. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	2024 RMB'000	2023 RMB'000
Cash and bank balances denominated in:		
RMB	**547,653**	430,486
HKD	**2,895**	89,015
Less: Restricted bank deposits (i)	**(3,307)**	(1,640)
Cash and cash equivalents	**547,241**	517,861

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and deposits are deposited with creditworthy banks with no recent history of default.

(i) As of 31 December 2024, it represents the balance of a guarantee deposit required by the court under pending litigation (2023: it represents assurance deposits subject to restrictions according to the business agreements with certain parties).

23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	172,087	155,267

Trade payables are unsecured and interest-free and are normally settled within 1 year.

24. OTHER PAYABLES AND ACCRUALS

	2024 RMB'000	2023 RMB'000
Other payables to truckers for transportation fees (i)	721,082	809,805
Other taxes payable	519,340	378,220
Deferred revenue	9,857	–
Advances from shippers (ii)	108,046	133,277
Due to related parties	288	500
Employee benefit payables	37,054	31,370
Deposits	97,359	98,339
Accrued expenses	7,758	4,451
Others	10,923	8,784
	1,511,707	1,464,746

(i) Other payables to truckers for transportation fees represent transportation fees collected from shippers but yet to be paid to truckers under freight platform services.

(ii) Mainly representing the refundable prepayments from shippers for future shipping arrangements under freight transportation services and freight platform services. Upon signing of the contract, the amounts which will be recognised as revenue will be reclassified to contract liabilities.

All the other payables and accruals of the Group are non-interest-bearing and unsecured.

25. CONTRACT LIABILITIES

	2024 RMB'000	2023 RMB'000
Short-term advances received from customers:		
Freight platform services	**7,471**	10,050
Freight transportation services	**1,289**	2,764
Total contract liabilities	**8,760**	12,814

Contract liabilities of the Group mainly arise from the advance payments made by customers while the services are yet to be provided.

The above contract liabilities with regard to the remaining performance obligations are expected to be recognised as revenue within one year.

26. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Effective interest rate (%)	Maturity	31 December 2024 RMB'000
Bank borrowings — unsecured*	**2.9%–6.11%**	**2025**	**284,812**
Other borrowings — unsecured	**1.1%–1.55%**	**2025**	**5,839**
			290,651

	Effective interest rate (%)	Maturity	31 December 2023 RMB'000
Bank borrowings — unsecured	3%	2024	120,000
			120,000

* Includes the effects of a related foreign currency swap as further detailed in note 21 to the financial statements

As at the end of the reporting period, all the bank and other borrowings are repayable within one year.

26. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

The carrying amounts of borrowings are denominated in the following currencies:

	2024 RMB'000	2023 RMB'000
RMB	**193,124**	120,000
United States dollar	**97,527**	–
Total contract liabilities	**290,651**	120,000

The Group has no pledge nor guarantee provided by or to its related parties as at 31 December 2024 (2023: nil).

27. DEFERRED TAX

The movements in deferred tax liabilities and assets during the reporting period are as follows:

Deferred tax liabilities

	Right-of-use assets RMB'000	Changes in fair value of financial instruments RMB'000	Total RMB'000
At 31 December 2022	554	–	554
Deferred tax charged to profit or loss during the year	5,150	–	5,150
At 31 December 2023	5,704	–	5,704
Deferred tax (credited)/charged to profit or loss during the year	(1,336)	566	(770)
At 31 December 2024	**4,368**	**566**	**4,934**

27. DEFERRED TAX (CONTINUED)

The movements in deferred tax liabilities and assets during the reporting period are as follows (continued):

Deferred tax assets

	Provision for impairment losses RMB'000	Tax losses RMB'000	Lease liabilities RMB'000	Others RMB'000	Total RMB'000
At 31 December 2022	10,414	6,838	310	298	17,860
Deferred tax credited/(charged) to profit or loss during the year	45	10,387	5,220	(244)	15,408
At 31 December 2023	10,459	17,225	5,530	54	33,268
Deferred tax (charged)/credited to profit or loss during the year	(4,691)	(9,434)	(1,307)	1,479	(13,953)
At 31 December 2024	**5,768**	**7,791**	**4,223**	**1,533**	**19,315**

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024 RMB'000	2023 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	**14,417**	27,587
Net deferred tax liabilities recognised in the consolidated statement of financial position	**36**	23

Deferred tax assets have not been recognised in respect of the following items:

	2024 RMB'000	2023 RMB'000
Tax losses	**17,699**	2,383
Deductible temporary differences	**5,591**	3,053
Total	**23,290**	5,436

Certain subsidiaries of the Group had tax losses of RMB17,699,028 (2023: RMB2,383,424) as at 31 December 2024 that will expire in one to five years for offsetting against their future taxable profits. Deferred tax assets have not been recognised in respect of these losses and temporary differences as they are not considered probable that taxable profits will be available against which the tax losses and temporary differences can be utilised.

28. SHARE CAPITAL

Ordinary shares

	2024 RMB	2023 RMB
Issued and fully paid:	**87,117,257**	87,117,257
1,393,876,104 (2023: 1,393,876,104) ordinary shares	**87,117,257**	87,117,257

The movements in the Company's share capital during the reporting period are as follows:

	Number of shares in issue	Share capital RMB
At 1 January 2023	84,416,569	84,416,569
Share Subdivision by 1:16 (i)	1,266,248,535	–
Issuance of shares upon listing on the Hong Kong Stock Exchange	43,211,000	2,700,688
At 31 December 2023 and 1 January 2024	1,393,876,104	87,117,257
New shares issued	–	–
At 31 December 2024	1,393,876,104	87,117,257

(i) As approved by the Company's board of directors in October 2021, the ordinary shares of the Company would be subdivided on a one-for-sixteen basis, and the nominal value of the shares was changed from RMB1.0 each to RMB0.0625 each ("Share Subdivision") subject to the completion of the listing and all necessary approvals obtained in accordance with the applicable PRC laws, regulations and rules. Immediately after such Share Subdivision, the registered share capital of the Company became RMB84,416,569 with 1,350,665,104 shares of nominal value RMB0.0625 each, all of which were fully paid up.

29. EQUITY-SETTLED SHARE-BASED PAYMENTS

Below is recognised in profit or loss under share-based payments arrangement:

	2024 RMB'000	2023 RMB'000
The amount of services rendered by the employees in exchange for share-based payments during the year	**9,191**	26,972

29. EQUITY-SETTLED SHARE-BASED PAYMENTS (CONTINUED)

2019 Logory Logistics Share Incentive Plan

On 31 October 2019, the Company's board of directors approved a share incentive plan (the "2019 Logory Logistics Share Incentive Plan"), for the purpose of attracting and retaining the employees and directors who are considered essential to the success of the Company and the Group.

Pursuant to the 2019 Logory Logistics Share Incentive Plan, the Company grants employees awards, including new options (the "Logory Logistics Options") to purchase ordinary shares of the Company and restricted shares (the "2019 Logory Logistics RSs"). Vesting of the above awards requires the employees to remain in service for the period from the date of grant to the date of vesting, and meet the performance assessment requirements, along with a condition requiring an initial public offering ("IPO") of the Company, which was a performance vesting condition.

Logory Logistics Options granted are generally subject to a vesting schedule from 19 months to 55 months and were classified as an equity award. Depending on the nature and the purpose of the grant, Logory Logistics Options generally vest 25% upon the later of the 19th month of the grant date and the date of IPO occurred, as provided in the grant agreement, and 25% every year from the 19th month of the grant date thereafter. No outstanding Logory Logistics Options will be exercisable after the expiry of a maximum of 12 months from the date of vesting or when the employees cease to remain in service. The exercise price per option is RMB2.50 before Share Subdivision.

2019 Logory Logistics RSs granted to senior management of the Company are subject to a vesting schedule of 12 months upon the date of IPO and were classified as an equity award. The grant price per share is RMB2.50.

Modification Plan of Logory Logistics Options

On 30 November 2020, the Company's board of directors approved a modification plan of Logory Logistics Options (the "Modification Plan"). Pursuant to the Modification Plan, all the Logory Logistics Options should be converted into restricted shares with the same conditions under corresponding Logory Logistics Option awards other than extending the remaining vesting schedule. IFRS 2 requires the entity to continue to recognise an expense for the grant date fair value of the unmodified award over its original vesting period, even where the vesting period of the modified award is longer. Therefore, except for extending the vesting schedule, the modification involved neither changes to the other vesting condition nor the amount of awards granted under the original plan, as such, no additional expenses need to be recognised on the modification date.

29. EQUITY-SETTLED SHARE-BASED PAYMENTS (CONTINUED)

2020 Logory Logistics Share Incentive Plan

On 30 November 2020, the Company's board of directors approved a share incentive plan (the "2020 Logory Logistics Share Incentive Plan"), for the purpose of attracting and retaining the employees and directors who are considered essential to the success of the Company and the Group.

Pursuant to the 2020 Logory Logistics Share Incentive Plan, the Company grants employees restricted shares (the "2020 Logory Logistics RSs"). Vesting of the above 2020 Logory Logistics RSs requires the employees to remain in service for the period from the date of grant to the date of vesting, and meet the performance assessment requirements, along with a condition requiring an initial public offering ("IPO") of the Company, which was deemed as a performance vesting condition.

2020 Logory Logistics RSs granted are generally subject to a vesting schedule from 2 years to 5 years and were classified as an equity award. Depending on the nature and the purpose of the grant, 2020 Logory Logistics RSs generally vest 25% upon the later of the second year of the grant date and the 12th months upon the date of IPO, as provided in the grant agreement, and 25% every year from the second year of the grant date thereafter. The grant price per share is RMB2.50 before Share Subdivision.

2021 Logory Logistics Share Incentive Plan

On 13 September 2021, the Company's board of directors approved a share incentive plan (the "2021 Logory Logistics Share Incentive Plan"), for the purpose of attracting and retaining the employees and directors who are considered essential to the success of the Company and the Group.

Pursuant to the 2021 Logory Logistics Share Incentive Plan, the Company grants employees restricted shares (the "2021 Logory Logistics RSs"). Vesting of the above 2021 Logory Logistics RSs requires the employees to remain in service for the period from the date of grant to the date of vesting, and meet the performance assessment requirements, along with a condition requiring an initial public offering ("IPO") of the Company, which was deemed as a performance vesting condition.

2021 Logory Logistics RSs granted to senior management of the Company are subject to a vesting schedule of 12 months upon the date of IPO and were classified as an equity award. The grant price per share is RMB2.50 before Share Subdivision.

2021 Logory Logistics RSs granted to the employees except for senior management are generally subject to a vesting schedule from 2 years to 5 years and were classified as an equity award. Depending on the nature and the purpose of the grant, 2021 Logory Logistics RSs generally vest 25% upon the later of the second year of the grant date and the 12th months upon the date of IPO, as provided in the grant agreement, and 25% every year from the second year of the grant date thereafter. The grant price per share is RMB2.50 before Share Subdivision.

In November 2023, pursuant to the 2021 Logory Logistics Share Incentive Plan, the Company granted several employees restricted shares, subject to a vesting schedule from 7.5 months to 3 years and were classified as an equity award. In addition, the Company granted one employee the number of 3,200,000 restricted shares, which were immediately vested. The grant price per share is RMB0.15625 after Share Subdivision.

29. EQUITY-SETTLED SHARE-BASED PAYMENTS (CONTINUED)

2021 Logory Logistics Share Incentive Plan *(continued)*

Logory Logistics RSs

The following table summarises the activity of Logory Logistics RSs granted by the Company for the reporting periods:

	Number of restricted shares	Weighted average grant date fair value RMB
As at 1 January 2023	3,832,015	25.13
Share Subdivision by 1:16 (i)	57,480,225	
Granted	4,640,000	0.94
Vested	(3,200,000)	0.94
Forfeited	(1,840,000)	1.81
At 31 December 2023	60,912,240	1.55
As at 1 January 2024	**60,912,240**	**1.55**
Vested	**(53,384,180)**	**1.53**
Forfeited	**(3,822,400)**	**1.30**
As at 31 December 2024	**3,705,660**	**2.10**

(i) It represented the effects of adjustments made to the numbers of restricted shares as a result of the Share Subdivision.

In 2023, the fair value of the restricted shares was calculated based on the market price of the Company's shares at the respective grant date, deducted by the grant price.

The Group recognised share-based payment expenses of Logory Logistics RSs for the year ended 31 December 2024 of RMB9,190,580 (2023: RMB26,972,081).

30. RESERVES

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity in financial statements.

(i) Capital reserve

The share premium represents the difference between the par value of the shares issued and the consideration received.

(ii) Statutory surplus reserve

In accordance with the Company Law of the People's Republic of China, the companies in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the companies registered capital. Subject to approval from the reporting PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the companies. The statutory reserve is not available for dividend distribution to shareholders of the PRC companies.

(iii) Other reserve

The other reserve of the Group represents the excess of the consideration over the carrying amount of the non-controlling interests acquired.

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(i) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB3,014,975 (2023: RMB28,925,508) in respect of lease arrangements for offices.

(ii) Changes in liabilities arising from financing activities

Interest-bearing bank and other borrowings

	2024 **RMB'000**	2023 RMB'000
At beginning of year	**120,000**	500
Changes from/(used in) financing cash flows	**159,313**	117,118
Interest accrued	**11,338**	2,382
At end of year	**290,651**	120,000

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(ii) Changes in liabilities arising from financing activities *(continued)*

Lease liabilities

	2024 RMB'000	2023 RMB'000
At beginning of year	**27,191**	1,442
Changes from financing cash flows	**(6,699)**	(2,854)
New leases	**3,015**	28,926
Revision of lease terms	**–**	(392)
Interest accrued	**941**	69
At end of year	**24,448**	27,191

(iii) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 RMB'000	2023 RMB'000
Within operating activities	**1,155**	946
Within financing activities	**6,699**	2,854
Total	**7,854**	3,800

32 PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank and other borrowings are contained in note 26 to the financial statements.

33. CONTINGENT LIABILITIES

As at 31 December 2024 and 2023, the Group did not have any significant contingent liabilities.

34. COMMITMENTS

At the end of the reporting period, the Group did not have any significant capital commitments.

35. RELATED PARTY TRANSACTIONS

Details of the Group's related parties that had transactions and/or balances with the Group during the reporting period are as follows:

Company	Relationship with the Group
Mr. Feng Lei	Shareholder with significant influence over the Group
Mr. Du Bing	Shareholder with significant influence over the Group
Ms. Liu Fei	Close family member of a shareholder with significant influence over the Group
Qingkong Shoulu	An associate of the Group
Wuhu Luge	An associate of the Group
Xinjiang Zhongya	An associate of the Group

(i) The Group had the following transactions with related parties during the reporting period:

	Notes	2024 RMB'000	2023 RMB'000
Provision of services:			
Xinjiang Zhongya	(a)	523	757
Wuhu Luge	(a)	799	876
Purchases of services from:			
Xinjiang Zhongya	(b)	2,202	1,056
Wuhu Luge	(b)	232	–

Notes:

(a) The provision of services to related parties was made according to the published prices and conditions offered to the major customers of the Group.

(b) The purchases from related parties were made according to the published prices and conditions offered by the related parties to their major customers.

(ii) Guarantees:

The Group has no pledge nor guarantee provided by or to its related parties as at 31 December 2024 and 2023.

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(iii) Outstanding balances with related parties:

(a) Prepayments, other receivables and other assets

	2024 RMB'000	2023 RMB'000
Wuhu Luge	126	144
Xinjiang Zhongya	120	117
Total	246	261

(b) Other payables and accruals

	2024 RMB'000	2023 RMB'000
Wuhu Luge	1	–
Xinjiang Zhongya	287	500
Total	288	500

All the balances with related parties are unsecured, interest-free and repayable on demand.

(iv) Compensation of key management personnel of the Group:

	2024 RMB'000	2023 RMB'000
Salaries, bonuses, allowances and benefits in kind	1,826	4,132
Pension scheme contributions and social welfare	1,328	292
Equity-settled share-based payment expenses	1,676	11,278
Total compensation paid to key management personnel	4,830	15,702

Further details of directors' and the chief executive's emoluments are included in note 8 to financial statements.

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(v) Transactions between the Company and its subsidiaries

(a) Transactions with subsidiaries

	2024 RMB'000	2023 RMB'000
Platform service fees charged from subsidiaries	**247,272**	185,432

(b) Outstanding balances with subsidiaries

	2024 RMB'000	2023 RMB'000
Prepayments, other receivables and other assets	**334,046**	445,883
Other payables and accruals	**189,744**	244,948

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	2024 RMB'000	2023 RMB'000
Financial assets at amortised cost		
Trade and notes receivables	**173,357**	142,803
Financial assets included in prepayments, other receivables and other assets	**1,549,347**	1,599,591
Restricted bank deposits	**3,307**	1,640
Cash and cash equivalents	**547,241**	517,861
Subtotal	**2,273,252**	2,261,895
FVTPL	**292,890**	20,000
FVOCI		
Notes receivable	**4,138**	–
Total	**2,570,280**	2,281,895

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Financial liabilities

	2024 RMB'000	2023 RMB'000
Financial liabilities at amortised cost		
Trade payables	**172,087**	155,267
Financial liabilities included in other payables and accruals	**837,410**	921,879
Interest-bearing bank and other borrowings	**290,651**	120,000
Total	**1,300,148**	1,197,146

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the chief financial officer. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposits, trade and notes receivables, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals, and interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The valuations of the financial assets at fair value through profit or loss or other comprehensive income were based on information known to the Group and market conditions existing at the end of the reporting period. The fair values were determined by using appropriate valuation techniques. Valuation techniques of notes receivable and unlisted wealth management products were the discounted cash flow model, recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same and making use of available and supportable market data as much as possible.

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

31 December 2024	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
FVTPL	**289,115**	**3,775**	**–**	**292,890**
FVOCI	**–**	**4,138**	**–**	**4,138**

31 December 2023	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
FVTPL	20,000	–	–	20,000

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, restricted bank deposits and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and notes receivables, trade payables, financial assets included in prepayments, other receivables, and other assets, and financial liabilities included in other payables and accruals, which mainly arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(i) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies.

At 31 December 2024, the Group has currency exposures from its cash balances and interest-bearing bank borrowings. The Group has used a foreign currency swap contract to reduce the exposure to USD arising from the borrowings. The Group has limited foreign currency risk as the Group's net USD currency positions are minimal.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in HKD exchange rates, with all other variables held constant, of the Group's profit after tax and the Group's equity (due to HKD denominated cash balances).

	Increase/ (decrease) in HKD rate	**Increase/ (decrease) in profit after tax**	**Increase/ (decrease) in equity***
	%	RMB'000	RMB'000
2024			
If the RMB weakens against the HKD	**5**	**123**	**123**
If the RMB strengthens against the HKD	**(5)**	**(123)**	**(123)**
2023			
If the RMB weakens against the HKD	5	3,783	3,783
If the RMB strengthens against the HKD	(5)	(3,783)	(3,783)

* Excluding retained profits

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end and staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Contract assets	–	–	–	9,969	9,969
Trade and notes receivables	–	–	–	178,308	178,308
Financial assets included in prepayments, other receivables and other assets	1,578,058	1,092	27	–	1,579,177
Restricted bank deposits	3,307	–	–	–	3,307
Cash and cash equivalents	547,241	–	–	–	547,241
	2,128,606	1,092	27	188,277	2,318,002

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Contract assets	–	–	–	6,647	6,647
Trade and notes receivables	–	–	–	143,376	143,376
Financial assets included in prepayments, other receivables and other assets	1,590,761	281	24,232	–	1,615,274
Restricted bank deposits	1,640	–	–	–	1,640
Cash and cash equivalents	517,861	–	–	–	517,861
	2,110,262	281	24,232	150,023	2,284,798

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of lease liabilities and interest-bearing bank and other borrowings.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted payments, is as follows:

At 31 December 2024

	Less than 1 year RMB'000	**1 to 2 years RMB'000**	**Over 2 years RMB'000**	**Total RMB'000**
Trade payables	**172,087**	**–**	**–**	**172,087**
Financial liabilities included in other payables and accruals	**837,410**	**–**	**–**	**837,410**
Lease liabilities	**10,196**	**7,025**	**8,522**	**25,743**
Interest-bearing bank and other borrowings	**295,731**	**–**	**–**	**295,731**
	1,315,424	**7,025**	**8,522**	**1,330,971**

At 31 December 2023

	Less than 1 year RMB'000	1 to 2 years RMB'000	Over 2 years RMB'000	Total RMB'000
Trade payables	155,267	–	–	155,267
Financial liabilities included in other payables and accruals	921,879	–	–	921,879
Lease liabilities	6,510	7,488	15,353	29,351
Interest-bearing bank and other borrowings	122,632	–	–	122,632
	1,206,288	7,488	15,353	1,229,129

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the reporting period.

The current asset-current liability ratios as at the end of the reporting periods are as follows:

	2024 **RMB'000**	2023 RMB'000
Total current assets	**2,610,081**	2,322,457
Total current liabilities	**2,006,520**	1,776,561
Current asset-current liability ratios*	**77%**	76%

* The current asset-current liability ratio is calculated by dividing the total current liabilities by total current assets and multiplying the product by 100%.

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	49,892	52,843
Right-of-use assets	5,080	5,646
Intangible assets	1,673	1,612
Investments in subsidiaries	457,600	407,600
Investments in associates	11,842	4,395
Prepayments, other receivables and other assets	9,158	3,262
Deferred tax assets	8,283	12,358
Total non-current assets	543,528	487,716
CURRENT ASSETS		
Trade and notes receivables	944	825
Prepayments, other receivables and other assets	416,317	461,670
FVTPL	259,115	20,000
Derivative financial instruments	3,775	–
Restricted bank deposits	–	1,640
Cash and cash equivalents	225,145	216,733
Total current assets	905,296	700,868
CURRENT LIABILITIES		
Trade payables	1,188	304
Other payables and accruals	296,939	268,702
Contract liabilities	6,869	9,683
Interest-bearing bank and other borrowings	279,812	120,000
Lease liabilities	1,008	358
Total current liabilities	585,816	399,047
NET CURRENT ASSETS	319,480	301,821
TOTAL ASSETS LESS CURRENT LIABILITIES	863,008	789,537
NON-CURRENT LIABILITIES		
Lease liabilities	1	100
Deferred tax liabilities	9	8
Total non-current liabilities	10	108
NET ASSETS	862,998	789,429
EQUITY		
Share capital	87,117	87,117
Reserves	775,881	702,312
TOTAL EQUITY	862,998	789,429

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve	Share-based payments reserve	Statutory surplus reserve	(Accumulated losses)/ Retained profits	Total reserves
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	489,105	135,221	625	(15,960)	608,991
Issuance of shares upon listing on the Hong Kong Stock Exchange	98,064	–	–	–	98,064
Equity-settled share-based payments	–	26,972	–	–	26,972
Total comprehensive income for the year	–	–	–	(31,715)	(31,715)
As at 1 January 2024	587,169	162,193	625	(47,675)	702,312
Equity-settled share-based payments	–	9,191	–	–	9,191
Vested restricted shares	84,561	(84,561)	–	–	–
Total comprehensive income for the year	–	–	–	64,378	64,378
At 31 December 2024	**587,169**	**171,384**	**625**	**16,703**	**775,881**

40. EVENT AFTER THE REPORTING PERIOD

The Group did not have any significant events after the end of the reporting period which need to be disclosed.

41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2025.

Definitions

In this annual report, the following expressions have the meanings set out below unless the context otherwise requires:

"2024 AGM"	the forthcoming annual general meeting of the Company to be held on Tuesday, June 10, 2025
"AI"	Artificial Intelligence
"Ant Group"	Ant Group Co., Ltd. (螞蟻科技集團股份有限公司), a joint stock limited liability company established under the laws of the PRC on October 19, 2000
"Articles" or "Articles of Association"	the articles of association of our Company adopted on October 28, 2021 with effect on the Listing Date, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Auditor"	Ernst & Young, the external auditor of the Company
"Board" or "Board of Directors"	board of directors of the Company
"Board of Supervisors"	board of supervisors of the Company
"CAGR"	compound annual growth rate
"CG Code"	the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules
"Chairman"	chairman of the Board
"China" or "PRC"	the People's Republic of China, unless otherwise stated, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan of China herein
"Company" or "our Company" or "the Company" or "Logory"	Logory Logistics Technology Co., Ltd. (合肥維天運通信息科技股份有限公司), a joint stock company with limited liability incorporated in the PRC on June 23, 2010 and listed on the Stock Exchange on March 9, 2023 (Stock code: 2482)
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and in the context of this annual report, refers to the controlling shareholders of our Company, namely Mr. Feng Lei, Mr. Du Bing and Shanghai Chuyan
"Director(s)"	director(s) of the Company

Definitions

"FTL"	full truckload shipping, a transportation service in which the delivery involves a dedicated shipment of a full truckload, typically shipped directly from the point of departure to the point of destination through linehaul with the freight weight over 3 tons
"Global Offering"	an offering of 43,211,000 H Shares, comprising a final Hong Kong public offering of 12,964,000 H Shares and a final international public offering of 30,247,000 H Shares
"GPS"	the Global Positioning System
"Group", "our Group", "the Group", "we", "us", or "our"	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
"H Share(s)"	overseas listed shares in the share capital of our Company with a nominal value of RMB0.0625 each, subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$" or "HK cents"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards
"IoT"	Internet of things
"Latest Practicable Date"	April 17, 2025, being the latest practicable date prior to the publication of this annual report for ascertaining certain information contained herein
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	March 9, 2023, the date on which the H Shares of the Company were listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"LTL"	less than truckload shipping, a transportation service in which the shipment is less or lighter than a full truckload, and typically placed together with other shipments into a full truckload with the freight weight between 30 kg to 3 tons

Definitions

"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Du"	Mr. Du Bing (杜兵), an executive Director, the chief executive officer, the general manager and a Controlling Shareholder. He is also a co-founder and a promoter of our Company
"Mr. Feng"	Mr. Feng Lei (馮雷), an executive Director, the chairman of the Board and a Controlling Shareholder. He is also a co-founder and a promoter of our Company
"Online GTV"	online gross transaction volume, the aggregate amount of shipping fees (including VAT) settled on a digital freight platform for shipping transactions fulfilled through such platform as a statutory carrier under PRC law
"Prospectus"	the prospectus of the Company dated February 27, 2023
"R&D"	research and development
"Reporting Period"	the year ended 31 December 2024
"RMB"	Renminbi, the lawful currency of the PRC
"SaaS"	software as a service, a cloud-based software licencing and delivery model in which software and associated data are centrally hosted
"Shanghai Chuyan"	Shanghai Chuyan Enterprise Management Partnership (Limited Partnership) (上海褚岩企業管理合夥企業(有限合夥)), a limited partnership formed under the laws of the PRC on December 16, 2020 and is a Controlling Shareholder. As of the Latest Practicable Date, Shanghai Chuyan was owned as to 52% by Mr. Feng Lei and 48% by Mr. Du Bing
"Shanghai Yunxin"	Shanghai Yunxin Venture Capital Company Limited* (上海雲鑫創業投資有限公司), a limited liability company established under the laws of the PRC on February 11, 2014 and is one of the Pre-IPO Investors. As of the Latest Practicable Date, Shanghai Yunxin was directly wholly owned by Ant Group Co., Ltd. (螞蟻科技集團股份有限公司)
"Share(s)"	ordinary share(s) of the Company with nominal value of RMB0.0625 each including our domestic Shares and H Shares

Definitions

"Share Subdivision"	As approved by the Board in October 2021, the ordinary shares of the Company would be subdivided on a one-for-sixteen basis, and the nominal value of the shares was changed from RMB1.0 each to RMB0.0625 each subject to the completion of the Listing and all necessary approvals obtained in accordance with the applicable PRC laws, regulations and rules
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	member(s) of the board of Supervisors of the Company
"Trucks and drivers supply chain"	The upstream and downstream supply chain formed around transportation vehicles and drivers (such as trucks and truck drivers), which is a collaborative network extending from cargo owners to logistics enterprises and then to truckers to fulfill transportation services
"VAT"	Value-added tax
"%"	per cent