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

There are risks associated with any **[REDACTED]**. Some of the particular risks in **[REDACTED]** in the **[REDACTED]** are set out in the section headed "Risk Factors." You should read that section carefully before you decide to **[REDACTED]** in the **[REDACTED]**.

## OVERVIEW

We are a leading and the fastest-growing platform for developing and managing modern infrastructure, consisting primarily of logistics parks, as well as business parks and others, in China and Asia. As the cornerstone of JD Group's supply chain ecosystem, we are born with deep insights into merchandise and logistics flows and a distinct ability to integrate business resources, and are thus uniquely positioned to serve consumption-oriented demand and transform local economies. Through proven and continuous value creation built on sourcing, development, operation and capital recycling capabilities, we own and manage an expansive asset network covering logistics nexuses. Under such "*infrastructure + industrial upgrading*" playbook, we have built a strong foundation at strategic locations in key markets and become a driving force in bolstering supply chain efficiency and resilience for our corporate customers – a distinguished market position which we refer to as "*SuperNodes.*" Leveraging the four pillars of our core competencies, namely, our infrastructure assets, our development expertise, our service capabilities and our actionable insights, we provide bespoke, holistic and intelligent infrastructure solutions and have continually expanded our customer base in third-party logistics, e-commerce, manufacturing, retail and other new economy industries. As of December 31, 2022, we had accumulated an extensive portfolio of Modern Infrastructure Assets, with a total AUM of RMB93.7 billion and total GFA of 23.3 million sq.m., ranking third in Asia and second in China in terms of GFA, according to JLL. We have also achieved the highest growth among our industry peers according to JLL, with total GFA expanding at a CAGR of over 40% from the beginning of 2018 to the end of 2022.

### Our Inception

We commenced our operations in 2007 when JD Group first implemented its long-term strategy of building its own logistics capabilities. During the early years of our operations, we leveraged the geographical expansion of JD Retail and JD Logistics in China and pioneered the industry with the design and development of proprietary "Asia No. 1" smart mega warehouses, which are built with high construction and service standards and can be equipped with advanced technologies. As our business operations serve the growth of JD Group's supply chain ecosystem, we accumulate insights into merchandise and logistics flows and develop distinct capabilities in integrating business resources. Such abilities to effectively address supply chain infrastructure pain points and serve e-commerce and logistics customers set us apart from our peers and make us an indispensable member of JD Group's ecosystem. We started operating independently in 2018, and since then, we have remained at the forefront of industry trends and customer preferences.

Driven by the robust demand from JD Group and the growth trajectory in China's e-commerce industry, we have achieved healthy and sustainable growth, and established an extensive, high-quality network of logistics parks across China. In addition, we have also developed diversified infrastructure assets such as business parks, and have also successfully expanded our footprints to overseas markets, including Southeast Asia and Europe.

## Who We Are Today

In tandem with our business growth, we have forged four pillars of core competencies, namely, our infrastructure assets, our development expertise, our service capabilities and our actionable insights.

### *Our Infrastructure Assets*

We have built an expansive and high-quality network of modern infrastructure across 29 provincial-level administrative regions in China and four countries overseas, substantially all of which are Grade-A logistics infrastructures. Our presence in gateway cities, transportation hubs and manufacturing sites enables us to efficiently facilitate the circulation of goods and the deployment of business resources. Our successful acquisition of CNLP in 2022 further strengthened the scale and diversification of our portfolio, particularly in the Greater Shanghai Area. As of December 31, 2022, nearly 90% of our Modern Infrastructure Assets in China in terms of GFA were located in Tier 1 cities and their satellite cities and Tier 2 cities. Our focus on strategic locations in key markets and a holistic approach to serving customers' evolving demands allow us to capture the rising demand for modern infrastructure in the new economy sector, including e-commerce, logistics, healthcare, high-end equipment manufacturing, information technology and renewable energy industries. As of December 31, 2022, the average occupancy rate of the completed Modern Infrastructure Assets was over 90%, and a majority of the leases in effect had a term over five years, each of which was higher than the industry average, according to JLL. Our robust operational performance enables us to achieve highly predictable and sustainable cash flows throughout the industry cycle.

We have been opportunistically implementing our capital recycling strategy with an aim to strike a balance between maintaining ownership over our assets and improving capital efficiency. To that end, we have partnered with reputable, long-term capital partners to set up various private funds, as well as acting as the asset manager to the well-received Jiashi C-REIT, which is the first warehousing logistics C-REIT sponsored by a private enterprise in China. Our Fund AUM increased rapidly from RMB11.5 billion as of December 31, 2019 to RMB25.3 billion as of December 31, 2022, at a CAGR of over 30%, and revenue from fund management services increased from RMB72.2 million in 2020 to RMB132.0 million in 2022. As of December 31, 2022, our Fund AUM accounted for 27.0% of our total AUM, while the remaining RMB68.4 billion of our total AUM on our balance sheet provides abundant reserves for the development of our fund management business in the future.

### *Our Development Expertise*

Leveraging JD Group's ecosystem, we have demonstrated our ability to facilitate the development of local economies and industrial upgrades. Such differentiated value proposition positions us well in sourcing well-located development sites at competitive costs. During the Track Record Period, we acquired the largest total area of land approved for logistics parks in China among all modern infrastructure providers in the new economy sector, according to JLL. As a result of our highly efficient development process and depth of our customer relationships, we have continually replenished our development pipeline and built to the requirements of our current and future customers. During the Track Record Period, our GFA for land acquisitions averaged approximately 2.8 million sq.m. per year, our GFA for new-starts averaged approximately 3.5 million sq.m. per year, and our GFA for completion averaged approximately 2.4 million per year.

Our development activities have served as a cornerstone to our value creation capability. For example, for the 38 projects we have disposed of to our managed funds and investment vehicles since

2019, we have recognized aggregate disposal proceeds of RMB22.8 billion, representing a total development return of nearly 50% of the sum of land acquisition and construction costs. As of December 31, 2022, properties under development and land reserve had a total GFA of approximately 7.7 million sq.m., representing an aggregate property valuation of RMB19.5 billion, which provide significant potential of value creation in the future.

***Our Service Capabilities***

By adhering to the customer-first philosophy and through serving standard-defining players, such as JD Logistics, we have been continuously leveling up the playfield for the industry's Grade-A logistics infrastructure in terms of technical requirements and service standards. As a result of these efforts, we successfully developed a wide spectrum of services covering the full life cycle of modern infrastructure, including site selection, project design and property operation. Leveraging our established "*SuperNodes*" position, we are also capable of bringing customers additional value and business development opportunities beyond acting as a provider of modern infrastructure and property management services.

We are committed to providing consistent, reliable and high-quality services to our corporate customers. For instance, during the COVID-19 outbreak and its resurgence from 2020 to 2022, we overcame the difficulties by mobilizing labor force and business resources, including capital and technology resources, across regions and providing on-the-ground support for the continual operations of Modern Infrastructure Assets. We believe our resilience in providing services during such times has won us trust from our customers. We have also leveraged our deep understanding in merchandise and logistics flows to customize facilities for certain customers with specific needs such as BMW. We strive to improve customer experience and build a reputable brand through our superior service and operational capabilities, thereby continually driving growth of our customer base and enhancing customer loyalty.

Leveraging our robust network of modern infrastructure and integrated end-to-end service capabilities, we have continued to expand our customer base and forged long-term business relationships with an increasing number of corporate customers that are independent third parties. As a result, the percentage of our total revenues contributed by external customers increased from 27.9% in 2020 to 51.5% in 2022. Our customer base has become increasingly diversified in terms of industry coverage during the Track Record Period, including logistics service providers (e.g. JD Logistics), manufacturers (e.g. BMW), e-commerce platforms (e.g. JD.com and benlai.com) and retailers (e.g. BESTORE and Yonghui Superstores), among others.

***Our Actionable Insights***

We believe in the power of technologies in driving business growth. Our network of modern infrastructure facilitates transactions and circulations of merchandises for our customers in various new economy industries both domestically and internationally. Therefore, we are able to develop an in-depth understanding of how our customers manage their supply chain needs on an on-going basis. For example, we directly handle a significant amount of traffic, including the number of personnel and vehicles transiting through our Modern Infrastructure Assets, the number of project management related requests, and the volume of incoming and outgoing cargoes. By leveraging our know-how and insights accumulated through day-to-day operations, we continuously develop use cases to further enhance our services on the premises and optimize our operational efficiency.

Through combining our in-depth knowledge with purpose-built technologies, our development and operation activities have become increasingly smarter and more efficient. We deployed digital tools, such as our proprietary project management platform and the Intelligent Management Center (IMC), to seamlessly integrate our operations both on-site and remotely, which allow us to improve real-time responsiveness, reduce labor costs and enhance asset values. As of December 31, 2022, we had an GFA under management per employee of approximately 41 thousand sq.m., which was higher than the average level of our peers in the new economy sector, according to JLL. Our superior operational capabilities built upon such insights are also manifested by our successful operation during the height of customer demand. For instance, during the JD "6.18" Shopping Festival every year, there is peak traffic of vehicles, people and merchandises on the premises of the Modern Infrastructure Assets. To deliver a smooth experience for our customers, we designed optimized traffic routes and formulated rapid response mechanisms to address different types of surging traffic situations, thereby successfully fulfilling the demands of our customers in terms of storage and transportation.

Leveraging the above insights, we are able to stay abreast of up-to-date industry dynamics and predict our customers' unfulfilled or evolving needs, and based on which we formulate more targeted and effective strategic actions, including but not limited to site selection and design, customer acquisition and services, and pricing. In particular, based on our prediction of market supply and demand, we can promptly and accurately negotiate the lease terms, so as to strategically maintain a balanced lease maturity profile and proactively capture rental reversion when leases roll to market. Our utilization of insights constantly propels the improvement of our decision making, while we continue to accumulate deeper and more comprehensive insights from our business operations. This virtuous cycle further strengthens our position as the "*SuperNodes*" along the modern infrastructure value chain.

**Our Path Forward**

As we continue to capture market opportunities in China, we aim to further strengthen our strategic presence, expand our customer base, and promote the technological upgrades of our infrastructure assets and services. We also expect to continue expanding our footprints in selected overseas markets, with an aim to build presence in core regions globally and create business synergies across locations. Over the long term, we strive to become an integrated platform of modern infrastructure with strong foothold in China and strategic footprints abroad.

Echoing the national strategy of promoting industrial upgrading and transformation and leveraging our strong capabilities in integrating business resources and providing premium services, we aim to solidify our leadership in Grade-A logistics infrastructure and expand to adjacent asset types such as business parks. We are devoted to facilitating the evolution of various industries as well as the structural transformation of the local economy. We hope to create a virtuous cycle where we provide the foundation to support local businesses, which in turn drives further development of the modern infrastructure. As of December 31, 2022, we had developed, owned or managed an extensive portfolio of Modern Infrastructure Assets, including a total of 219 logistics parks, 13 business parks and four data centers, with corporate customers from a wide range of industries enjoying our infrastructure solutions. By implementing our differentiated "*infrastructure + industrial upgrading*" playbook of connecting business resources along the value chain, we have further strengthened our irreplaceable position as "*SuperNodes*" across China.

We hold a global vision and have been selectively expanding beyond China. As of December 31, 2022, we had 25 infrastructure projects in four overseas countries. Southeast Asia is the first overseas market that we strategically identified and entered. Through the acquisition and management of asset portfolio in Indonesia and the projects in Vietnam, we have accumulated knowledge and expertise closely tied to the local economic characteristics, and have been developing new projects with our local team established therein. Europe is another overseas market that we have successfully reached and tapped into. We acquired existing projects located in the U.K. and the Netherlands with an aim to improve operational efficiency through renovation and upgrades of such existing projects. We believe by pairing our core competencies, business resources and operational expertise that we accumulated in China with our insights into the local demands, we are well positioned to further strengthen our network in overseas markets and better serve the need of an increasing number of Chinese enterprises seeking global expansions.

We achieved sustainable growth during the Track Record Period. Our revenue increased by 37.2% from RMB582.0 million in 2020 to RMB798.7 million in 2021, and further increased by 190.3% to RMB2.3 billion in 2022. During the Track Record Period, we derived our revenue primarily from (i) infrastructure solutions, (ii) fund management services and (iii) development services. Our revenue from infrastructure solutions primarily comprises rental income from the Balance Sheet Assets, and, to a lesser extent, other value-added income from the sales of solar energy generated from our solar power systems, and infrastructure management fees for the management services we provide. Our fund management services generate fees and other income for managing the Fund Assets on behalf of our capital partners. These fees include fund management fee, asset management fee, professional service fees, development management fee, leasing commission, acquisition fee and promote. Our revenue from development services represents income from providing consulting and management services for the development projects we manage. See "Financial Information—Description of Major Components of Our Results of Operations—Revenue" in this document for more information on our revenue.

The table below summarizes all Modern Infrastructure Assets by asset type, whether owned or managed by us, as of the dates indicated:

| | As of December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | 2021 | | 2022 | |
| | (sq.m. in thousands) | Number of Properties | (sq.m. in thousands) | Number of Properties | (sq.m. in thousands) | Number of Properties |
| **China** | | | | | | |
| Logistics parks | | | | | | |
| *Completed properties*[(1)] | 6,063 | 49 | 8,421 | 71 | 14,857 | 135 |
| *Properties under development and land reserve*[(1)] | 5,266 | 48 | 5,846 | 53 | 6,776 | 59 |
| Business parks and others | | | | | | |
| *Completed properties*[(1)] | 102 | 1 | 171 | 2 | 233 | 3 |
| *Properties under development and land reserve*[(1)] | 253 | 4 | 340 | 6 | 791 | 14 |
| **Subtotal** | **11,686** | **102** | **14,778** | **132** | **22,657** | **211** |
| **Overseas**[(2)] | | | | | | |
| *Completed properties*[(1)] | — | — | 388 | 18 | 562 | 23 |
| *Properties under development and land reserve*[(1)] | 59 | 1 | 135 | 3 | 116 | 2 |
| **Subtotal** | **59** | **1** | **523** | **21** | **679** | **25** |
| **TOTAL** | **11,745** | **103** | **15,300** | **153** | **23,336** | **236** |

*Notes:*

(1) For the definitions of "completed properties," "properties under development" and "land reserve," see "Business—Our Modern Infrastructure Assets—Classification of the Modern Infrastructure Assets" in this document.

(2) All Modern Infrastructure Assets overseas are logistics parks.

## OUR STRENGTHS

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

- A leading and the fastest-growing platform of modern infrastructure
- An extensive and unrivaled asset network encompassing key logistics nexuses in China
- Proven industry-leading capabilities in project sourcing and development
- Customer-first philosophy and services driving the expansion of customer base
- Capital recycling through various funds and investment vehicles to realize value creation
- Experienced and visionary management team and outstanding ESG achievements

## OUR STRATEGIES

We strive to seize more business opportunities to build multiple growth levers, solidify our unique position as the "*SuperNodes*" along the logistics supply chain and the broader business value chain, and become a most-respected platform in the world for developing and managing modern infrastructure. Specifically, we intend to pursue the following strategies to achieve our business objectives:

- Continue to focus on key logistics nexuses across China and further enhance the density and quality of infrastructure asset network
- Continue to build presence in globally strategic regions and create business synergies through our cross-border modern infrastructure network
- Continue to recycle capital by selectively deploying funds and investment vehicles and leveraging our collaboration with reputable, long-term capital partners
- Continue to expand and diversify our customer base by enhancing service capabilities
- Continue to capture adjacent opportunities in the modern infrastructure industry and deliver value beyond assets

## RISK FACTORS

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

- The success of our business depends on our ability to serve the rising demand in countries where we operate and the sustainability of the rising demand for modern infrastructure;
- We are subject to the risks of the logistics infrastructure business;
- A significant portion of our revenue has been, and will likely continue to be, associated with JD Group in the foreseeable future. We may have different development prospect or conflicts of interest with JD Group and, because of JD Group's controlling interest in our Company, it may exert substantial influence over our operations and may not be able to resolve such conflict on favorable terms for us or act in the best interests of our other Shareholders;

- Any negative development with respect to our relationship with JD Group or negative publicity concerning JD Group may materially and adversely affect our business and brand recognition;
- We have a limited operating history and are subject to complex operational risks which may be difficult to address;
- Our returns from investments in the Modern Infrastructure Assets could be adversely affected by fluctuations in the income generated from, and in the value of, the Modern Infrastructure Assets and other factors, including the concentration of the Modern Infrastructure Assets in the logistics infrastructure sector;
- We may not be able to secure capital resources to support our future land acquisition, project development and expansion of our infrastructure network for our business growth, either through equity or debt financing, on commercially reasonable terms, or at all;
- We may not obtain the land use rights for our projects despite our entrance into binding investment agreements;
- We may not be able to complete the development or redevelopment of the Modern Infrastructure Assets according to our budget, on time, or at all; and
- Our Modern Infrastructure Assets rely on the transportation infrastructure and connectivity of the surrounding areas.

## OUR CONTROLLING SHAREHOLDERS AND CONTINUING CONNECTED TRANSACTIONS

As of the date of this document, JD.com, through Jingdong Technology Group Corporation and JD Property Holding Limited, its wholly-owned subsidiary, is indirectly interested in 4,902,584,473 Shares, representing approximately 74.96% of our issued share capital. Immediately after the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and excluding shares to be issued under the Share Incentive Plans), JD.com, through Jingdong Technology Group Corporation and JD Property Holding Limited, will control approximately **[REDACTED]**% of our total issued share capital.

Further, as of the Latest Practicable Date, in respect of interests in JD.com, Mr. Richard Qiangdong Liu beneficially owns (i) 368,007,423 Class B ordinary shares held by Max Smart Limited, (ii) 11,487,275 American Depositary Shares (each representing two Class A ordinary shares), representing 22,974,550 Class A ordinary shares, held by Max Smart Limited, (iii) 11,800,000 Class A ordinary shares that Mr. Liu had the right to acquire upon exercise of options that shall have become vested within 60 days after the Latest Practicable Date. In addition, Fortune Rising Holdings Limited, of which Mr. Richard Qiangdong Liu is the sole shareholder and the sole director, holds 18,183,872 Class B ordinary shares as of the Latest Practicable Date. Therefore, Mr. Liu controls approximately 73.9% of the aggregate voting power of JD.com, including 3.5% of the aggregate voting power of JD.com that he may exercise on behalf of Fortune Rising Holdings Limited, as of the Latest Practicable Date. In addition, Max I&P Limited, a holding vehicle controlled by Mr. Richard Qiangdong Liu (劉強東) , holds 193,059,698 Shares issued to Mr. Liu pursuant to the share awards already vested to him, representing approximately 2.95% of our total issued share capital as of the date of this document.

Accordingly, our Company will remain as a subsidiary of JD.com after the **[REDACTED]**, and JD.com, Jingdong Technology Group Corporation, JD Property Holding Limited, Mr. Liu, Fortune

Rising Holdings Limited, Max Smart Limited and Max I&P Limited will constitute a group of Controlling Shareholders of our Company.

We have entered into a number of partially exempt or non-exempt connected transactions with JD Group and its associates, including (i) provision of infrastructure services, C-REIT management services and project development management services to JD Group and its associates; and (ii) shared services provided by JD Group. In 2020, 2021 and 2022, we have generated RMB419.7 million, RMB551.8 million and RMB1,124.9 million of revenue attributable to JD Group and its associates, respectively, representing 72.1%, 69.1% and 48.5% of our total revenue, respectively. In 2020, 2021 and 2022, we have incurred RMB43.6 million, RMB74.2 million and RMB108.9 million of costs and expenses attributable to JD Group and its associates, respectively, representing 7.9%, 7.3% and 7.6% of our total cost of revenue and operating expenses, respectively. In relation to these transactions, we are of the view that we do not and will not significantly rely on JD Group. Please refer to the section headed "Relationship with our Controlling Shareholders—Operational Independence" and "Connected Transactions" in this document for further details.

We believe these connected transactions are mutually beneficial to our Group and JD Group. For our Group, we are able to (i) derive significant revenue from JD Group which improves our economies of scale and therefore competitiveness; and (ii) enjoy certain cost effective back-office and administrative support functions from JD Group. For JD Group and its associates, they are able to (i) enjoy superior infrastructure services, C-REIT management services and project development management services and leverage the expertise of our group in infrastructure solutions and asset management; and (ii) enjoy better economies of scale by providing certain back-office and administrative support functions to us. Please refer to the section headed "Relationship with our Controlling Shareholders" and "Connected Transactions" in this document for further details.

## SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

**Summary Consolidated Statements of Profit or Loss**

The following table sets forth a summary of our consolidated statements of profit or loss with line items in absolute amounts and as a percentage of our revenue for the periods indicated. The financial results of CNLP have been consolidated since March 1, 2022.

| | For the Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | 2021 | | 2022 | |
| | RMB | % | RMB | % | RMB | % |
| | (in thousands, except percentages) | | | | | |
| **Revenue** | **582,023** | **100.0** | **798,656** | **100.0** | **2,318,405** | **100.0** |
| Cost of sales | (352,638) | (60.6) | (284,877) | (35.7) | (681,631) | (29.4) |
| **Gross profit** | **229,385** | **39.4** | **513,779** | **64.3** | **1,636,774** | **70.6** |
| Other income and gains, net | 3,519,341 | 604.7 | 3,162,814 | 396.0 | 4,137,288 | 178.5 |
| Selling and distribution expenses | ( 21,970) | (3.8) | (23,608) | (3.0) | (32,006) | (1.4) |
| Administrative expenses | (175,853) | (30.2) | (706,788) | (88.5) | (719,479) | (31.0) |
| Finance costs | (10,701) | (1.8) | (610,585) | (76.5) | (1,059,656) | (45.7) |
| Fair value changes of convertible preferred shares | — | — | (190,733) | (23.9) | (403,657) | (17.4) |
| Impairment losses on financial assets, net | (58) | (0.0) | (3,035) | (0.4) | (13,151) | (0.6) |
| Share of profits and losses of joint ventures and associates, net | 122,000 | 21.0 | 313,894 | 39.3 | 252,529 | 10.9 |
| **Profit before tax** | **3,662,144** | **629.2** | **2,455,738** | **307.5** | **3,798,642** | **163.8** |
| Income tax expense | (848,784) | (145.8) | (960,837) | (120.3) | (1,578,469) | (68.1) |
| **Profit for the year** | **2,813,360** | **483.4** | **1,494,901** | **187.2** | **2,220,173** | **95.8** |
| **Non-IFRS Measures:** | | | | | | |
| Adjusted profit for the year(1) | 2,883,340 | 495.4 | 2,244,954 | 281.1 | 3,108,167 | 134.1 |
| Adjusted EBITDA(1) | 3,663,138 | 629.4 | 3,926,499 | 491.6 | 5,679,493 | 245.0 |

*Note:*

(1) See "— Non-IFRS Measures."

### *Non-IFRS Measures*

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

We believe adjusted profit for the year (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) provide useful information to **[REDACTED]** and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, our presentations of adjusted profit for the year (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit for the year (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

*Adjusted Profit for the Year*

We define adjusted profit for the year (non-IFRS measure) as profit for the year, excluding (i) share-based payments, (ii) CNLP acquisition costs and (iii) fair value loss on convertible preferred shares. We exclude these items because they are either non-operating in nature or not indicative of our core operating results and business outlook, or do not generate any cash outflows. Share-based payments are non-cash in nature and do not result in cash outflow, and the adjustment has been consistently made during the Track Record Period, which complies with GL103-19. We believe the exclusion of share-based payments provides **[REDACTED]** and our management with greater visibility to the underlying performance of our business operations, facilitates comparison of our results of different periods, and may also facilitate comparison with the results of other companies in our industry. In addition, given the relative size of CNLP and its strategic importance, the CNLP acquisition is considered non-recurring, and thus the acquisition costs are one-off and non-recurring, the exclusion of which complies with GL103-19. The fair value loss of convertible preferred shares has been determined by using the income approach and is affected primarily by the changes in our equity value. The convertible preferred shares will automatically be converted into ordinary shares upon the completion of the **[REDACTED]**, and no further loss or gain on fair value changes is expected to be recognized afterwards. The reconciling item is non-cash, non-recurring and does not result in cash outflow, which complies with GL103-19.

The following table reconciles our adjusted profit for the year (non-IFRS measure) to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is profit for the year.

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | 2022 |
| | RMB | RMB | RMB |
| | (RMB in thousands) | | |
| **Profit for the year** | 2,813,360 | 1,494,901 | 2,220,173 |
| Add: | | | |
| Share-based payments | 69,980 | 535,350 | 419,860 |
| CNLP acquisition costs | — | 23,970 | 64,477 |
| Fair value loss on convertible preferred shares | — | 190,733 | 403,657 |
| **Adjusted profit for the year (non-IFRS measure)** | **2,883,340** | **2,244,954** | **3,108,167** |

The relatively large amount of RMB535.4 million and RMB419.9 million of share-based payments were incurred in 2021 and 2022. The CNLP acquisition costs, which amounted to RMB24.0 million in 2021 and RMB64.5 million in 2022, primarily included the one-off finance costs and other professional fees. The fair value loss on convertible preferred shares of RMB190.7 million recognized in 2021 was related to the appreciation of our Series A Preference Shares, and the fair value loss on convertible preferred shares of RMB403.7 million in 2022 was related to the appreciation of our Series A and Series B Preference Shares.

*Adjusted EBITDA*

We define adjusted EBITDA (non-IFRS measure) as profit before tax, adding back (i) depreciation and amortization, (ii) foreign exchange loss/(gain), (iii) finance costs, (iv) impairment losses on financial assets, net, (v) share-based payments, (vi) CNLP acquisition costs and (vii) fair value loss on convertible preferred shares and excluding interest income. We add back items (i) to (iv), as these items are non-cash in nature, not resulting in cash outflow, and commonly added back in calculating earnings before interest, taxes, depreciation and amortization by comparable companies, and the adjustments have been consistently made during the Track Record Period, which complies with GL103-19. We believe the exclusion of these items provides **[REDACTED]** and our management with greater visibility to the underlying performance of our business operations, facilitates comparison of our results of different periods, and may also facilitate comparison with the results of other companies in our industry. We exclude interest income, consistent with the definition of EBITDA. See "Financial Information—Non-IFRS Measures—Adjusted Profit for the Year" for exclusion of share-based payments, CNLP acquisition costs and fair value loss on convertible preferred shares.

The following table reconciles our adjusted EBITDA (non-IFRS measure) to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is profit before tax.

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | 2022 |
| | RMB | RMB | RMB |
| | (RMB in thousands) | | |
| **Profit before tax** | 3,662,144 | 2,455,738 | 3,798,642 |
| Add: | | | |
| Depreciation and amortization | 15,216 | 24,071 | 11,775 |
| Foreign exchange (loss)/gain | (91,526) | 94,811 | (67,661) |
| Finance costs | 10,701 | 610,585 | 1,059,656 |
| Impairment losses on financial assets, net | 58 | 3,035 | 13,151 |
| Share-based payments | 69,980 | 535,350 | 419,860 |
| CNLP acquisition costs | — | 23,970 | 64,477 |
| Fair value loss on convertible preferred shares | — | 190,733 | 403,657 |
| Less: | | | |
| Interest income | (3,435) | (11,794) | (24,064) |
| **Adjusted EBITDA (non-IFRS measure)** | **3,663,138** | **3,926,499** | **5,679,493** |

### Summary of Consolidated Balance Sheets

The following table sets forth certain key items of our financial position as of the dates indicated.

| | As of December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | 2022 |
| | (RMB in thousands) | | |
| Total non-current assets | 22,289,638 | 35,691,863 | 75,630,716 |
| Total current assets | 3,304,544 | 3,687,882 | 3,900,070 |
| **Total assets** | **25,594,182** | **39,379,745** | **79,530,786** |
| Total non-current liabilities | 1,227,832 | 7,122,287 | 24,336,066 |
| Total current liabilities | 21,098,501 | 11,923,578 | 23,181,426 |
| **Total liabilities** | **22,326,333** | **19,045,865** | **47,517,492** |
| Net current liabilities | 17,793,957 | 8,235,696 | 19,281,356 |
| **Net assets** | **3,267,849** | **20,333,880** | **32,013,294** |

Our net assets (i.e., total equity) increased from RMB3.3 billion as of December 31, 2020 to RMB20.3 billion as of December 31, 2021, primarily attributable to (i) proceeds from issue of shares of RMB10.4 billion, (ii) dividend payable to JD Group of RMB4.6 billion which is subsequently offset by way of a capital injection from JD Group and (iii) profit for the year of RMB1.5 billion.

Our net assets further increased from RMB20.3 billion as of December 31, 2021 to RMB32.0 billion as of December 31, 2022, primarily attributable to (i) proceeds from issue of shares of RMB9.0 billion, and (ii) profit for the year of RMB2.2 billion.

We had net current liabilities positions as of December 31, 2020, 2021 and 2022 and as of February 28, 2023. Our net current liabilities positions as of each of these dates were primarily attributable to bank and other borrowings, and other payables and accruals, partially offset by prepayments, other receivables and other assets and cash and cash equivalents.

Our net current liabilities decreased from RMB17.8 billion as of December 31, 2020 to RMB8.2 billion as of December 31, 2021, primarily due to net effect of a decrease in bank and other borrowings of RMB5.6 billion, a decrease in other payables and accruals of RMB3.6 billion, and an increase in cash and cash equivalents of RMB2.4 billion, which was partially offset by a decrease in prepayments, other receivables and other assets of RMB2.0 billion, and a decrease in assets of a disposal group classified as held for sale of RMB195.5 million.

Our net current liabilities increased from RMB8.2 billion as of December 31, 2021 to RMB19.3 billion as of December 31, 2022, primarily due to the net effect of an increase in bank and other borrowings of RMB9.1 billion, an increase in other payables and accruals of RMB2.0 billion, and a decrease in cash and cash equivalents of RMB1.6 billion.

We had net current liability positions during the Track Record Period. Our investment properties, which constitute a vast majority of our total assets, are classified as non-current assets. As a result, our current assets only represent a small portion of our total assets. As of December 31, 2020, 2021 and 2022, our current assets remained stable at RMB3.3 billion, RMB3.7 billion and RMB3.9 billion, respectively, compared to the significant growth of our total assets, which were RMB25.6 billion, RMB39.4 billion and RMB79.5 billion as of the respective same dates. On the other hand, a meaningful proportion of our liabilities were classified as current liabilities, primarily as a result of net loan payable to JD Group and our bank loan for the CNLP acquisition. Our net loan payable to JD Group were RMB14.3 billion, RMB8.7 billion and RMB8.8 billion as of December 31, 2020, 2021 and 2022, respectively. Despite the fact that the net loan payable is classified as current liabilities, JD Group has not demanded, during the Track Record Period, and the Company does not expect JD Group to demand, the repayment of any such balance. In addition, while our bank loan for the CNLP acquisition is currently short-term in nature, we will seek to extend the tenor of such loan under favorable market conditions. Furthermore, we expect our net current liability position to further improve as a result of cash generated from operations and the **[REDACTED]** from the **[REDACTED]**, as well as our future capital recycling strategy. As such, our Directors are of the view that the net current liability position does not have a material adverse effect on our liquidity position or cash flows.

### Summary Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated.

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2020 | 2021 | 2022 |
| | (RMB in thousands) | | |
| Net cash generated from operating activities | 579,288 | 713,878 | 1,731,150 |
| Net cash used in investing activities | (4,587,080) | (7,794,330) | (22,104,380) |
| Net cash generated from financing activities | 3,947,197 | 9,496,553 | 18,676,946 |
| Net (decrease)/increase in cash and cash equivalents | (60,595) | 2,416,101 | (1,696,284) |
| Effect of foreign exchange rate changes, net | 54,993 | (36,653) | 90,360 |
| Cash and cash equivalents at the beginning of the year | 336,560 | 330,958 | 2,710,406 |
| **Cash and cash equivalents at the end of the year** | **330,958** | **2,710,406** | **1,104,482** |

**[REDACTED]**

## FUTURE DIVIDENDS

We are a holding company incorporated under the laws of the Cayman Islands. Any future decision to declare and pay any dividends will be at the discretion of our Board and will depend on, among other things, the availability of dividends received from our subsidiaries, our earnings, capital and investment requirements, level of indebtedness, and other factors that our Board deems relevant. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our Board. As advised by our Cayman Islands counsel, under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be declared or paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. **[REDACTED]** should not purchase our shares with the expectation of receiving cash dividends. Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, where appropriate. A dividend of approximately RMB4.6 billion was declared to JD Group in 2020 and recorded as a payable. Such payable was subsequently offset by way of a capital injection from JD Group in 2021 in the same amount. No dividend was declared or paid by us in 2021 or 2022. We do not have a fixed dividend payout ratio.

**[REDACTED]**

**[REDACTED]**

## RECENT DEVELOPMENTS

### No Material Adverse Change

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there has been no material adverse change in our financial, operational, or trading position or prospects since December 31, 2022, which is the end date of the periods reported on in the Accountants' Report included in Appendix I to this document, and there is no event since December 31, 2022 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.

**[REDACTED]**

**[REDACTED]**

Assuming an **[REDACTED]** of HK$**[REDACTED]** (being the mid-point of the **[REDACTED]** of between HK$**[REDACTED]** and HK$**[REDACTED]**), we estimate that we will receive **[REDACTED]** of approximately HK$**[REDACTED]** million from the **[REDACTED]** after deducting the **[REDACTED]** and other estimated expenses paid and payable by us in connection with the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised. In line with our strategies, we intend to use our **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- Approximately **[REDACTED]**% (approximately **[REDACTED]**) of the **[REDACTED]** is expected to be used to further expand our infrastructure asset network in the PRC in the next 12 to 36 months, with a focus on core locations and strategic logistics nexuses;
- Approximately **[REDACTED]**% (approximately **[REDACTED]**) of the **[REDACTED]** is expected to be used to further deepen our market presence in overseas markets in the next 12 to 36 months, with an aim to further strengthen our network in overseas markets, better serve the need of an increasing number of Chinese enterprises seeking global expansions and create synergies through cross-border network;
- Approximately **[REDACTED]**% (approximately **[REDACTED]**) of the **[REDACTED]** is expected to be used to enhance our solutions and services in the next 12 to 36 months, which we believe is critical for attracting and retaining our customers;
- Approximately **[REDACTED]**% (approximately **[REDACTED]**) of the **[REDACTED]** is expected to be used to validate our value in ESG in the next 12 to 36 months, especially our initiatives regarding renewable energy management; and
- Approximately **[REDACTED]**% (approximately **[REDACTED]**) of the **[REDACTED]** is expected to be used for general corporate purposes and working capital needs in the next 12 to 36 months.

**[REDACTED]**