

RISK FACTORS

An [REDACTED] in our Class B Shares involves significant risks. You should carefully consider all of the information in this Document, including the risks and uncertainties described below, before making an [REDACTED] in our Class B Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the [REDACTED] of our Shares could decline, and you may lose all or part of your [REDACTED].

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements”.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Our continued growth depends on our ability to cost-effectively attract, retain and engage merchants and carriers. If we fail to attract new or retain current merchants and carriers, or if merchants and carriers engage less with us, our business, results of operations and financial condition and prospects could be harmed.

Our success significantly depends on our ability to cost-effectively retain existing and attract new merchants and carriers, as well as increase their utilization of our platform and service offerings. If merchants engage less with or cease to use our platform, we may not be able to provide carriers with sufficient opportunities to find shipping orders and earn incomes, which could harm our reputation and reduce the perceived utility of our platform. Similarly, if carriers choose not to offer their services through our platform or choose to offer them through other digital freight platforms, we may not be able to offer sufficient carrier supply to attract new and retain existing merchants. An insufficient supply of merchants and carriers would adversely affect our revenue and financial results. If we fail to continue to provide carriers with compelling opportunities to earn income or to offer incentives that are comparable or superior to those of our competitors, or if carriers become dissatisfied with our platform and services, we may fail to attract new and retain current carriers or increase their engagement with our platform, or we may experience complaints, negative publicity, strikes or other work stoppages that could adversely affect our business and results of operations.

In addition, changes in certain laws and regulations, including labor, employment and road traffic safety laws or background check requirements, may result in a shift or decrease in the pool of qualified carriers, which may result in increased competition for qualified carriers. Other factors outside of our control, such as concerns about personal health and safety, increased energy prices, the availability of vehicles or insurance, or the use of cheating tools by certain carriers may also reduce the number of carriers on our platform or their utilization of our platform. If we fail to attract a sufficient number of qualified carriers on favorable terms, fail to increase utilization of our platform by existing carriers, or lose carriers to our competitors, we may not be able to meet our merchants’ demand, and our business, financial condition and results of operations could be adversely affected.

Our merchants have a wide variety of freight transport options, such as personal vehicles and rental cars. They may rely on traditional freight-matching brokers or marketplaces which largely operate offline or other digital freight platforms. Our merchants may reduce their use of our platform and switch to alternate transport and freight-matching options as a result of many factors, including, among other things, dissatisfaction with the operation of our platform and our service; reductions in the discounts and promotions available to merchants; dissatisfaction with the quality of service provided by the carriers and other third-party vendors, such as aftermarket services providers, on our platform; negative publicity related to our brands and carriers using our platform, including as a result of safety incidents; and dissatisfaction with our products and offerings in general.

Additionally, merchants and carriers using our platform may engage in illegal, fraudulent or improper activities. We have implemented various measures intended to anticipate, identify, prevent and address the risks of these types of activities. However, these measures may not adequately address or prevent any and all of these illegal, improper or otherwise inappropriate activities, in which case our ability to retain existing and attract new merchants and carriers may be negatively affected. We may not be able to exercise the same level of supervision over carriers’ conduct as we would if they were our employees. In the event of any unsatisfactory performance, lack of certain qualifications or licenses, misconduct, or illegal actions by carriers in completing orders on our platform, we may be involved in the disputes resulted from such actions and may thus suffer reputational damages and liabilities.

RISK FACTORS

If we are unable to maintain and enhance our brands and increase market awareness of our platform and services, our business, operating results and financial condition may be adversely affected.

We must maintain and enhance our brand identity and increase market awareness of our platform and offerings to be successful. The widespread acceptance of our platform, and our ability to attract and retain users and increase their usage of our platform and services depend on our marketing efforts and our ability to maintain our current market leadership and successfully differentiate our platform and services from alternatives. These efforts require substantial expenditures, and we anticipate that they will increase as our market becomes more competitive and as we expand into new businesses and geographic markets. These investments in brand promotion may not yield increased revenue; to the extent they do, the resulting revenue still may not be enough to offset the increased expenses we incur. Negative publicity (whether or not justified) relating to events or activities attributed to us, members of our management, employees, business partners, as well as merchants and carriers using our platform, may tarnish our reputation and reduce the value of our brands. Moreover, negative publicity of our actual or perceived violations of users’ privacy-related rights could have a material and adverse impact on our reputation, business and results of operations.

Furthermore, there were approximately 588 million, 779 million and 1,027 million orders fulfilled on our platform in 2023, 2024 and 2025, respectively. Our platform handles a high volume of orders and transactions, which can draw significant attention from the public, regulators and the media, especially in the event of major safety incidents or user complaints. In addition, due to changes that have occurred and will occur in our services or policies, we have faced and may continue to face objections, complaints and negative comments from members of the public, the traditional, new and social media, merchants, carriers and other participants on our platform. From time to time, these objections, complaints and negative comments, regardless of their veracity, may result in user dissatisfaction, public protests or negative publicity, which could result in government inquiries or substantial harm to our brand, reputation and operations. If we do not pay sufficient attention to public opinion or if any incident arises but is not dealt with in a timely manner, our reputation, brand and image will be adversely affected.

We rely on a range of marketing channels to market our platform and services, including car-wrap advertising, which refers to attaching stickers or spraying paints to display our bright logo on our carriers’ vehicles. Such marketing practices are regulated by various national and regional laws and regulations of the PRC, subject to varying local implementation practices across many Chinese cities where we operate. In the event that such marketing practices violate the relevant PRC laws and regulations, the competent authorities may order that such stickers be removed from our carriers’ vehicles and levy fines on our carriers, which may undermine our marketing efforts and result in negative impacts to our brand and the growth of our business.

Additionally, negative publicity about the logistics industry, in general, may also have a negative impact on our reputation, regardless of whether we have engaged in any inappropriate activities. Any actual or perceived failure of other digital freight platforms to detect or prevent illegal activities or provide high-quality services could compromise our image, undermine the trust and credibility we have established with our merchants, carriers and other business partners and have a negative impact on our ability to attract new merchants, carriers and other groups of platform users. Such negative publicity may also lead to tightened legislative or regulatory scrutiny of the industries in which we operate, government investigations, litigation, and adverse public sentiment. If any of the foregoing were to occur, our brand, business and results of operations could be materially and adversely affected.

We may not be able to compete effectively, which could materially and adversely affect our business, financial condition, results of operations and prospects, as well as our reputation and brands.

In the PRC and many overseas markets in which we operate, the logistics market is intensely competitive. We face competition globally and in each of the regional markets in which we operate from existing, low-cost alternatives, and expect to face competition from new market entrants in the future. In addition, within each of these markets, the cost to switch between services is relatively low. Merchants, especially those that are SMEs, tend to shift to the lowest-cost or highest-quality freight service provider, while carriers have a propensity to shift to a platform with the highest earnings potential and provides greater incentives than others.

RISK FACTORS

We compete on a global scale with both international players and regional players within each geographic market. We also face competition from players that focus on certain segments of the logistics market who may also enter into new segments in which we operate and compete with us. Furthermore, large technology companies that have strong brand recognition, abundant financial resources and sophisticated technology capabilities may develop their own digital freight platforms to compete with us in the future.

Our competitors operate different business models, have different cost structures or participate selectively in different industry segments. Some of our current and potential competitors may have significantly more financial, technological, marketing and other resources than we do and may be able to devote greater resources to the development, promotion and support of their platforms and offerings. Our competitors may also have longer operating history and greater brand recognition than us. Additionally, a current or potential competitor may acquire, or form a strategic alliance with, one or more of our other competitors. Our competitors may be better at developing new solutions and services, offering more attractive fees, responding more quickly to new technologies and undertaking more extensive and effective marketing campaigns. More players may enter the logistics market and intensify the market competition. In response to competition, we may have to lower and/or adjust the various fees that we charge to merchants and carriers or increase our operating expenses and capital expenditures to attract more merchants and carriers, which could materially and adversely affect our business, margins and results of operations. If we are not able to compete effectively, our ability to attract and retain merchants and carriers may be adversely affected, the level of transaction activities and user engagement on our platform may decrease and our market share may be negatively affected, which could materially and adversely affect our business, financial condition, results of operations and prospects, as well as our reputation and brands.

If we are unable to introduce new or upgraded products, offerings or features that merchants, carriers and other groups of platform users recognize as valuable, we may fail to retain and attract these users to our platform and our operating results would be adversely affected.

To retain existing and attract new merchants, carriers and other groups of platform users, we will need to continue to invest in the development of new products, offerings and features that add value for them and that differentiate us from competitors. For example, we launched our integrated enterprise services to meet the diverse and fast-growing shipment demand from large-scale merchants, and continue to optimize our data-driven pricing models and algorithms to more accurately determine freight costs for merchants and carriers. Developing and delivering these new or upgraded products, offerings, and features is costly, and their success depends on several factors, including the timely completion, introduction and market acceptance of these products, offerings, and features; our ability to comply with applicable licensing and other regulatory requirements; and costs of switching to competing offerings, among other things. New products, offerings and features may involve new risks and challenges that we have limited experience in handling. For example, we may be subject to inventory risks associated with our vehicle sale and lease business to the extent we hold inventories of the vehicles. Moreover, these new or upgraded products, offerings or features may not work as expected or may not provide intended value to platform users. If we are unable to continue to develop new or upgraded products, offerings, and features, or if platform users do not perceive value in them, platform users may engage less with us or choose not to use our platform, which would adversely affect our operating results. In many cases, as these products and offerings are relatively new to the market, there are limited proven methods to project market demand or preference. Additionally, laws and regulations and interpretation and implementation thereof that are applicable to our business models and products in the jurisdictions where we operate are constantly evolving and subject to change. We have modified and may further modify our products from time to time in response to such regulatory requirements.

Furthermore, we may pursue new business initiatives, such as door-to-door delivery services, through forming joint ventures and business alliances. While we would seek to employ the optimal structure for each such business alliance, such strategic transactions may require a high level of cooperation with and reliance on our partners, and there is a possibility that we may have disagreements with our partners with respect to financing, technological management, product development, management strategies or otherwise. If our joint ventures or business alliances are curtailed or terminated due to any of the foregoing disagreements or other factors, our business and results of operations may be adversely impacted.

We cannot guarantee that our monetization strategies or our business initiatives will be successfully implemented or generate our anticipated revenues and profits.

We are at an early stage of monetizing our platform services, and our monetization model is evolving. Currently, with respect to our freight platform services in the PRC, we operate a hybrid monetization model where we generate revenues through a combination of carrier discount program fees and commissions on the shipping orders facilitated through our platform. During the Track Record Period, commissions as a percentage of freight platform services revenues in Mainland China increased from

RISK FACTORS

57.0% in 2023 to 63.2% in 2025. We believe we have achieved a balanced mix of carrier discount program fees and commissions generated from freight platform services in Mainland China. Our freight platform services monetization rate in Mainland China slightly decreased from 10.3% in 2023 to 9.6% in 2024, and further decreased to 9.1% in 2025, partly due to our reduction of commission rates for selected order types upon our ongoing review of monetization strategies starting in 2024, resulting in revenue growing at a lower percentage than GTV.

We have in recent years tapped into new businesses, such as LTL, home-moving and other diversified logistics services, and may explore additional revenue opportunities, such as door-to-door delivery services, as we continue to offer compelling value propositions to carriers, merchants and other industry stakeholders. We cannot assure you that our existing monetization model or any modifications that we make to it (including, for example, raising commission rates) or any other new monetization models that we may introduce in the future will be successful or generate the anticipated results timely, or at all, or that they will achieve broad market acceptance among platform users or not be challenged by regulators. Any major changes in our monetization models, or our failure to achieve the intended results from expanding and upgrading our monetization models, could have a material and adverse impact on our business and results of operations. If our existing monetization model fails to maintain market acceptance or we fail to develop or implement new monetization strategies, we may not be able to maintain or increase our revenue or effectively manage any associated costs. In addition, we are exploring and will continue to explore new business initiatives that we believe are important to our long-term success and future growth, but they may have the effect of increasing our costs, reducing our revenue and lowering our margins and profit, and this effect may be significant in the short term and potentially over longer periods.

Certain carriers on our platform use passenger vehicles instead of freight vehicles to carry freight or modify such vehicles without proper authorization for the purpose of carrying more freight.

In the PRC, some carriers on our platform use passenger vehicles to carry freight or modify such vehicles without proper authorization for the purpose of carrying more freight. In 2024 and 2025, such vehicles were estimated to contribute to approximately 16% and 14% of our global total GTV, respectively. According to Article 34 of the Road Transportation Regulation of the People’s Republic of China (《中華人民共和國道路運輸條例》), or the Road Transportation Regulation, a road transport vehicle for the transport of passengers shall not be used for the transport of goods in violation of the relevant provisions. A road transport vehicle for the transport of goods may not transport passengers, the goods transported shall conform to the permitted load capacity, and overloading is strictly prohibited. The length, width and height of the goods carried by a road transport vehicle shall not violate the loading requirements. Local governments have promulgated implementation rules and regulations according to the Road Transportation Regulation. According to Article 38 of the E-commerce Law of the People’s Republic of China (《中華人民共和國電子商務法》), or the PRC E-commerce Law, where an e-commerce platform operator is or should be aware that the goods sold or the services provided by a business operator using the platform do not comply with the requirements for protection of personal safety and property security, or have infringed upon the legitimate rights and interests of consumers, but the e-commerce platform operator fails to adopt the requisite measures, it shall bear joint and several liability with the said business operator using the platform. According to Article 83 of the PRC E-Commerce Law, platform operators that violate the provisions of Article 38 of PRC E-Commerce Law shall be ordered by the market supervision and administration authorities to make correction within a stipulated period, and may be subject to a fine ranging from RMB50,000 to RMB500,000. In serious cases, the e-commerce platform operator shall be (i) ordered to suspend its operation and make correction and (ii) subject to a fine ranging from RMB500,000 to RMB2 million.

During the Track Record Period and as of the Latest Practicable Date, (i) we have never been subject to any warning, penalty, sanction or reprimand by the PRC regulatory authorities as a result of our carriers’ use of passenger vehicles in freight services pursuant to Article 34 of the Road Transportation Regulation nor any material penalties pursuant to relevant local rules and regulations; (ii) so far as Articles 38 and 83 of the PRC E-Commerce Law are concerned, no penalty, sanction or reprimand against us has been imposed, nor are there any administrative penalties contemplated against us by any Governmental Authorities. In addition, we have implemented a series of remedial measures to mitigate the risks. For details, see “Business — Compliance with Laws and Regulations — Carriers’ use of passenger vehicles in freight services”. However, we cannot assure you that we will not be ordered to suspend business operations or be subject to other material penalties as a result of our carriers’ use of passenger vehicles in freight service or their modification of such vehicles without proper authorization. If we are otherwise subject to investigations related to such non-compliance issue and are imposed severe penalties, incur significant legal fees or even be ordered to suspend business operations, our business, financial condition and results of operations may be adversely affected.

RISK FACTORS

If users on our platform engage in illegal, fraudulent, inappropriate or dangerous activities, our reputation, business, financial condition, and results of operations may be adversely impacted.

As a platform, we have limited ability to control or anticipate the actions of carriers, merchants and other users, either during their use of our platform or otherwise. If our users engage in illegal, fraudulent or inappropriate conduct on our platform or use our platform as a conduit for illegal activities, other users and the public may not consider our products and offerings to be safe, and we may receive negative publicity and under certain circumstances, we may be subject to significant legal liabilities under applicable laws and regulations.

In particular, we rely on carriers who are independent contractors to provide services to merchants. Illegal actions or misconduct committed by carriers, or any failure by them to provide satisfactory services or maintain their service levels, could materially and adversely affect our business, reputation, financial condition and results of operations. Carriers fulfilling freight orders through our platform are not our employees, and we may not possess ownership of the vehicles they operate. These carriers have the freedom to choose whether, when, and where they provide services, and they are also free to offer their services on competing platforms. Therefore, we do not have the same level of control over carriers as we do over our employees. Any deficiencies in the services provided by carriers, such as considerable delays in delivery due to human error, loss of goods resulting from negligence or theft, inappropriate behavior towards merchants, or failure to meet merchants’ expectations or requirements, may be attributed to us, leading to disputes that could harm our business and reputation. Additionally, if carriers using our platform engage in criminal activities, fraud, or misconduct, such as speeding, drowsy driving, and other traffic violations, operating beyond their licensed scope, utilizing our platform for criminal or fraudulent purposes, or violating our platform’s terms and conditions in ways that we cannot detect, we could face negative media coverage or regulatory investigations. As advised by our PRC Legal Advisor, we will not be held liable under PRC laws for administrative penalties solely because of the misconduct of carriers; however, from a civil law liability perspective, it is possible that we are subject to joint, several or other liabilities arising from the misconduct committed by carriers, depending on the nature and extent of fault attributable to us in relation to the damages caused by such misconduct. We may also face claims alleging direct or vicarious liability for the acts of merchant users or carriers on our platform. We may be vicariously liable for the liabilities arising from the misconduct of carriers operating on our platform. For example, during the Track Record Period and up to the Latest Practicable Date, we have been involved in a total of 243 lawsuits resulting from road accidents that caused the fatalities of merchants, carriers, pedestrians, operators of other vehicles or any third-party individuals. In 15 cases out of these lawsuits, the courts ruled that we were vicariously liable for civil law liabilities arising from the misconduct of our carriers, resulting in a total of approximately RMB4.8 million of compensation ruled for damages. See “Business — Legal Proceedings and Other Incidents.” We cannot guarantee that we will not be named as co-defendants in future lawsuits filed against carriers, or that we will not be subject to joint, several or other liabilities resulting from such legal proceedings.

It is possible that some carriers may engage in the unlawful practice of using freight trucks to transport passengers. As confirmed by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we were not subject to any administrative penalties relating to the use of freight trucks to illegally carry passengers that could have material and adverse impacts on our reputation, business and results of operations. There have been instances where carriers engaged in inappropriate activities while using our services, leading to safety incidents and casualties. For instance, in February 2021, we received negative press coverage in the PRC following a merchant’s death from fatal injuries allegedly sustained from an incident involving a vehicle she had hired through our platform. Additionally, there have been instances where carriers illegally transported passengers without any freight, leading to administrative penalties and negative publicity. Misconducts or illegal actions by our users on or linked to our platform may result in property damages, injuries or even loss of life, leakage of personal information or other damages to our users or third parties, which could lead to regulatory scrutiny, administrative penalties, and significant legal liabilities to us. If a large number of carriers on our platform are suspended from operation as a result of the illegal use of their vehicles or other misconduct, we could face insufficient supply of carriers on our platform, which could have a material and adverse impacts on our reputation, business and results of operations.

Additionally, with respect to the products or services affecting consumers’ life and health, operators of e-commerce platforms shall bear relevant civil liabilities if they fail to review the qualifications of carriers or otherwise fail to safeguard the interests of the consumers. Our efforts to strengthen the security and integrity of our platform and ensure our users’ compliance with laws and regulations have involved and will continue to involve significant costs and may not be sufficient. Any failure or perceived failure to comply with the PRC E-Commerce Law and other relevant laws and regulations such as those relating to consumer protection and transportation may subject us to claims of significant civil liabilities, which could materially and adversely affect our business, financial condition and results of operations. Even if third-party claims or regulatory proceedings do not result in legal liabilities or regulatory penalties against us, we could incur significant costs in investigating and defending against them or suffer significant reputational damages, which could still have a material and adverse effect on our business, financial condition and results of operations.

RISK FACTORS

Our procedures and policies to screen and regulate the conduct of users on our platform may not provide us with correct or adequate information or ensure the legal and regulatory compliance of our users. In cases where we fail to duly verify the requisite qualifications or licenses of carriers, merchants and vehicles, we may be subject to fines, penalties or other regulatory or administrative actions including orders to suspend our business operations. In addition, as a logistics transaction platform, we are not involved in the inspection of the freight which may contain unsafe, prohibited or restricted items. We do not independently test carriers' driving skills and the conditions and compliance status of their vehicles. Consequently, we may become subject to actual or threatened legal actions and penalties related to carrier misconduct and misuses of vehicles, despite our role as a facilitator of, as opposed to a participant in, the transactions between merchants and carriers on our platform.

If we fail to effectively match carriers with merchants and optimize our pricing models, our business, financial condition and results of operations could be adversely affected.

Our ability to attract merchants and carriers to use, and build trust in, our platform depends significantly on our ability to match merchants with suitable carriers. We leverage algorithms to match freight with available capacity, if the quantity or quality of data available to us is unsatisfactory, or if our algorithms have deficiencies, our ability to effectively match merchants with carriers may be undermined, which in turn would materially and adversely affect our business, financial condition, results of operations and prospects.

Our proprietary pricing model generates recommended freight quotes and, in circumstances where we charge commissions on the orders we facilitate, estimates of our commission rates, based on the data of historical comparable shipping orders, along with fair market prices estimated by our freight pricing models. The effectiveness of our pricing model depends on the availability of historical transaction data. If our pricing model is flawed or ineffective or the historical transaction data used is incorrect or incomplete, the accuracy of our freight fee recommendations or commission estimate could be adversely affected. Merchants may engage less with our platform or may switch to competing online freight platforms if these recommendations and estimates fail to serve as a meaningful reference. Any underestimation of the fair market price would reduce the amount of commissions that we receive from carriers, and overestimation of such price could lead to carrier dissatisfaction with our pricing model and the operation of our platform in general. If any of the foregoing were to occur, our business, reputation, results of operations and financial condition may be materially and adversely affected.

Furthermore, some carriers may view the overall increased efficiency and transparency brought by our platform to price negotiation to have negative impacts to freight prices and their gross earnings. Dissatisfied carriers may file complaints with regulators, which, regardless of their veracity, may lead to heightened scrutiny from regulators, as well as increased attention and negative publicity from the public and the media. In addition, as our platform continues to grow, we may introduce additional new features and functions to automate and improve transaction efficiency, including mechanisms to minimize pricing negotiations and optimize transaction transparency and efficiency over our platform. We cannot assure you that we will not experience user dissatisfaction or receive negative reactions from our users. Any complaints and negative comments resulting from user dissatisfaction or negative reactions may cause government inquiries or actions against us or substantial harms to our brand, reputation and operations.

We have offered significant incentives, discounts and promotions to our merchants and carriers, including a substantial amount of selling and marketing expenses in order to attract carriers and merchants, which may adversely affect our financial performance.

To attract new and retain existing platform users and in response to competition, we have in the past offered, and may continue to offer in the future, significant carrier incentives and merchant discounts and promotions. In certain geographic markets and regions especially those where we do not have a leading market position, we may choose to further increase the amount of incentives, discounts and promotions that we offer, particularly when we are under pressure to match or exceed heavy incentives and discounts offered by our competitors in order to obtain or maintain our competitive advantages. Offering significant incentives, discounts and promotions has historically placed strains on our financial resources and to the extent we continue to do so in the future, our results of operations and financial performance may be negatively affected. In addition, we cannot assure you that offering incentives, discounts and promotions will be successful in attracting carriers and merchants, or that our competitors will not offer more significant incentives, discounts and promotions or otherwise attract merchants and carriers to their platform and away from ours.

Furthermore, we have invested significantly in sales and marketing activities to promote our brands and to deepen our relationships with users and incurred US\$179.2 million, US\$162.8 million and US\$159.7 million in selling and marketing expenses in 2023, 2024 and 2025, respectively. Such selling and marketing expenses represented 13.4%, 10.2%, and 7.5% of our total revenue, respectively, in the corresponding periods. Our sales and marketing activities may not be well received by users, and may not

RISK FACTORS

attract additional users as anticipated. The evolving marketing approaches and tools may require us to experiment with new marketing methods to keep pace with industry trends and user preferences. Failure to refine our existing marketing approaches or to introduce new effective marketing approaches in a cost-effective manner could reduce our market share and negatively impact our results of operations. In addition, we may be required to increase our selling and marketing expenses, including providing significant subsidies or discounts to users, in promoting our brand awareness as well as our service offerings. There is no assurance that we will be able to recover costs of our sales and marketing activities or that these activities will be effective in generating new users for us.

We have grown rapidly and substantially since our inception. If we are unable to effectively manage that growth, our financial performance and future prospects will be adversely affected.

We have experienced rapid growth since our inception. Our expansion increases the complexity of our business and has placed, and will continue to place, significant strains on our management, personnel, operations, technology infrastructure, systems, technical performance, financial resources, and internal financial control and reporting functions. Due to these factors, we may not be able to effectively manage our growth, which could damage our reputation and negatively affect our business, results of operations and future prospects.

Our ability to effectively manage our growth also depends on a number of factors, many of which are out of our control, including our ability to attract new and retain existing users; increased competition in the markets in which we operate; shifts in merchants’ shipment needs and patterns; our ability to expand geographically; changes in our service mix in certain geographic markets; harm to our brand or reputation; and changes in the regulatory environments, and other risks described elsewhere in this Document. There can be no assurance that our historic operating patterns will continue in future periods, as we cannot influence or forecast many of these factors.

As we continue to grow our business, we anticipate that we will need to implement a variety of new and upgraded operational systems, procedures and controls, including improving our technology and infrastructure and internal management systems, as well as establishing consistent policies and procedures across functions, business lines, and geographic regions. Our failure to upgrade our technology or infrastructure to support our growth could result in unanticipated system disruptions, slow response times, or poor experiences for merchants, carriers and other groups of platform users.

Properly managing our growth will also require us to continue to hire, train, and manage a sufficient number of qualified employees, including regional on-the-ground operation teams, research and development personnel, and sales and marketing personnel. All these endeavors involve risks and will require substantial management efforts and skills and significant expenditures. If we are unable to expand our operations and hire additional qualified personnel efficiently, or if our technology and infrastructure fail to support the operations of our platform, user satisfaction will be adversely affected and may cause merchants, carriers and other platform users to switch to our competitors’ platforms, which would adversely affect our business, financial condition, and operating results.

If we do not successfully anticipate technological developments and develop products and platform enhancements that meet these developments, our business, results of operations and prospects may be materially and adversely affected.

The logistics industry is rapidly evolving with continuous technological changes. We must continue to enhance our existing offerings and develop new technologies and products that address emerging technologies, evolving industry standards, and changing merchant and carrier needs. We may not be able to successfully anticipate or adapt to changing technology trends or user needs and preferences on a timely basis, or at all. The process of enhancing our existing products, offerings and features and developing new technologies is complex and uncertain, and new offerings requires significant upfront investment that may not result in improvements to existing products or result in marketable new products or costs savings or revenue for an extended period of time, if at all.

Moreover, new technologies could render our existing products and offerings obsolete or less attractive to users, and our business, financial condition, results of operations and prospects could be materially and adversely affected if such technologies are widely adopted. If we fail to keep up with technology changes or to convince our existing users and future potential users of the value of our offerings even in light of new technologies, we may lose carriers, merchants or other platform users and market shares, which may decrease or delay market acceptance of our present and future offerings and materially and adversely affect our business, financial condition, results of operations and prospects.

RISK FACTORS

We are subject to risks inherent in the logistics industry in general, including personal injury, loss or damage of freight shipments, and other transportation-related incidents.

We face challenges associated with actual or alleged loss or damage of freight shipments matched through our platform. The shipments may be damaged, lost or contaminated for various reasons, and we may be perceived or found liable for such incidents, in which case we may need to expend resources on responding to and defending against claims arising out of these incidents. In addition, we cannot assure you that we and carriers have conducted, and may conduct sufficient physical inspection of the shipments for unsafe, prohibited or restricted items or damaged cargo. Unsafe items, such as flammables and explosives, toxic or corrosive items and radioactive materials, may damage other cargos, injure recipients and carriers, damage properties or cause serious accidents. Furthermore, if carriers on our platform transport prohibited or restricted items, we may be subject to administrative penalties, and if any personal injury or property damage takes place, we may be subject to civil liabilities. General liability insurance policies may not be available to cover all potential claims to which we are exposed, and may not be adequate to indemnify us for all potential liabilities. These incidents may also subject us to negative publicity, which could adversely affect our business, operating results, and future prospects. Additionally, from time to time, carriers, merchants and third parties may be involved in transportation accidents and suffer personal injuries in the process of fulfillment of orders facilitated through our platform, and the items delivered may be lost or damaged. We have in the past been and may in the future continue to be, subject to claims, lawsuits, arbitrations and other legal proceedings seeking to hold us liable for the damages and personal injuries caused in the fulfillment of orders facilitated through our platform, which have been or may in the future be raised by merchants, carriers and injured third-parties, the results of which are subject to uncertainties. We may face claims and penalties and incur significant liabilities if found liable or partially liable for any injuries, damages or losses. Any of the foregoing risks could disrupt our services, cause us to incur substantial expenses and divert the time and attention of our management.

The global digital road freight market is undergoing rapid evolution. If the market does not continue to grow, grows slower than we expect or fails to grow as large as we expect, our business, results of operations, financial condition and prospects could be materially and adversely affected.

The global digital road freight market is evolving rapidly and continues to develop. Its growth depends on a number of factors that may be difficult to predict, including overall economic development, urbanization rate, online penetration rate, and transport and internet infrastructure. As a result, it is uncertain to what extent market acceptance and demand of digital road freight services will continue to grow, if at all. Further, our success will largely depend on the public acceptance of road freight services facilitated or provided by digital platforms such as us. If the general public do not perceive digital road freight services as beneficial, or if there are safety incidents or other negative publicity associated with our services or with our competitors' or otherwise, the market for digital road freight services may not further develop, may develop more slowly than we expect or may not achieve the growth potential we expect, any of which could materially and adversely affect our business, results of operations and financial condition.

In addition, the global digital road freight market may face challenges brought by, among others, alternative logistics options, relevant regulatory requirements and restrictions, and safety and privacy concerns, many of which are beyond our control. For example, relevant laws and regulations may rapidly evolve, which may significantly increase the compliance costs associated with our business operations. As a result, we cannot assure you that the global digital road freight market will not experience decline and retrogression. Any of the foregoing risks and challenges could materially and adversely affect our business, results of operations, financial condition and prospects.

Economic recessions and other factors that reduce freight volumes in the geographic markets in which we operate could have a material adverse impact on our business.

The logistics industry in the markets in which we operate has experienced cyclical fluctuations due to economic recessions, downturns in the business cycles, tightening regulation, increased energy prices, interest rate fluctuations, global or regional pandemics, and changes in international trade policies, as well as other global and regional economic factors, many of which are beyond our control. These factors subject our business to various risks that may have a material adverse impact on our operating results and future prospects. During economic downturns, a significant reduction in the overall volume of freight in any of the major markets in which we operate may reduce demand for our services, exerting downward pressures on our rates and margins. In addition, if our merchants experience downturns in their operations and as a result reduce the volume of freight they ship through our platform, our business and operating results could be adversely affected. Moreover, in the event that a significant number of carriers go out of business, we may be unable to secure sufficient freight capacity or services to meet the needs of merchants, which may have a material adverse effect on our business and results of operations.

RISK FACTORS

Increases in fuel, labor, energy and other costs could adversely affect carrier and merchant activity on our platform.

Factors such as increased fuel prices, inflation, increased labor costs and increased vehicle purchase, rental, or maintenance costs may increase the costs incurred by carriers when providing services and the costs incurred by the merchants placing orders on our platform. Many of the factors affecting carrier and merchant costs are beyond our control or the control of these parties. These increased costs may cause carriers to spend less time providing services on our platform or to seek alternative sources of income. They may cause merchants to place less orders on our platform or switch to alternate, less costly transport and freight-matching options. If resulting in declines in the carrier and merchant activity on our platform that may have a material adverse effect on our business and results of operations.

Our business would be adversely affected if our approach to carrier status is successfully challenged or if we are required to classify carriers as employees instead of independent contractors.

The classification of carriers as independent contractors is currently being challenged in courts, by legislators and by government agencies in a number of jurisdictions. We treat carriers on our platform as independent contractors, and our terms of use with carriers reflect such understanding. However, there is no assurance that such status will not be challenged by legislators, government agencies or private parties in the future. We have in the past been and are currently and may in the future become involved in legal proceedings, including lawsuits, demands for arbitration, charges and claims before administrative agencies, and investigations or audits by labor, social security, tax or other authorities that seek to claim that carriers should be treated as our employees (or as dispatched workers, quasi-employees, or other statuses which exist (or may come into existence) in the relevant jurisdictions), rather than as independent contractors. We may not be successful in defending the classification of carriers in some or all jurisdictions where it is challenged. Further, the costs associated with defending, settling, or resolving pending and future lawsuits (including demands for arbitration) or governmental agency investigations relating to the classification of carriers could be material to our business and, regardless of outcome, could negatively affect our reputation. In addition, even if we prevail under current law, the law may be changed in the future in ways that are unfavorable to us.

If we were required under laws, regulations, or judicial or governmental decisions to classify carriers as employees (or as dispatched workers, quasi-employees, or other statuses which exist (or may come into existence) in the relevant jurisdictions) in one or more of the jurisdictions in which we operate, we would be required to fundamentally change our business model in the relevant jurisdictions, with repercussions that are difficult to anticipate. Among other things, we and/or merchants would become subject to additional regulatory requirements, including but not limited to tax, wages, and wage and hour laws and requirements (such as those pertaining to minimum wage and overtime); employee benefits, social security, workers’ compensation and unemployment; anti-discrimination, harassment, and retaliation laws; claims under laws pertaining to unionizing, collective bargaining, and other concerted activity; and other laws and regulations applicable to employers and employees (or as dispatched workers or other statuses which exist (or may come into existence) in the relevant jurisdictions). For example, PRC government authorities have strengthened the protection for workers providing services on online platforms. On July 16, 2021, the Ministry of Human Resources and Social Security, the NDRC, the MOT, together with other government authorities jointly promulgated the Labor Protection Opinions, which require platform enterprises adopting labor outsourcing and other cooperative labor methods to undertake corresponding responsibilities in accordance with laws and regulations when workers’ rights and interests are harmed. For details, see “Regulations – Regulations Related to Labor Protection”.

The Labor Protection Opinions state that the relationship between a platform and individuals who engage in freelance work and conduct independent business activities through such platform may be governed by civil laws, rather than employment-related laws and regulations. Additionally, as advised by the PRC Legal Advisor, there is currently no mandatory requirement under PRC laws and regulations requiring online freight platforms, like ours, to establish employment relationships with carriers. Furthermore, our PRC Legal Advisor has advised us that neither the Labor Protection Opinions, the Freight Drivers Opinion, the New Forms of Transportation Opinion, nor any other applicable PRC laws and regulations mandate online freight platforms, such as ours, to make social insurance and housing fund contributions for carriers who are independent contractors rather than our employees. Instead, the Labor Protection Opinions encourage online platforms to support and promote independent contractors’ participation in social insurance on their own. Additionally, to our best knowledge, there are currently no potential regulatory changes that would require us to make social insurance and housing fund contributions for our carriers, who are independent contractors and not our employees.

Compliance with such laws and regulations would require us to incur significant additional expenses, potentially including without limitation, expenses associated with the application of wage and hour laws (including minimum wage, overtime, and meal and rest period requirements), employee benefits, social security contributions, taxes, and penalties. Specifically, while we believe we are not required to make social

RISK FACTORS

insurance and housing fund contributions for the carriers operating on our platform under the current PRC laws and regulations, we cannot guarantee that these laws and regulations will not change in the future. If such changes occur and we become required to make these contributions for our carriers, it could potentially have an adverse impact on our results of operations and financial conditions. See also “— Risks Related to Doing Business in the Geographic Markets in Which We Operate — Intense competition for employees and increases in labor costs in the PRC and the other geographic markets may adversely affect our business and results of operations”.

The reclassification of carriers could also increase the rate of employment-related claims being brought against us in the future, subject us to vicarious liability for any misconduct of carriers, or reduce our attractiveness to carriers given the loss of flexibility under an employee model. Judicial decisions to reclassify carriers would result in potential liability over our failure to comply with relevant employment and taxation requirements and associated obligations, which in turn could adversely affect our financial condition as well as our reputation. This could potentially result in us exiting the relevant markets. The foregoing could have a material and adverse effect on our business and financial condition and even potentially result in us exiting the relevant markets.

Our international expansion exposes us to significant risks.

We are a global company with a focus on Asia markets. As of December 31, 2025, we had operations in over 400 cities in 15 major markets across Asia, LatAm and Europe. We have limited experience operating in many of these geographic markets. We expect to continue to make significant investments to expand our international operations and compete with global and local competitors. These investments may not be successful and may negatively affect our operating results. Conducting our business internationally, particularly in markets in which we have limited experience, subjects us to a variety of risks and uncertainties, including, among others: (i) operational and compliance challenges caused by distance, language, and cultural differences; (ii) the need to adapt and localize our platform and offerings for specific markets; (iii) foreign ownership restrictions; (iv) difficulties in complying with local laws, regulations and customs in foreign jurisdictions, including those governing competition, pricing, internet activities, road transportation services, logistics services, tax and social security laws, employment and labor laws, carrier and driver screening and background checks, licensing regulations, privacy, location services, collection, use, processing, or sharing of personal information, ownership of intellectual property, and other activities important to our business; (v) difficulties in complying with differing technical and environmental standards, privacy, cybersecurity, data protection and telecommunications regulations and certification requirements across multiple jurisdictions, which could prevent users from deploying our products and services or limit their usage; (vi) the competition with companies or other services that understand local markets better than we do, that have pre-existing relationships with potential users in those markets, or that are favored by government or regulatory authorities in those markets; (vii) tariffs and other non-tariff trade barriers; (viii) challenges to our corporate culture resulting from a dispersed workforce; (ix) the exposure to business cultures in which improper business practices may be prevalent; (x) the more limited protection for intellectual property rights in some countries; (xi) difficulties in managing, growing, and staffing international operations, including in countries in which foreign employees may become part of labor unions, employee representative bodies, or collective bargaining agreements, and challenges relating to work stoppages, slowdowns or labor strikes; (xii) fluctuations in currency exchange rates, which could increase the price of our services in certain markets, increase the expenses of our international operations and expose us to foreign currency exchange rate risk or the cost and risk of hedging transaction if we choose to enter into such transactions in the future; (xiii) political, social, and economic unrest abroad, terrorist attacks and security concerns in general, and societal crime conditions; (xiv) difficulties in implementing and maintaining the financial systems and processes needed to enable compliance across multiple offerings, services and jurisdictions; (xv) currency control regulations, which might restrict or prohibit our conversion of other currencies into RMB and/or U.S. dollars; and (xvi) restrictions on the transfer of funds across borders.

These risks could adversely affect our international operations, which could in turn adversely affect our business, financial condition, and operating results. In some cases, compliance with the laws and regulations of one country could violate the laws and regulations of another country. Our international operations may also be negatively affected by any deterioration of the political and economic relations among countries and other geopolitical challenges. As our global operations evolve, we cannot assure you that we are able to fully comply with the legal requirements of each jurisdiction and successfully adapt our business models to local market conditions. Due to the complexity involved in our international business operations, we cannot assure you that we are or will be in compliance with all local laws.

We face uncertainties relating to the laws and regulations governing the logistics, road transportation and internet service industries in the jurisdictions where we operate.

Currently we have our largest presence in China. Our main business is subject to a variety of laws and regulations governing the logistics, road transportation, and internet service/platform in the jurisdictions where we operate, including in China. Certain of these laws and regulations are relatively

RISK FACTORS

new and rapidly evolving. The application and interpretation as to certain of these laws and regulations are currently ambiguous, and may be interpreted and administered inconsistently between the different government authorities and local bureaus.

If regulatory framework for the road transportation and internet service industries in the jurisdictions where we operate is tightened in the future, and subject industry participants including us to new or specific requirements, such as licensing or additional user protection requirements or pricing restrictions, our business, financial condition and prospects may be materially and adversely affected. For details of our historical non-compliance, see “Business — Compliance with Laws and Regulations”. We have attended and may continue to be required to attend administrative guidance meetings or other communications with regulators from time to time, and may need to adjust our business practices in road traffic safety, freight services, car-wrap advertising, anti-monopoly, anti-unfair competition, data privacy, carrier and merchant protection, and other aspects, in accordance with regulatory guidance. In the past, we, together with other industry players, were requested to attend certain regulatory guidance meetings and furnish materials concerning our business operations, including in those areas mentioned above, to the relevant regulators. See “Business — Compliance with Laws and Regulations — Administrative Guidance Meetings”. As advised by our PRC Legal Advisor, during the Track Record Period and as of the Latest Practicable Date, we were not subject to any penalties in connection with such regulatory guidance meetings that could have material and adverse impacts on our reputation, business and results of operations. However, there is no guarantee that such regulatory communications would not result in substantial penalties against us. Compliance with existing and future rules, laws and regulations can be costly and if our practices are deemed to violate any existing or future rules, laws and regulations, we may face injunctions, including orders to cease non-compliant activities, and may be exposed to other penalties as determined by the relevant government authorities as well. We may also suffer reputational damages, if our business partners are deemed to violate any existing or future rules, laws and regulations.

We may from time to time develop new solutions and services, which may also subject us or our business partners to additional regulatory or licensing requirements. Failure by us or our business partners to comply with any such new regulatory or licensing requirements could materially and adversely affect our business and results of operations.

If we fail to obtain or maintain licenses, permits or approvals applicable to our business, we may become subject to significant penalties and other regulatory proceedings or actions.

In connection with the operation of our logistics transaction platform, we are required to maintain various approvals, licenses or permits and/or making necessary filings from time to time. For example, we are required to obtain the Value-added Telecommunications Services Operating Permit, or ICP License, in order to provide relevant value-added telecommunication services in the PRC. Our PRC Consolidated Affiliated Entities have obtained ICP Licenses for the operations of our mobile apps and websites in the PRC.

The operation of our platform in Thailand does not require a license for operating transportation services, or a Transportation License, as we do not operate any transportation services. However, under Thai laws, a carrier is required to obtain a Transportation License before he or she can fulfill any orders through our platform, except for carriers that use some types of vehicles e.g. motorcycle, a private vehicle for not more than seven passengers, etc. which are not subject to a Transportation License. We cannot assure you that each carrier has obtained required licenses before he or she fulfils orders through our platform. If the Thai Governmental Authority finds that any of the registered carriers on our Thailand platform operate without the Transportation License, the carrier may be subject to an imprisonment for up to five years and/or a fine from twenty thousand Baht to one hundred thousand Baht, and we may be, on a case-by-case basis, held liable by the Thai Governmental Authority as a co-offender or supporter. As a co-offender, we may be subject to a fine from twenty thousand Baht to one hundred thousand Baht. In addition, effective on and from March 31, 2026, each of our carriers providing ride-hailing services is required to obtain and maintain a public vehicle driving license and use a vehicle registered for public use for his or her provision of services on our platform, failure of which may subject our platform to suspension of operation. We are required to complete direct marketing registration pursuant to relevant Thai laws, failure of which may subject our relevant Thai subsidiary and its present and former directors including our founder and/or management to monetary penalties and in remote extreme cases, imprisonment for a term of up to one year. We may also be required to obtain additional licenses or complete additional registrations from time to time, failure of which may subject our Thai subsidiaries or their management to criminal or civil liabilities.

Our Consolidated Affiliated Entity in Indonesia, namely Lalamove Logistik, has obtained a postal license and a registration certificate of private electronic system operator to carry out its digital platform for courier services. Accordingly, Lalamove Logistik has certain mandatory reporting and payment obligations in connection with its possession of the postal license. Failure to comply with such reporting and payment obligations may subject Lalamove Logistik to warnings, administrative or criminal fines, penalties or sanctions, and in the extreme cases, suspension of business activities or revocation of the relevant business license.

RISK FACTORS

We cannot assure you that we have obtained all the permits or licenses required for conducting our business in the PRC or any other jurisdictions in which we operate or will be able to maintain our existing licenses or obtain new ones. If the PRC government or any government of any other jurisdictions in which we operate (i) considers that we historically operated, or are operating without proper or adequate approvals, licenses or permits, (ii) promulgates new laws and regulations that require additional approvals or licenses or impose additional restrictions on the operation of any part of our business, or (iii) considers that we have not duly renewed these licenses in a timely manner, it has the power, among other things, to levy fines, confiscate our income, revoke our business licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these actions by the PRC government, the Thai government or any government of any other jurisdictions in which we operate may have a material adverse effect on our business and results of operations.

The interpretation, implementation and enforcement of anti-monopoly and anti-unfair competition laws and regulations in China are subject to change and could impact internet platforms like us. Anti-monopoly and unfair competition claims or regulatory actions against us may result in fines as well as constraints on our business.

The PRC Governmental Authorities have been tightening regulations on anti-monopoly and anti-unfair competition laws. In October 2020, the SAMR, issued the Interim Provisions for Regulating Promotional Activities (《規範促銷行為暫行規定》), which became effective on December 1, 2020. Among other things, the Interim Provisions for Regulating Promotional Activities is designed to promote consumer protection and prohibit false or misleading commercial information used in promotional activities. As a platform operator, we are required by the Interim Provisions for Regulating Promotional Activities to design rules and procedures to foster fair and transparent merchandise promotional activities and assist the authorities in their investigation of violations by goods and services providers, which will subject us to penalties and other regulatory actions. In addition, according to the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》) and relevant laws and regulations, business operators are prohibited from inducing consumers into transactions via misleading pricing terms or being engaged in other anti-competitive conducts associated with product prices.

In February 2021, the Anti-Monopoly Commission of the State Council published the Anti-Monopoly Guidelines, where it specifies operational standards and guidelines to be applied in identifying certain monopolistic acts of internet platforms that are prohibited to restrict unfair competition and safeguard users’ interests, including, without limitation, price discrimination based on big data and algorithms, selling below cost without reasonable causes, exclusivity arrangements, refusal to deal, and product bundling. In addition, compulsory collection of user data by internet platforms may be viewed as abuse of dominant market position that may have the effect of eliminating or restricting competition.

In August 2021, the SAMR released the Draft Provisions on Prohibition of Unfair Competition on the Internet (《禁止網絡不正當競爭行為規定(公開徵求意見稿)》) for public comments through September 2021. Following subsequent refinements, the Interim Provisions on Anti-Unfair Competition on the Internet (《網絡反不正當競爭暫行規定》) was officially issued on May 6, 2024, and came into effect on September 1, 2024, which prohibit business operators from, among others, inducing consumers into transactions via misleading or engaging in other anti-competitive conducts associated with product price, from conducting any false or misleading commercial publicity in respect of the performance, functions, quality, sales, user reviews, and honors received of its commodities, in order to defraud or mislead consumers, and from aiding others in conducting any false or misleading commercial publicity by organizing false transactions or any other means.

On December 24, 2021, the NDRC, the SAMR and certain other government authorities issued the Platform Economy Opinions. The Platform Economy Opinions provide for, among others, (i) improving laws and regulations relating to anti-monopoly and unfair competition activities in connection with platform economy; (ii) strengthening the enforcement of laws and regulations relating to data privacy and algorithm safety; (iii) implementing measures on the protection of labor rights in new forms of working arrangements, including online delivery staff and online ride-hailing drivers; and (iv) supporting and encouraging technology and business model innovation by online platform enterprises. In January 2026, the SAMR issued industry-wide guidance at a press conference, under which online freight platforms, among market participants of various industries, are required to strictly comply with the Anti-Monopoly Law and other applicable regulations, assume responsibility for antitrust compliance, participate in market competition on a fair basis, and ensure that platform rules and algorithms are fair, just, and transparent. For details, see “Regulations — Regulations Related to Anti-Unfair Competition and Anti-Monopoly”.

Due to the evolving legislative activities and varied local implementation practices of anti-monopoly and anti-unfair competition laws and regulations in the PRC, compliance with these laws, regulations, rules, guidelines and implementations may be costly. As advised by our PRC Legal Advisor, our Directors are of the view that during the Track Record Period and up to the Latest Practicable Date, (i) we have not been subject to any regulatory penalties in connection with anti-monopoly or anti-unfair competition

RISK FACTORS

related matters that has or will have a material adverse impact on our business and operations; and (ii) we have not been involved in any administrative guidance meetings with relevant governmental authorities in relation to anti-monopoly or anti-unfair competition that has or will have a material adverse impact on our business and operations. However, we cannot assure you that the Governmental Authorities will not take a different view from us or will not adopt heightened scrutiny related to the administrative guidance meetings. In addition, any non-compliance or associated inquiries, investigations and other governmental actions may significantly divert management attention and our financial resources, result in negative publicity, and subject us to liabilities or administrative penalties, and may continue to, cause us to change some of our business practices and hinder our business operations or the development of our new business lines, which may materially and adversely affect our financial conditions, operations and business prospects. If we are found to violate or have violated these laws and regulations, we may be ordered to cease the non-compliance activities and be subject to fines and other penalties.

We have received and may continue to receive heightened scrutiny from Governmental Authorities under the anti-monopoly and anti-unfair competition laws and regulations. As we continue to navigate the evolving legislative environment and varied local implementation practices of anti-monopoly and competition laws and regulations in the PRC, we have attended and may continue to be required to attend administrative guidance meetings or receive notifications of investigations, inquiries or other communications with or from regulators from time to time. Any anti-monopoly or anti-unfair competition lawsuit, regulatory investigation or administrative proceeding initiated against us could result in fines, penalties, constraints on our business model, or negative publicity. Given the scale and rapid expansion of our business, we may be subject to greater scrutiny, which could in turn increase the likelihood of regulatory action against us or other restrictions imposed to curb our future expansions.

Unauthorized or improper storage, processing, use or disclosure of personal data, cyber-attacks or other security incidents or data breaches that affect our platform or offerings, whether inadvertent or purposeful, could materially and adversely affect our business, financial condition and results of operations.

We depend significantly on our technology infrastructure, IT systems, data and other equipment and systems to conduct virtually all of our business operations, ranging from our internal operations and research and development activities to our marketing and sales efforts and communications with our users, suppliers and business partners. In addition, our products and services collect and store data, some of which may involve sensitive information, including personal data, trade secrets and other proprietary information. Internal or external individuals or entities may attempt to penetrate our network security, or that of our platform, and to disrupt or cause harm to our business operations, including by sabotaging or misappropriating our personal or proprietary information or that of our platform users, suppliers and business partners or to cause interruptions of our platform and offerings. Because the techniques used by such individuals or entities to access, disrupt or sabotage devices, systems and networks change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques, and we may not become aware in a timely manner of such a security breach, which could exacerbate any damage we experience.

Our security controls and other security practices we follow may not prevent the improper access to or disclosure of personal data or proprietary information. We also rely on systems provided by third parties, which may also suffer security breaches or unauthorized access to or disclosure of personal data or proprietary information. Additionally, our business involves the processing, storage, transmission and processing of confidential and sensitive data, including user data, and the deployment of our IT resources in a safe and secure manner that does not expose our network systems to security breaches or the loss of data. Any data security incidents, including internal malfeasance by our employees, unauthorized access or usage, virus or similar breach or disruption of us or our service providers could result in loss of confidential or proprietary information or personal data, damage to our reputation, loss of users, litigation, regulatory investigations, fines, penalties and other liabilities. Accordingly, if our cybersecurity measures or those of our users fail to protect against unauthorized access, attacks (which may include sophisticated cyber-attacks), the compromise or mishandling of data, or other misconduct or malfeasance, including by computer hackers, employees, contractors, vendors, users and business partners, as well as software bugs, human error or technical malfunctions, then our reputation, business, operating results and financial condition could be adversely affected.

Any unauthorized access, acquisition, use, or destruction of information we collect, store, transmit, or otherwise process, the unavailability of such information, or other disruptions of our ability to provide solutions to our users, regardless of whether it originates or occurs on our systems or those of third party service providers, could expose us to significant liability, regulatory actions, litigation, investigations, remediation obligations, damage to our reputation and brand, theft of intellectual property, supplemental disclosure obligations, loss of user, and partner confidence in the security of our applications, destruction of information, indemnity obligations, impairment to our business, and resulting fees, costs, expenses, loss of revenues, and other potential liabilities and harms to our business. In addition, if a high-profile security breach occurs within our industry, our existing and potential platform users may lose trust in the security of our platform and systems even if we are not directly affected.

RISK FACTORS

Compliance with the rapidly evolving landscape of global data privacy and security laws may be challenging, and any failure or perceived failure to comply with such laws, or other concerns about our practices or policies with respect to the collection, use, storage, retention, transfer, disclosure, and other processing of personal data, could damage our reputation and deter current and potential users from using our platform and services.

Failure to comply with the increasing number of data protection laws in the jurisdictions in which we operate, as well as concerns about our practices with regard to the collection, use, storage, retention, transfer, disclosure, and other processing of personal data, the security of personal data, or other privacy-related matters, such as cybersecurity breaches, misuse of personal data and data sharing without necessary safeguards, including concerns from our platform users, customers, employees and third parties with whom we conduct business, even if unfounded, could damage our reputation and operating results.

As we seek to expand our business internationally, we are, and may increasingly become, subject to various laws, regulations and standards, as well as contractual obligations, relating to data privacy and security in the jurisdictions in which we operate. The regulatory and legal frameworks regarding data privacy and security issues in many jurisdictions are constantly evolving and developing and can be subject to significant changes from time to time, including in ways that may result in conflicting requirements among various jurisdictions. Interpretation and implementation standards and enforcement practices are similarly in a state of flux and are likely to remain uncertain for the foreseeable future. As a result, we may not be able to comprehensively assess the scope and extent of our compliance responsibility at a global level, and may fail to fully comply with the applicable data privacy and security laws, regulations and standards. Moreover, these laws, regulations and standards may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material and adverse impact on our business, financial condition and results of operations.

In the PRC where most of our business operations are located, the government has in recent years tightened the regulation of the collection, storage, sharing, use, disclosure and protection of personal data and information. As the interpretation and application of such laws and regulations are constantly evolving and subject to change, failure to comply with relevant rules and regulations in data privacy and security issues may undermine confidence in our merchants and carriers, which is essential to our services.

Moreover, different regulatory bodies in the PRC, including the Ministry of Industry and Information Technology, or the MIIT, the Cyberspace Administration of China, or the CAC, the Ministry of Public Security of the PRC, or the MPS, and the SAMR, have enforced data privacy and protections laws and regulations. Complying with these data privacy and protection laws and requirements could cause us to incur substantial expenses or require us to alter or change our practices in a manner that could harm our business. In addition, regulatory requirements regarding the protection of personal information are constantly evolving and can be subject to differing interpretations or significant change, making the extent of our responsibilities in that regard uncertain. An example of such evolving regulatory requirements is the PRC Cybersecurity Law (《中華人民共和國網絡安全法》), or the Cyber Security Law, which became effective in June 2017, and as amended effective January 1, 2026. The PRC Cybersecurity Law created China’s first national-level data protection framework for “network operators”, which may potentially include all organizations in China that provide services over the internet or through other types of information network. Numerous regulations, guidelines and other measures have been and are expected to be adopted under the PRC Cybersecurity Law.

- The Personal Information Protection Law, which was promulgated by SCNPC on August 20, 2021 and became effective on November 1, 2021. The Personal Information Protection Law aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law, and promoting the reasonable use of personal information. In addition, the Anti-Monopoly Guidelines also prohibits collection of unnecessary user information by online platform operators.
- The Data Security Law, which was promulgated by the SCNPC on June 10, 2021 and became effective in September 2021, provides for data security and privacy obligations on entities and individuals carrying out data activities. For details of the regulatory requirements regarding internet information security and privacy protection that may apply to us, see “Regulations — Regulations Related to Internet Information Security and Privacy Protection”.
- On April 27, 2021, the State Council of PRC, or the State Council, promulgated the Provisions on Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which became effective on September 1, 2021. Pursuant to the Provisions on Protection of Critical Information Infrastructure, critical information infrastructure shall mean any important network facilities or information systems of the important industry or field such as public

RISK FACTORS

communication and information service, energy, communications, water conservation, finance, public services, e-government affairs and national defense science, which may endanger national security, people’s livelihood and public interest in case of damage, function loss or data leakage. In addition, relevant administration departments of each critical industry and sector, or Protection Departments, shall be responsible to formulate eligibility criteria and determine the critical information infrastructure operator in the respective industry or sector.

- The Review Measures that were published on December 28, 2021 and became effective from February 15, 2022 set forth the cybersecurity review mechanism for critical information infrastructure operators, and provided that critical information infrastructure operators who procure internet products and services that affect or may affect national security shall be subject to a cybersecurity review. The exact scope of “critical information infrastructure operators” under the current regulatory regime remains unclear and the interpretation and implementation of these laws are subject to change. Therefore, it is uncertain whether we would be officially deemed as a critical information infrastructure operator under PRC laws. Furthermore, the Article 7 of the Review Measures stipulates that a network platform operator that holds personal information of more than one million users, when seeking to [REDACTED] abroad, must submit an application to the Cybersecurity Review Office for a cybersecurity review. Our PRC Legal Advisor is of the view that such mandatory requirements of cybersecurity review are only applicable to companies which are seeking a [REDACTED] abroad, and we are not required to submit an application for a cybersecurity review in connection with the [REDACTED] under the Article 7 of the Review Measures, because the [REDACTED] which will be in Hong Kong is not a “[REDACTED] abroad”.
- The Cyber Data Security Regulations aim to regulate network data processing activities, protect the legitimate rights and interests of individuals and organizations, and safeguard national security and public interests. The Cyber Data Security Regulations put forward general requirements and provisions for network data security, further specify rules concerning personal information protection, and fine-tune mechanisms for the management of important data. And the Cyber Data Security Regulations also stipulate the obligations for internet platform service providers, specifying data protection requirements for entities such as third-party service and product providers. The Cyber Data Security Regulations do not include the content related to cybersecurity review standards for [REDACTED] abroad and in Hong Kong in the Administration Governing the Cyber Data Security (Draft for Comments), published on November 14, 2021. According to the Administration Governing the Cyber Data Security (Draft for Comments), if the [REDACTED] in Hong Kong of a data processor affects or may affect national security, or any other data processing activities of a data processor affect or may affect national security, the data processor shall, in accordance with relevant state provisions, apply for a cybersecurity review. As of the Latest Practicable Date, we have not been involved in any investigations relating to cybersecurity reviews conducted by the CAC. However, we cannot assure you that the PRC government authorities will not formulate laws and regulations requiring that companies shall apply for cybersecurity reviews if the [REDACTED] in Hong Kong in the future. In addition, as of the Latest Practicable Date, we have not been summoned to attend official meetings with the relevant regulatory authorities nor received any inquiry, notice, warning, or sanctions in such respect. If we are not able to comply with the cybersecurity and data privacy requirements in a timely manner, or at all, we may be subject to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, or removal of our app from the relevant application stores, among other sanctions, which could materially and adversely affect our business and results of operations.
- On August 16, 2021, the CAC and certain other government authorities in PRC issued the Several Provisions on Car Data Security Management (for Trial) (《汽車數據安全管理若干規定(試行)》), which became effective on October 1, 2021. The several provisions provide that the processing of car data by car data processors shall be legal, proper, specific and clear, and shall be directly related to the design, production, sales, use, operation and maintenance of cars. Car data processors who carry out important data processing activities shall carry out risk assessments and submit risk assessment reports to the relevant government authorities.

Complying with new laws and regulations could substantially increase the costs or require us to change our business practices in a manner materially adverse to our business. Such new laws and regulations as promulgated from time to time have required or may require us to obtain approvals, make filings, report to regulatory authorities, or complete other regulatory procedures. For details of the regulatory requirements regarding internet information security and privacy protection that may apply to us, see “Regulations — Regulations Related to Internet Information Security and Privacy Protection”. We cannot assure you that we have complied or will comply with such laws and regulations. To the extent we are found by regulators to be not in compliance with these laws and regulations, we may be subject to fines, regulatory orders to suspend our operations or other regulatory and disciplinary sanctions, and our mobile app may be removed from the app stores.

RISK FACTORS

In addition, in other geographic markets that we operate, like Thailand, the Philippines and Hong Kong, the nature of our business inevitably requires that we collect, store, process and use our existing and potential platform users’ and customers’ personal data on a frequent and regular basis. In the Philippines, according to the Data Privacy Act of 2012 and its implementation rules, personal information must be collected with the data owner’s express consent. For details of laws and regulations governing data privacy protection in these jurisdictions, see “Regulations”.

We currently adopt a data privacy policy with respect to how we collect, store, process and use user data and information, and we may only use such data and information to provide and improve our services, content and advertising in strict compliance with such policy. Despite our continuous efforts to comply with our privacy policy as well as all applicable data protection laws and regulations and the absence of any material data breach or similar incidents, any failure or perceived failure to comply with these laws, regulations or policy may result in inquiries and other proceedings or actions against us by Governmental Authorities or others, as well as negative publicity and damage to our reputation, each of which could result in losses of users and business partners and adversely affect our business and results of operations.

While we strive to comply with our internal data privacy guidelines as well as all applicable data privacy and security laws and regulations, and contractual obligations in respect of personal data, there is no assurance that we are able to comply with these laws, regulations and contractual obligations in all respects. Any failure or perceived failure by us, external service providers or business partners to comply may result in proceedings or actions against us, including fines, penalties or enforcement orders (including orders to cease processing activities) being levied on us by government agencies or proceedings or actions against us by our users, customers and business partners, including class action privacy litigation in certain jurisdictions, and could damage our reputation and discourage current and future users from using our products and services, which could materially and adversely affect our business, financial condition and results of operations. In addition, compliance with applicable laws on data privacy requires substantial expenditure and resources, including to continually evaluate our policies and processes and adapt to new requirements that are or become applicable to us on a jurisdiction-by-jurisdiction basis, which would impose significant burdens and costs on our operations or may require us to alter our business practices.

Many statutory requirements, including those in the PRC and in other jurisdictions in which we operate, include obligations for companies to notify individuals of security breaches involving certain personal data, which could result from breaches experienced by us or our external service providers. These laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. In addition, such mandatory disclosures could lead to negative publicity and may cause our current and prospective customers to lose confidence in the effectiveness of our data security measures. See “— If we are unable to maintain and enhance our brands and increase market awareness of our platform and services, our business, operating results and financial condition may be adversely affected”.

Negative publicity of us or our industry regarding actual or perceived violations of our users’ privacy- related rights, including fines and enforcement actions against us or other similarly placed businesses, also may impair users’ trust in our privacy practices and make them reluctant to give their consent to sharing their data with us. Any inability to adequately address data privacy or security-related concerns, even if unfounded, or to comply with applicable laws, regulations, standards and other obligations relating to data privacy and security, could result in additional cost and liability to us, harm our reputation and brand, damage our relationships with consumers and have a material and adverse impact on our business, financial condition and results of operations. Concerns about the security of personal data also could lead to a decline in general Internet usage, which could result in a decrease in demand for our products and services and have a material and adverse effect on our business, financial condition and results of operations.

If we fail to manage the operation of our platform, systems and infrastructure, our users may experience service outages and delays in the deployment of our products and services.

We have experienced, and may in the future experience, system disruptions, outages, data losses and other performance problems. These types of problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks, fraud, spikes in user usage and denial of service issues. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Additionally, we currently use various third-party cloud-hosting providers to provide cloud infrastructure to support our platform. We do not control the physical operation of any of the cloud infrastructure we use or the operations of these third-party cloud-hosting providers. These third-party operations may experience break-ins, computer viruses, denial-of-service attacks, sabotage, acts of vandalism, and other misconduct. These facilities may also be vulnerable to damage or interruption from power loss, telecommunications failures, fires, floods, earthquakes, hurricanes, tornadoes, and similar events. The occurrence of any such event, a decision by our third-party service providers to terminate their services without adequate notice, termination or suspension of the contractual and other business relationships between us and such cloud infrastructure

RISK FACTORS

providers or other unanticipated problems may result in interruptions to our platform and could experience significant delays and incur additional expense in transitioning users to a different cloud infrastructure provider. Any difficulties these providers face, including the potential of certain network traffic receiving priority over other traffic (i.e., lack of net neutrality), may adversely affect our business, and we exercise little control over these providers, which increases our vulnerability to problems with the services they provide.

Any disruptions, outages, defects, and other performance and quality problems with our platform or with our products and services and internet infrastructure on which they rely, or any material change in our contractual and other business relationships with our cloud infrastructure providers, could result in reduced use of our platform, increased expenses and harm to our brand and reputation, and cause merchants and carriers to switch to our competitors’ platforms, any of which could have a material adverse effect on our business, financial condition, and results of operations.

We have granted and expect to continue to grant share-based awards in the future pursuant to our Share Incentive Plan, which may result in increased share-based compensation expenses.

We adopted our Share Incentive Plan in 2021 to provide additional incentives to Directors, officers, employees and consultants, which replaced our previous share incentive plans. We account for compensation costs for all share-based awards using a fair-value based method and recognize expenses in our consolidated statements of profit or loss and other comprehensive income in accordance with IFRS Accounting Standards. For details, see “Appendix IV — Statutory and General Information — D. Share Incentive Plan”. In 2023, 2024 and 2025, we incurred share-based compensation of US\$18.8 million, US\$18.1 million, and US\$13.4 million, respectively. We consider the granting of share-based awards crucial for attracting and retaining key personnel and employees. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

Our financial results may vary significantly from period to period, due to factors including seasonality.

Our operating results may vary significantly and are not necessarily an indication of future performance. These fluctuations may be a result of a variety of factors. In particular, we experience seasonal fluctuations in our financial results. The volume of transactions on our platform is typically lower during the first quarter each year compared to the other three quarters mainly due to the Chinese New Year holidays. Our growth has made, and may in the future make, seasonal fluctuations difficult to detect. We expect these seasonal trends to become more pronounced over time as our growth moderates. In addition to seasonality, our operating results may fluctuate as a result of other factors, many of which are out of our control, including our ability to attract new and retain existing users; increased competition in the markets in which we operate; shifts in merchants’ shipment needs and patterns; our ability to expand geographically; our ability to effectively manage our growth; harm to our brand or reputation; and changes in the regulatory environments, and other risks described elsewhere in this Document. There can be no assurance that our historic operating patterns will continue in future periods, as we cannot influence or forecast many of these factors. The quarterly fluctuations in our revenue and results of operations could result in volatility and cause the price of our Class B Shares to fall.

We are exposed to credit risks of our enterprise customers.

Our business operations for integrated enterprise services are primarily subject to the risk of payment deferrals and/or defaults by our enterprise customers. During the Track Record Period, we typically granted to our enterprise customers a credit period of up to 180 days, depending on the relevant contract terms and our evaluation of their creditworthiness. In determining the actual length of credit terms granted to a specific enterprise customer, we consider various factors such as the length of business relationship and past payment records. Our trade receivables turnover days in 2023, 2024 and 2025 were 15.2 days, 16.2 days and 14.1 days, respectively. As of December 31, 2023, 2024 and 2025, our trade and other receivables amounted to US\$146.3 million, US\$164.3 million and US\$203.1 million, respectively. As of December 31, 2023, 2024 and 2025, our trade receivables aged more than 90 days amounted to US\$6.8 million, US\$14.6 million and US\$18.7 million, respectively, representing 10.1%, 18.3% and 19.8% of our trade receivables as of the same dates, respectively. See “Financial Information — Description of Selected Items from the Consolidated Statements of Financial Position — Assets — Trade and Other Receivables” for further details.

We are thus exposed to the risk that our enterprise customers may delay or withhold their payment for various reasons, which could potentially strain our cash flow and working capital. We cannot guarantee timely or complete recovery of outstanding payments according to the agreed schedules, or at all. We will incur additional legal costs and efforts, if we initiate legal claims and/or procedures to collect the outstanding receivables from the defaulting enterprise customers. If we fail to collect such outstanding amounts from enterprise customers in full amounts or in a timely manner, or at all, our liquidity position could be worsened, and our business, results of operations and financial condition could be materially and adversely affected.

RISK FACTORS

We may not be able to secure additional financing on favorable terms, or at all, to meet our future capital needs.

Our ability to obtain additional capital in the future is subject to a number of uncertainties, including those relating to our future business development, financial condition and results of operations, general market conditions for financing activities by companies in our industry, and macro-economic and other conditions regionally and globally. If we cannot obtain sufficient capital to meet our capital needs, we may not be able to execute our growth strategies, and our business, financial condition and prospects may be materially and adversely affected.

The successful operation of our business depends upon the performance and reliability of internet, mobile, and other infrastructures as well as the interoperability of our platform across devices, operating systems, and third-party applications and services that are not under our control.

Our business depends on the performance and reliability of internet, mobile, and other infrastructures that are not under our control. Disruptions in Internet infrastructure or GPS signals or the failure of telecommunications network operators to provide us with the bandwidth we need to provide our products and offerings could interfere with the speed and availability of our platform. If our platform is unavailable when platform users attempt to access it, or if our platform does not load as quickly as users expect, platform users may not return to our platform as often in the future, or at all, and may use our competitors' platforms or offerings more often. In the PRC and certain other geographic markets in which we operate, the access to the internet is maintained through national or state-owned telecommunications operators on which we rely to provide us with the data communications capacity and bandwidth needed to deliver our platform to users. We have limited access to alternative networks or services in the event of disruptions, failures or other problems with the internet infrastructure or the telecommunications networks in these geographic markets. Additionally, we have no control over the costs of the services provided by telecommunications service providers. If the prices we pay for telecommunications and internet services rise significantly or if mobile Internet access fees or other charges to Internet users increase, consumer traffic may decrease, our results of operations may be materially and adversely affected.

Our platform is characterized by its high interoperability and compatibility with a variety of devices, operating systems, and third-party applications and services. Our platform is accessible through a variety of operating systems, including iOS and Android, as well as web portals for personal computers. We depend on the accessibility of our platform across these third-party operating systems and applications which we do not control. Additionally, third-party platforms and products are rapidly evolving, and we may be unable to adapt our platform to ensure compatibility with such third-party products and services as they evolve. Interoperability failures, whether caused by third parties or otherwise, may have a negative impact on our results of operations and financial condition.

We rely on third parties to distribute our mobile apps and to provide certain functions used by our platform or our users. If such third parties interfere with the distribution of our platform or with the use of such functions, our business would be adversely affected.

Our platform relies on third parties maintaining open marketplaces, primarily including the Apple App Store and Android App Stores, which make applications available for download, based on their customary terms of use and fee arrangements. We cannot assure you that the marketplaces through which we distribute our platform and mobile apps will maintain their current structures or that such marketplaces will not charge us fees to list our mobile apps for download. We rely upon third parties to provide certain functions, including digital mapping functions, for our products and offerings. We do not control the third-party mapping functions employed by our platform or our users, and it is possible that these mapping functions may not be reliable. If such third parties cease to provide access to the third-party services that we and our users use, on terms that we believe to be attractive or reasonable, or at all, or do not provide us with the most current version of such software, we may be required to seek comparable software from other sources, which may be more expensive or inferior, or may not be available at all, any of which would adversely affect our business.

Legal, regulatory and administrative proceedings could adversely affect our business or financial results.

We have in the past been, are currently, and may in the future become involved in lawsuits, investigations, claims, disputes, complaints and various other legal, regulatory and administrative proceedings arising in the ordinary course of our business. These lawsuits, investigations, claims, disputes, complaints and proceedings may be brought or asserted in a variety of jurisdictions in relation to various matters, including data protection and privacy, carrier and merchant rights protection, antitrust, unfair competition, labor and employment, tort, contractual disputes, transportation, intellectual property infringement, workplace safety, advertising, tax, among other things. The results of any such lawsuits, investigations, claims, disputes, complaints and proceedings are inherently unpredictable and expensive.

RISK FACTORS

For example, any material tax deficiencies could impact our financial condition and operating results. If we fail to rectify any of such tax deficiencies within the prescribed time period after receiving the notice from the relevant tax authorities, we may be subject to fines, which could have an adverse effect on our financial condition, and operating results. Any claims against us, whether meritorious or not, could be time consuming, costly, and harmful to our reputation, and could require significant amounts of management time and corporate resources. If any of these lawsuits, investigations and proceedings were to be determined adversely to us, or we were to enter into a settlement arrangement, we could be exposed to monetary damages or be forced to change the way in which we operate our business, which could have an adverse effect on our business, financial condition, and operating results. For details of our historical legal, regulatory and administrative proceedings, See “Business — Legal Proceedings and Other Incidents”.

Our failure to protect our intellectual property rights may undermine our competitive position, and litigation to protect our intellectual property rights or defend against third-party allegations of infringement may be costly and ineffective.

Our success depends, in part, on our ability to protect our brand, trade secrets, trademarks, patents, domain names, copyrights and proprietary methods and technologies, whether registered or not, that we develop under patent and other intellectual property laws of the PRC and other jurisdictions, so that we can prevent others from using our inventions and proprietary information. As of the Latest Practicable Date, we also had approximately 89 registered software copyrights in Mainland China. As of the Latest Practicable Date, we had two patents, approximately 405 registered trademarks and 50 pending trademark applications in our overseas markets. We owned approximately 184 registered domain names in Mainland China, including one registered domain names that we consider to be material to our business, as of the Latest Practicable Date. We are in the process of registering certain trademarks and other intellectual property rights that we are currently using or anticipate to use. As of the Latest Practicable Date, we had more than 370 patents, approximately 530 pending patent applications, more than 470 registered trademarks and approximately 100 pending trademark applications in Mainland China. However, we cannot assure you that any of our intellectual property rights or the registrations thereof will not be challenged, invalidated or circumvented, or that our intellectual property will be sufficient to provide us with competitive advantages. In addition, we may be subject to allegation of infringement of other parties’ proprietary rights, and other parties may misappropriate our intellectual property rights, which would cause us to suffer economic or reputational damages. Because of the rapid pace of technological change, we cannot assure you that all of our proprietary technologies and similar intellectual property rights can be patented in a timely or cost-effective manner, or at all.

We also rely, in part, on confidentiality agreements with our business partners, employees, consultants, advisors, customers and others in our efforts to protect our proprietary technology, processes and methods. These agreements may not effectively prevent disclosure of our confidential information, and it may be possible for unauthorized parties to copy our software or other proprietary technology or information, or to develop similar software independently without our having an adequate remedy for unauthorized use or disclosure of our confidential information.

In some geographic markets where we operate, statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in these jurisdictions. To the extent we expand our international activities, our exposure to unauthorized copying, transfer and use of our proprietary technology or information may increase.

Preventing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual property. Litigation may be necessary in the future to enforce our intellectual property rights, determine the validity and scope of our proprietary rights or those of others, or defend against claims of infringement or invalidity. Such litigation could be costly, time- consuming and distracting to management, result in a diversion of significant resources, the narrowing or invalidation of portions of our intellectual property and have an adverse effect on our business, operating results and financial condition. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights or alleging that we infringe the counterclaimant’s own intellectual property. Any of our patents, trade secrets, copyrights, trademarks or other intellectual property rights could be challenged by others or invalidated through administrative process or litigation. We can provide no assurance that we will prevail in such litigation or administrative process. In addition, our proprietary methods and technologies that are regarded as trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors and in these cases we would not be able to assert any trade secret rights against those parties.

RISK FACTORS

There can be no assurance that our particular ways and means of protecting our intellectual property and proprietary rights, including business decisions about when to file patent applications and trademark applications, will be adequate to protect our business or that our competitors will not independently develop similar technology. If we fail to protect and enforce our intellectual property and proprietary rights adequately, our competitors might gain access to our technology and our business, operating results and financial condition could be adversely affected.

We may be involved in legal and other disputes from time to time arising out of allegations relating to our infringement of intellectual property rights of third parties, which may be expensive to defend and may disrupt our business and operations.

We have and may continue to be involved in legal and other disputes and regulatory and administrative proceedings in the ordinary course of our business, including allegations against us for potential infringement of third-party trademarks, copyrights or other intellectual property rights. We may also encounter disputes from time to time over rights and obligations concerning intellectual property rights and other legal rights, in particular third-party trademarks and copyrights that may be infringed by us or our employees, contractors or platform users, and we may not prevail in those disputes. We have adopted policies and procedures to prevent our employees and other personnel from infringing upon third-party intellectual property rights. However, we cannot assure you that our efforts will be effective or that our employees, contractors or platform users will not, against our policies, use third-party intellectual property without proper authorization on our platform. Our platform users may post unauthorized third-party content on our mobile apps or websites, which we may not be able to detect in time, or at all. We may incur liability and penalties for unauthorized duplication or distribution of content or information posted on our mobile apps or websites. We have been, and may be in the future, subject to allegations on the grounds of intellectual property rights infringement and other legal theories based on the content of the information that we or our employees, contractors or platform users distribute or use in our business operations.

Any claims against us, with or without merit, could be time-consuming and costly to defend or litigate, divert our management’s attention and resources or result in the loss of goodwill associated with our brand. The application and interpretation of intellectual property right laws in China and certain other jurisdictions where we operate and the procedures and standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights in such jurisdictions, and the laws governing personal rights are still evolving. If a lawsuit or allegation against us is successful, we may be required to pay substantial damages and/or enter into royalty or license agreements with commercially unreasonable terms, or we may be unable to enter into such agreements at all. We may also lose, or be limited in, the rights to offer some of our offerings and services or be required to modify our platform or business models, which could adversely affect our results of operations and financial condition.

We currently do not own the properties on which we carry out our business, and we are exposed to the risks associated with the commercial and industrial real estate rental market.

As of the Latest Practicable Date, the offices and facilities occupied by us for our business purposes were leased from third parties, details of which are disclosed in “Business — Properties”. Accordingly, we are susceptible to the rental fluctuation from time to time. We have to negotiate the terms of renewal with the respective landlords prior to the expiry of the lease agreements. In the event that there is any increase in the rental expenses for our existing leased properties in the long run, our operating expenses and pressure on our operating cash flows will increase, thereby materially and adversely affecting our business, results of operations and prospects. In addition, there is no assurance that we will successfully renew the leased agreements for the relevant rented premises on commercially acceptable terms, or at all. There is also no assurance that such leased agreements will not be terminated before their expiration. Termination of our leases may occur beyond our control, such as breaches of agreements by the lessor or the tenant of the premises or invalidation of lease agreements due to the lessors’ lack of title to lease the properties. If it happens, we will need to relocate to other premises and incur additional costs due to relocation.

We face certain legal and regulatory risks relating to the real estate properties that we lease.

We lease office spaces from third parties for our operations in the PRC and the overseas markets where we operate. Any deficiencies in the leased properties, or lessors’ title to such properties, may impact our use of the offices, or in extreme cases, result in relocation, which may in turn affect our business operations. In addition, certain lease agreements of our leased properties in the PRC have not been registered with the relevant PRC government authorities as required by PRC law, and we may be exposed to potential fines if we fail to rectify within the prescribed time period after receiving notices from the relevant PRC government authorities. For details, see “Regulations — Regulations on Leasing”. Furthermore, certain lessors of our leased properties in the PRC have not provided us with valid property ownership certificates or any other documentation proving their right to lease those properties to us.

RISK FACTORS

Moreover, certain of our leased properties are subject to mortgage and therefore, in case the mortgagees enforce the mortgage, we may not be able to continue using such leased properties. During the Track Record Period and as of the Latest Practicable Date, we are not aware of any actions or claims raised by any third parties challenging our use of these properties we currently lease, nor have we received any notices from the PRC government authorities. If our lessors are not the owners of these properties or they have not obtained consents from the owners or their lessors or permits from the relevant government authorities, our leases could be invalidated. If leases are invalid, we may face the risk of moving out of the leased property. In addition, in the event that our use of properties is challenged or our lease agreements are terminated unilaterally by the lessors, we may be forced to relocate and our business and results of operations may be materially and adversely affected.

Our business depends substantially on the continuing efforts of our Directors, executive officers, senior management, key employees and qualified personnel, and our operations may be severely disrupted if we lose their services.

Our future success depends substantially on the continuing efforts of our Directors, executive officers, senior management, and key employees and qualified personnel. In particular, we rely on the leadership, expertise, experience and vision of our Directors and senior management team. If one or more of our Directors, executive officers, senior management, key employees or qualified personnel were unable or unwilling to continue their services with us, whether due to resignation, accident, health condition, family considerations or any other reason, we might not be able to find their successors, in a timely manner, or at all. The size and scope of our platform also require us to hire and retain a wide range of capable and experienced personnel who can adapt to a dynamic, competitive and challenging business environment. We will need to continue to attract and retain experienced and capable personnel at all levels. We cannot assure you that we will be able to attract or retain qualified management or other highly skilled employees.

We do not have key-man insurance for our Directors, senior management or other key employees. If any of our key employees terminates his or her services or otherwise becomes unable to provide continuous services to us, our business, financial condition and results of operations may be materially and adversely affected and we may incur additional expenses to recruit, train and retain qualified personnel. Each of our executive officers and key employees has entered into an employment agreement with a non-compete clause with us. However, these agreements may be breached by the counterparties, and there may not be adequate and timely remedies available to us to compensate our losses arising from the breach. We cannot assure you that we would be able to enforce these non-compete clauses. If any of our executive officers or key employees joins a competitor or forms a competing company, we may lose customers, know-how and key professionals and staff members. In addition, our senior management team has limited experience in running public companies, which would require us to incur substantial costs and expenses in recruiting necessary supporting staff with the relevant experience.

Our insurance coverage strategy may not be adequate to protect us from all business risks or, if insurance carriers change the terms of such insurance in a manner not favorable to us, if we are required to purchase additional insurance for other aspects of our business, or if we fail to comply with regulations governing insurance, our business could be harmed.

We maintain various insurance policies to safeguard against risks and unexpected events. However, we do not maintain business interruption insurance or key-man insurance or any insurance covering liabilities resulting from misconducts or illegal activities committed by our employees, platform users or business partners. We cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected. If our insurance carriers change the terms of our policies in a manner unfavorable to us, our insurance costs could increase.

In addition, we are subject to laws, rules, and regulations relating to insurance which could result in proceedings or actions against us by governmental entities or others. Any failure, or perceived failure, by us to comply with laws, rules, and regulations or contractual obligations relating to insurance could result in proceedings or actions against us by regulatory authorities or others. These lawsuits, proceedings, or actions may subject us to significant penalties and negative publicity, require us to increase our insurance coverage, require us to amend our insurance policy disclosure and adjust our services, increase our costs, and disrupt our business. For more information about our insurance, see “Business — Insurance”.

RISK FACTORS

We rely on commercial banks and third-party online payment service providers for payment processing services for certain of our services. Any failures by these third parties to process payments effectively and securely may have material and adverse effects on our business.

We accept payments through major third-party online payment channels in the PRC, as well as bank transfers. We may be susceptible to fraud, user data leakage and other illegal activities in connection with the various payment methods we offer. In addition, our business depends on the billing, payment and escrow systems of the third-party payment service providers to maintain accurate records of payments by customers and collect such payments. If the quality, utility, convenience or attractiveness of these payment processing and escrow services declines, or if we have to change the pattern of using these payment services for any reason, the attractiveness of our platform could be materially and adversely affected. We are also subject to various rules, regulations and requirements, regulatory or otherwise, governing the electronic funds transfer which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and become unable to accept the current online payments solutions from our customers, and our business, financial condition and results of operations could be materially and adversely affected. Business involving online payment services is subject to a number of risks that could materially and adversely affect third-party online payment service providers’ ability to provide payment processing and escrow services to us, including, among other things, dissatisfaction with these online payment services or decreased use of their services; changes to rules or practices applicable to payment systems that link to third-party online payment service providers; breach of customers’ personal information and concerns over the use and security of information collected from customers; and increasing costs to third-party online payment service providers, including fees charged by banks to process transactions through online payment channels, which would also increase our cost of revenue and expenses. If any of the foregoing takes place, our third-party online payment service providers’ services may be restricted or curtailed or become unavailable on reasonable terms to us, or at all, our business and results of operations could be materially and adversely affected.

We may be considered as conducting payment services as a non-financial institution without a payment business license in the PRC.

Historically, we first received payments from merchants for orders placed on our platform and then settled with the carriers through third-party online payment service providers in the PRC. This practice is under increasingly strict scrutiny from regulators, particularly the People’s Bank of China, or the PBOC. In the PRC, payment services are subject to the supervision of the PBOC. The PBOC publishes rules, guidelines and interpretations from time to time regulating the operation of financial institutions and payment service providers that may in turn affect the services provided by such entities to us. For example, in June 2010, PBOC issued the Administrative Measures on Non-Financial Institution Payment Service (《非金融機構支付服務管理辦法》), or the Payment Services Measures, to require a non-financial institution offering payment services to obtain the payment business license. In November 2017, the PBOC further published a notice, or the PBOC Notice, on the investigation and administration of illegal offering of settlement services by financial institutions and third-party payment service providers to unlicensed entities. The PBOC Notice intended to prevent unlicensed entities from using licensed payment service providers as a conduit for conducting any unlicensed payment settlement services, so as to safeguard fund security and information security.

The relevant rules and regulations lack clear guidance as to what practice or process constitutes payment or settlement services without a payment business license. We cannot assure you, however, that our past payment settlement practice during the Track Record Period will not give rise to the risk that we may be deemed to be engaging in payment and settlement services without a payment business license. During the Track Record Period and up to the Latest Practicable Date, insofar as we are aware, we had not been required by the relevant regulatory authorities to obtain the payment business license for our past settlement practice, nor had we received any penalty in connection with any purported operations of payment and settlement services without a payment business license or otherwise in violation of such rules and regulations.

We have engaged a licensed commercial bank since May 2021, and established a payment settlement mechanism, which we believe is a practice widely accepted in industry. However, we cannot assure you that the PBOC or other Governmental Authorities will not challenge this practice. If required by the PBOC or any other Governmental Authorities, our cooperative payment service provider may have to suspend or cease to provide us with its services. In such event, we may not be able to retain exclusive control of the payments from the merchants in the accounts maintained with the relevant commercial bank, and we may incur additional expenses or be required to invest considerable resources in finding alternative ways to comply with the requirements. If the PBOC or other Governmental Authorities deem the payment methods we historically offered or our current cooperation with the payment service provider to not be in compliance with applicable laws and regulations, we may be subject to regulatory actions, investigations, fines and penalties, which could materially and adversely affect our business, results of operations and reputation.

RISK FACTORS

In some geographic markets, we allow merchants to use cash to pay carriers the freight charges for fulfilling the orders facilitated through our platform, which may subject us to regulatory, operational, and safety risks.

While the freight transactions between merchants and carriers facilitated by our platform are completed online, in limited circumstances, we also allow merchants and carriers to settle the freight charges offline using cash. The use of cash in connection with our technology raises numerous regulatory, operational, and safety concerns. Some jurisdictions have specific regulations regarding the use of cash for transactions facilitated through online platforms, and failure to comply with these regulations could result in the imposition of fines and penalties and other adverse regulatory consequences in those jurisdictions. The use of cash with the fulfillment of orders facilitated through our platform can increase safety and security risks for carriers and merchants, including potential robbery, assault, violent or fatal attacks, and other criminal acts. If we are not able to adequately address any of these concerns, we could suffer significant reputational harm, which could adversely impact our business.

In addition, to the extent that we charge commissions on the cash-paid orders, establishing the proper infrastructure to properly account for the cash received and ensure that we collect the correct amounts of commissions is complex and may not be always effective, convenient, or widely adopted by merchants or carriers. This means that we may not be able to collect the full amount of commissions due to us for some of these orders. Creating, maintaining, and improving these systems and infrastructure requires significant effort and resources, and we cannot guarantee they will be effective in collecting amounts due to us. Additionally, operating a business that allows for uses of cash raises additional compliance risks with respect to a variety of rules and regulations, including anti-money laundering laws. Any failure of our collection systems, along with any costs associated with a failure to comply with applicable rules and regulations, could adversely affect our business and results of operations.

We may not be able to identify suitable acquisition targets or consummate acquisitions on acceptable terms, or we may be unable to successfully integrate acquisitions or achieve the anticipated benefits.

We may selectively pursue strategic acquisitions and investments that are complementary to our growth strategies. Acquisitions involve certain known and unknown risks that could cause our actual growth or operating results to differ from our expectations. For example: (i) we may not be able to identify suitable acquisition candidates or to consummate acquisitions on acceptable terms; (ii) we compete with others to acquire complementary businesses and technologies, which may result in decreased availability of, or increased price for, suitable acquisition candidates; (iii) we may not be able to obtain the necessary financing, on favorable terms or at all, to finance any or all of our potential acquisitions; (iv) we may ultimately fail to consummate an acquisition even if we announce that we plan to acquire a business; (v) acquired products or businesses may not perform as we expect and we may fail to realize anticipated revenue and profits; (vi) our acquisition activities may be subject to various regulations, including antitrust regulations; and (vii) acquisition may expose us to unanticipated problems or legal liabilities, including responsibility as a successor for undisclosed or contingent liabilities of acquired businesses or assets.

In addition to possible Shareholders’ approval, we may also have to obtain approvals and licenses from relevant government authorities for the acquisitions and to comply with any applicable PRC laws and regulations, which could result in increased delay and costs, and may derail our business strategy if we fail to do so. See “— The M&A Rules and certain other PRC regulations establishing complex procedures for acquisitions could make it more difficult for us to pursue growth through acquisitions in the PRC”.

In any future acquisitions, we may not be able to successfully integrate acquired personnel, operations and technologies, or effectively manage the combined business following the acquisition. We also may not achieve the anticipated benefits from our future acquired businesses due to a number of factors, including: (i) inability to integrate or benefit from acquisitions in a profitable manner; (ii) unanticipated costs or liabilities associated with the acquisition; (iii) incurrence of acquisition-related costs; (iv) difficulty converting the customers of the acquired business to our solutions and contract terms, including disparities in the revenues, licensing, support or professional services model of the acquired company; (v) difficulty integrating the accounting systems, operations and personnel of the acquired business; (vi) diversion of management’s attention from other business concerns; (vii) the loss of our or the acquired business’s key employees; (viii) diversion of resources that could have been more effectively deployed in other parts of our business; and (ix) use of substantial portions of our available cash to consummate the acquisition.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could harm our results of operations. Acquisitions could also result in dilutive issuances of equity securities, the use of our available cash, or the incurrence of debt, which could harm our operating results. In addition, if an acquired business fails to meet our expectations, our operating results, business and financial condition may suffer.

RISK FACTORS

We are exposed to risks and uncertainties associated with strategic transactions or acquisitions.

As we continue to scale our operations around the globe, we may enter into strategic transactions, including joint ventures or equity or debt investments, with various third parties to further our business purpose from time to time. These transactions could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by third parties and increased expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may also have limited ability to monitor or control the actions of these third parties and, to the extent any of these strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third parties.

In the past, we started to explore the possibility of entering the online ride-hailing industry in the PRC. In June 2021, a group of our former employees, which are Independent Third Parties, established an online rider-hailing platform named Xiaola in the PRC. To provide Xiaola with short-term liquidity support, in 2021, we agreed to extend a working capital loan of US\$130 million and provide certain transitional support services in exchange for a warrant which granted us a right to acquire a controlling stake in Xiaola, subject to the satisfaction of certain conditions linked to Xiaola’s performance and compliance records. In April 2022, Xiaola and we amended the relevant arrangements such that our PRC entities agreed to fulfil our obligations under the offshore working capital loan to Xiaola by extending working capital credits of up to RMB1,200 million in exchange for a right to convert all or part of such indebtedness into equity interests in Xiaola. Since 2024, we have also taken an initiative to assist Xiaola where our user traffic may be redirected to Xiaola’s platform, subject to our user needs. If Xiaola’s business and financial conditions deteriorated or if Xiaola were subject to material liabilities arising from its failure to comply with applicable laws and regulations, Xiaola’s ability to fulfill its debt obligations to us could be adversely affected. We recorded fair value gains of financial instruments measured at fair value through profit or loss on unlisted debt investments of US\$5.0 million, US\$2.3 million and US\$9.7 million in 2023, 2024 and 2025, respectively, due to changes in the fair market values of loans extended to Xiaola based on our prudent assessment of Xiaola’s prospects. In addition, our reputation may also be subject to adverse impacts of Xiaola’s business results and compliance records. For details of these arrangements and our PRC Legal Advisor’s views, see “History, Development and Corporate Structure — Major Acquisitions, disposals and mergers — Arrangements between our Group and the Xiaola Group”.

We have investments accounted for using the equity method, and their performance may affect our results of operations.

During the Track Record Period, our investments accounted for using equity method included our interest in an equity-accounted investee, with a total value of US\$115.1 million, US\$113.4 million and US\$116.9 million as of December 31, 2023, 2024 and 2025, respectively. We are exposed to the risk that our investees may make business, financial, or management decisions that we disagree with or have no control over, or that the other shareholders or the management of these investees may act in a way that is not in our best interest. Various factors may impact the carrying value of our investments accounted for using equity method, such as share of results, impairment, dilution, issuance of equity securities, and currency translation differences. Any of these factors may have an adverse effect on the value of our investments, which may impact our business and results of operations.

Additionally, our investments accounted for using equity method are subject to liquidity risk. Unlike other investment products, we do not receive cash flow until dividends are distributed by our investee companies, even if these companies report profits under the equity method. Moreover, our ability to sell our interests in these investee companies promptly in response to changing economic, financial, and investment conditions is limited. The market for our investments accounted for using equity method is influenced by various factors, such as general economic conditions, interest rates, availability of financing, and supply and demand, many of which are beyond our control.

Intense competition for employees and increases in labor costs in the PRC and the other geographic markets may adversely affect our business and results of operations.

We believe our success depends on the efforts and talent of our employees, including sales and marketing, operations, research and development and corporate function personnel. Our future success depends on our continued ability to attract, develop, motivate and retain qualified and skilled employees, especially operations and sales and marketing personnel, as we rely on large on-the-ground operation teams to develop businesses and grow and maintain relationships with existing and prospective users, customers and business partners. Competition for highly skilled sales and marketing, operations, risk management, research and development and finance personnel is extremely intense. We may not be able to hire and retain these personnel at compensation levels consistent with our existing compensation and salary structure. Some of the companies with which we compete for experienced employees have greater resources than us and may be able to offer more attractive terms of employment.

RISK FACTORS

In addition, we invest significant time and resources in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expenses in hiring and training their replacements, and the quality of our services and our ability to serve dealers, financial institutions, vehicle buyers and other industry participants could diminish, resulting in a material adverse effect to our business.

The economy in the PRC has experienced increases in labor costs in recent years. As a result, average wages in the PRC are expected to continue to increase. In addition, we are required by PRC laws and regulations to pay various statutory employee benefits, including pension insurance, housing funds, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to control our labor costs or pass on these increased labor costs, our financial condition and results of operations may be adversely affected.

Failure to fully comply with labor-related laws and regulations may subject us to penalties.

We cannot assure you that our employment practices have been and will be deemed to be in compliance with all relevant labor-related laws and regulations due to changes in the interpretation and implementation related to the evolving labor laws and regulations, which may subject us to labor disputes or government investigations. For example, our workforce also includes outsourced labor personnel engaged by human resources companies. If any of the outsourced personnel engages in misconduct or fails to adhere to the instructions, policies and business guidelines set by these companies according to our standards, our market reputation, brand image and results of operations may be materially and adversely affected.

In accordance with the PRC Social Insurance Law (《中華人民共和國社會保險法》) and the Regulations on the Administration of Housing Fund (《住房公積金管理條例》) and other relevant laws and regulations, China established a social insurance system and other employee benefits including basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, housing fund, and a handicapped employment security fund (collectively, the “**Employee Benefits**”). Under the PRC Social Insurance Law and the Regulations on the Administration of Housing Fund, PRC subsidiaries and PRC Consolidated Affiliated Entities shall register with local social insurance agencies and applicable housing fund management centers, and establish special housing fund accounts in entrusted banks. The PRC subsidiaries, PRC Consolidated Affiliated Entities and their employees are required to contribute to the Employee Benefits in accordance with the applicable laws and regulations. An employer shall pay the Employee Benefits for its employees in accordance with the rates provided under relevant regulations and shall withhold the social insurance and other Employee Benefits that should be assumed by the employees.

During the Track Record Period, we had not made social insurance and housing fund contributions for some of our employees in full in accordance with the relevant PRC laws and regulations, and a few of our PRC entities engaged third-party human resources agencies to handle social insurance and housing fund payments for their employees. These employees worked outside of the cities where the PRC entities are registered. For 2023, 2024 and 2025, we had shortfalls of RMB31.9 million, RMB28.8 million and RMB16.0 million, respectively, in our social insurance contributions and shortfalls of RMB4.9 million, RMB3.4 million and RMB1.9 million, respectively, in our housing fund contributions. As advised by our PRC Legal Advisor, an employer that has not made social insurance contributions at such rate and based on such amount as prescribed by the law, or at all, may be ordered to rectify the non-compliance and pay the required contributions within a stipulated timeframe and be subject to a late fee of up to 0.05% per day. Failure to fulfil the outstanding contributions within the stipulated timeframe may result in fines ranging from one to three times of the amount in arrears. We estimate that the potential maximum aggregate fines that may be imposed due to our shortfalls in social insurance contributions for the Track Record Period is RMB230.4 million. Additionally, pursuant to relevant PRC laws and regulations, if there is a failure to pay the full amount of housing fund as required, the housing fund management center has the authority to demand payment of the outstanding amount within a prescribed timeframe. If the payment is not made within the timeframe, an application may be made to PRC courts to initiate compulsory enforcement. In the event that the competent social insurance or housing fund authorities in the PRC request us to pay the outstanding amounts in our social insurance and housing fund contributions, including any overdue charges (if applicable), we commit to fully and promptly comply with all such requirements. Our PRC Legal Advisor has advised us that once we pay the outstanding amounts of social insurance and housing funds and the overdue charges (if any) in full in timely manner after receiving notices from the relevant regulatory authorities, we will not be subject to administrative fines. During the Track Record Period and up to the Latest Practicable Date, no administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to our contributions to social insurance and housing funds, nor had we received any order or been informed to settle the under-payments.

RISK FACTORS

However, we cannot assure you that the relevant government authorities will not require us to pay the outstanding amount and impose late fees or fines on us, and if the human resources agencies have failed, or fail to pay the social insurance premium or housing fund contributions for and behalf of our employees as required under applicable PRC laws and regulations, we may be ordered to rectify such failure or be subject to penalties. If we are otherwise subject to investigations related to non-compliance with labor laws and are imposed severe penalties or incur significant legal fees in connection with labor law disputes or investigations, our business, financial condition and results of operations may be adversely affected.

We had net current liabilities and net liabilities position in the past and may not be able to achieve or maintain net assets and net current assets position in the future.

We had net current liabilities of US\$2,962.4 million, US\$2,590.6 million and US\$2,089.7 million as of December 31, 2023, 2024 and 2025, respectively. The major components of our current liabilities during the Track Record Period were redeemable convertible preferred shares. As of December 31, 2023, 2024 and 2025, we recorded net liabilities of US\$2,818.3 million, US\$2,389.0 million and US\$1,888.3 million, respectively. The fluctuations in our net liabilities throughout the Track Record Period were primarily due to the fluctuations in the fair value of redeemable convertible preferred shares. There is no assurance that we will not record net liabilities in the future. Having significant net liabilities could constrain our operational flexibility and adversely affect our ability to expand our business. If we do not generate sufficient cash flow from our operations to meet our present and future liquidity needs, we may need to rely on additional external borrowings for funding. If adequate funds are not available, whether on satisfactory terms or at all, we may be forced to delay or abandon our growth plans, and our business, financial condition and results of operations may be materially and adversely affected.

Fair value changes in our financial instruments issued to Pre-[REDACTED] Investors and related valuation uncertainty may materially affect our financial position and performance.

We have historically issued several series of redeemable convertible preferred shares to investors. Upon the completion of this [REDACTED], all of such preferred shares will be automatically converted into ordinary shares. Additionally, the foregoing investors have the right to require us to redeem such preferred shares if this [REDACTED] is not consummated on or prior to certain date or upon the occurrence of some specified events. For the identity and background of the foregoing investors, see “History, Development and Corporate Structure”. Redeemable convertible preferred shares are not [REDACTED] in an active market and the respective fair value is determined by using valuation techniques. We recorded redeemable convertible preferred shares of US\$4,673.0 million, US\$4,719.6 million and US\$4,817.9 million as of December 31, 2023, 2024 and 2025, respectively. Additionally, we recorded fair value loss of redeemable convertible preferred shares of US\$46.6 million and US\$98.3 million in, 2024 and 2025, respectively, and fair value gain of redeemable convertible preferred shares of US\$605.8 million in 2023. We have used the discounted cash flow method to determine the underlying equity value and adopted equity allocation model to determine the respective fair values. Considerable judgment is required to interpret market data used in the valuation techniques. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. Any change in these assumptions may lead to different valuation results and, in turn, changes in the fair value of these financial instruments issued to investors. To the extent we need to revalue the redeemable convertible preferred shares prior to the closing of the [REDACTED], any change in fair value of redeemable convertible preferred shares and related valuation uncertainty could materially affect our financial position and performance. After the automatic conversion of the redeemable convertible preferred shares into Shares upon the completion of the [REDACTED] and the closing of the [REDACTED], we do not expect to recognize any further gains or losses on fair value changes from these convertible preferred shares in the future.

Fluctuations in changes in fair value of financial assets and liabilities measured at fair value through profit or loss may adversely affect our financial results.

We recorded financial assets measured at fair value through profit or loss of US\$98.4 million, US\$100.6 million and US\$962.8 million as of December 31, 2023, 2024 and 2025, respectively. Our financial assets measured at fair value through profit or loss mainly consist of (i) unlisted debt investments, including convertible loans extended to Xiaola, (ii) wealth management products, including short-term wealth management products issued by reputable financial institutions in the PRC, and (iii) equity investments in certain unlisted companies. Additionally, we did not record financial liabilities measured at fair value through profit or loss as of December 31, 2023, 2024 and 2025. Our financial liabilities measured at fair value through profit or loss include our investment commitments to Xiaola. For details, please see “Financial Information — Description of Selected Items from the Consolidated Statements of Profit or Loss and Other Comprehensive Income — Financial instruments measured at fair value through profit or loss”. For our financial assets and liabilities measured at fair value through profit or loss with no quoted market prices in an active market, their fair values are estimated by using certain

RISK FACTORS

valuation methods and techniques such as the discounted cash flow method. In particular, we use significant unobservable inputs, such as expected volatility, discount for lack of marketability, risk-free rate and expected rate of return, in valuing our unlisted equity and debt investments, as well as investment commitments. See Note 29(e) to the Accountants’ Report in Appendix I for more details about these valuation methods and techniques.

The fair value change of financial assets and liabilities measured at fair value through profit or loss may significantly affect our financial position and results of operations. The determination of the fair value of such financial assets and liabilities requires us to make significant estimates, which may be subject to material changes, and therefore inherently involves a certain degree of uncertainty. Factors beyond our control can significantly influence and cause adverse changes to the estimates we use and thereby affect the fair value of such financial assets and liabilities. These factors include, but are not limited to, general economic condition, changes in market interest rates and the stability of capital markets. Any of these factors, as well as others, could cause our estimates to vary from actual results, which could materially and adversely affect our results of operations and financial condition.

We face risks related to health epidemics and other outbreaks, harsh weather and natural disasters, which could significantly disrupt our operations.

Our business could be materially and adversely affected by the outbreak of a widespread health epidemic, such as COVID-19, swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika, harsh weather conditions or natural disasters, such as snowstorms, earthquakes, fires or floods, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in the PRC our geographic markets could materially disrupt our business and operations. These events could also significantly impact the industries we operate in and cause a temporary closure of the facilities we use for our operations, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. Our operations could be disrupted if any of our employees, or employees of our business partners were suspected of contracting an epidemic disease, since this could require us or business partners to quarantine some or all of these employees or disinfect the facilities used for operations. In addition, our revenue and profitability could be materially reduced to the extent that a health epidemic, adverse weather conditions or natural disaster or other outbreak harms the global economy in general. Our operations could also be severely disrupted if merchants, carriers and other platform users were affected by health pandemics or epidemics, harsh weather conditions, natural disasters or other outbreaks.

Rising international political tensions, including changes in U.S. and international trade policies, may adversely impact our business and operating results.

There have been changes in international trade policies and rising political tensions. The escalating political discord between the U.S. and other nations has exacerbated these tensions. Rising political tensions among countries could reduce levels of trades, investments, technological exchanges and other economic activities among economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Actions taken by the U.S. and other countries might restrict our ability to transact or otherwise do business with entities within or outside of China and may erode [REDACTED] confidence in companies with substantial operations in China, including ours. If we were unable to conduct our business as it is currently conducted as a result of such regulatory changes, our business, results of operations and financial condition would be materially and adversely affected. Similarly, there have also been concerns over unrest and terrorist threats in the Middle East, Europe and Africa and over the conflicts involving Ukraine, Syria and the Middle East. For example, the ongoing conflict between Russia and Ukraine has escalated geopolitical tensions in Europe and globally. Such volatility may from time to time lead to fuel supply constraints or regulatory measures such as gasoline rationing, which could increase carriers’ operating costs or temporarily reduce the number of active carriers and available capacity on our platform. The economic and trade sanctions imposed by the North Atlantic Treaty Organization, the European Union, the United States, and other nations against Russia are likely to significantly impact the economies and markets of these targeted countries.

In addition, the United States may impose further export controls, sanctions, trade embargoes, and other heightened regulatory requirements on China and Chinese companies for alleged activities both inside and outside of China. These have raised concerns that there may be increasing regulatory challenges or enhanced restrictions against China and Chinese technology companies, in a wide range of areas such as data security and privacy, emerging technologies, and applications that could be deployed for surveillance or military purposes, import/export of technology or other business activities. If we, our business partners or other parties that have collaborative relationships with us or our affiliates become targeted or are currently being targeted under sanctions or export control restrictions, this may result in significant interruption in our business, regulatory investigations and reputational harm to us. Media reports on alleged violations of applicable export controls, economic and trade sanctions, or data security

RISK FACTORS

and privacy laws, or on uses of the applications, technologies, systems or innovations that we develop for purposes which could be perceived as inappropriate or controversial, by us, our business partners or our users, even on matters not involving us, could nevertheless damage our reputation and lead to regulatory investigations, fines and penalties against us. Such fines and penalties may be significant, and if we were publicly named or investigated by any regulator on the basis of suspected or alleged violations of export control or economic and trade sanctions or data security and privacy laws and rules, even in situations where the potential amount or fine involved may be relatively small, our business could be severely interrupted and our reputation could be significantly harmed.

We are subject to governmental economic sanctions laws that could subject us to liability.

We are subject to various economic and trade sanctions laws in different jurisdictions. For example, U.S. economic sanctions prohibit the provision of products and services to countries, governments, and persons targeted by U.S. sanctions. United Kingdom financial sanctions and European Union sanctions also have similar regime to prohibit the provision of products and services to countries, governments and persons on their respective target list.

In the past, we have not identified any users on our platform that appeared to have been located in countries that are targets of any governmental economic sanctions. While we believe that we have been, and that we continue to be, in compliance with applicable governmental economic sanctions laws, our failure to employ appropriate safeguards with respect to users located in countries that are targets of governmental economic sanctions may result in a violation of such laws and regulations. Non-compliance with applicable governmental economic sanctions laws could subject us to adverse media coverage, investigations, severe administrative, civil and possibly criminal sanctions, and expenses related to remedial measures and legal expenses, which could materially and adversely affect our reputation, business, financial condition, results of operations and prospects. In addition, any Chinese companies or individuals targeted under U.S. economic sanctions may lose access to the U.S. markets and the U.S. financial system, including the ability to use U.S. dollars to conduct transactions, settle payments or to maintain correspondent accounts with U.S. financial institutions, U.S. entities and individuals may not be permitted to do business with sanctioned companies and persons, and international banks and other companies may as a matter of law and/or policy decide not to engage in transactions with such company or person.

If we became subject to the U.S. Department of Treasury’s final rule on outbound investment in the future, our ability to raise capital from U.S. persons could be subject to restrictions.

On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Final Rule, to implement the executive order of August 9, 2023. The Final Rule became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for certain investments in entities associated with China (including Hong Kong and Macau) that are engaged in certain activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as “Covered Foreign Persons.” U.S. persons subject to the Final Rule are in some instances prohibited altogether from making, and in other instances required to report, certain investments in Covered Foreign Persons, which are defined as “Covered Transactions.” Notably, President Trump issued the America Investment Policy Memorandum on February 21, 2025, which proposes to further expand the set of technologies of concern. We believe we are not a “Covered Foreign Person” as defined in the Final Rule. However, if we were in the future deemed to be a Covered Foreign Person due to changes in our business operations or amendments to relevant laws and regulations or the interpretation thereof, our ability to raise capital from U.S. persons could be significantly and negatively affected, in which case the [REDACTED] of the Class B Shares may be materially and adversely affected.

The unavailability of any preferential tax treatment and government subsidies, as well as unfavorable changes in application tax policy, could adversely affect our business, financial condition and results of operations.

We enjoy certain preferential tax treatment and government subsidies which are offered by relevant Governmental Authorities in the PRC. In 2023, 2024 and 2025, we received government grants of US\$16.2 million, US\$17.0 million and US\$18.9 million, respectively. In addition, according to the Circular of State Administration of Taxation on Issues Concerning Implementation of Preferential Income Tax Treatment for High-Tech Enterprises (《國家稅務總局關於實施高新技術企業所得稅優惠有關問題的通知》) (Guo Shui Han [2009] No. 203) and the Announcement of the State Administration of Taxation on Issues Concerning the Implementation of Preferential Income Tax Policies for High-Tech Enterprises (《國家稅務總局關於實施高新技術企業所得稅優惠政策有關問題的公告》) (Announcement of the State Administration of Taxation [2017] No. 24), Shenzhen Yishi, one of our subsidiaries, is entitled to a preferential tax treatment for High-Tech enterprises at the reduced corporate income tax rate of 15% upon obtaining its High-Tech enterprise qualification for the years from 2020 to 2026. For details on these

RISK FACTORS

government subsidies, see “Financial Information — Taxation — PRC”. It is in the sole discretion of the government, subject to applicable PRC laws and regulations, to decide whether and when to provide government subsidies or preferential tax treatment to us. There can be no assurance that we will be able to obtain similar government subsidies or preferential tax treatment on a recurring basis, or at all, in the future. Furthermore, we face uncertainty relating to the availability of government subsidies or preferential tax treatment due to potential changes in the PRC laws and regulations. If we are unable to obtain or maintain government subsidies or grants or any favorable tax treatment in the future, our business, financial condition and results of operations could be adversely affected.

Our operating metrics and estimates and market data are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may harm our reputation and negatively affect our business.

We rely on certain key operating metrics, such as GTV, freight platform services monetization rate, fulfilled orders, average merchant MAUs and average carrier MAUs, among others, to evaluate the performance of our business. Our operating metrics may differ from estimates published by third parties or from similarly titled metrics used by other companies due to differences in methodology and assumptions. These metrics are calculated using internal data and are not independently verified by any third party. While these numbers are based on what we believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring such key metrics, and the methodologies used to measure these metrics may be susceptible to technical errors. If [REDACTED] do not perceive our operating metrics to accurately represent our operating performance, or if we discover material inaccuracies in our operating metrics, our business, financial condition and results of operations may be materially and adversely affected.

This Document contains information and statistics relating to our industry. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of such source materials. The information has not been independently verified by us, the [REDACTED] or any other party involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies.

RISKS RELATED TO OUR CORPORATE STRUCTURE AND THE CONTRACTUAL ARRANGEMENTS

We rely upon structural arrangements to establish control over certain entities, and government authorities may determine that these arrangements do not comply with applicable laws and regulations.

The current industry entry clearance requirements governing the foreign investment activities in the PRC are set out in two categories, namely the Encouraged Industry Catalog for Foreign Investment (2022 version) (《鼓勵外商投資產業目錄(2022年版)》), as promulgated by the NDRC, and the MOFCOM and taking effect on January 1, 2023, and Special Administrative Measures for Foreign Investment Access (Negative List 2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》), or the 2024 Negative List. Industries not listed in these two catalogs are generally deemed “permitted” for foreign investments unless specifically restricted by other PRC laws. According to the 2024 Negative List and other applicable laws and regulations, the industry of value-added telecommunications services (excluding the e-commerce, domestic multi-party communications, storage-forwarding, and call center) generally falls into the restricted category.

Because we are an exempted company with limited liability incorporated in the Cayman Islands, we are classified as a foreign enterprise under PRC laws and regulations, and our PRC subsidiaries are foreign-invested enterprises, or FIEs. Due to PRC laws and regulations that impose certain restrictions or prohibitions on foreign equity ownership of entities providing value-added telecommunications services we conduct a substantial part of our operations in the PRC through our PRC Consolidated Affiliated Entities, as defined below, which hold certain licenses required to operate our business in the PRC. Our subsidiary, Shenzhen Yishi, has entered into a series of PRC Contractual Arrangements with, among others, the Consolidated Affiliated Entity Holdcos and their shareholder. For a detailed description of these Contractual Arrangements, see “Contractual Arrangements”.

We believe that our corporate structure and the PRC Contractual Arrangements comply with the current applicable PRC laws and regulations. Our PRC Legal Advisor, based on its understanding of the relevant laws and regulations, is of the opinion that each of the agreements under the PRC Contractual Arrangements through which we control the PRC Consolidated Affiliated Entities is valid and legal. However, as the

RISK FACTORS

interpretation and application of PRC laws and regulations, including the PRC Foreign Investment Law (《中華人民共和國外商投資法》), or the FIL and its implementing rules, the PRC Telecommunications Regulations (《中華人民共和國電信條例》) and the relevant regulatory measures concerning the telecommunications industry and other industries we are or will be engaged in, are constantly evolving and subject to change, there can be no assurance that the PRC government authorities, including the MOFCOM, the MIIT or other competent authorities would concur that our corporate structure or any of the above PRC Contractual Arrangements comply with PRC licensing, registration or other regulatory requirements, whether under current policies or those that may be implemented in the future. PRC laws and regulations governing the validity of these PRC Contractual Arrangements may change from time to time, and we cannot assure you that the relevant government authorities will reach the same conclusion with ours when interpreting these laws and regulations.

If our corporate structure and PRC Contractual Arrangements are deemed by the MIIT or the MOFCOM or other regulators having competent authority to be illegal, either in whole or in part, we may lose control of our PRC Consolidated Affiliated Entities and have to modify such structure to comply with regulatory requirements. However, there can be no assurance that we can achieve this without material disruption to our business. Further, if our corporate structure and the PRC Contractual Arrangements are found to be in violation of any existing or future PRC laws or regulations, the relevant regulatory authorities would have extensive enforcement powers in dealing with such violations, including: (i) revoking our relevant business and operating licenses; (ii) imposing fines on us; (iii) confiscating any of our income that they deem to be obtained through illegal operations; (iv) shutting down our relevant services; (v) discontinuing or restricting our operations in the PRC; (vi) imposing conditions or requirements with which we may not be able to comply; (vii) requiring us to change our corporate structure and Contractual Arrangements; (viii) restricting or prohibiting our use of the [REDACTED] from overseas [REDACTED] to finance our PRC Consolidated Affiliated Entities’ business and operations; and (ix) taking other regulatory or enforcement actions that could be harmful to our business.

Furthermore, new PRC laws, rules and regulations may be introduced to impose additional requirements that may be applicable to our corporate structure and the PRC Contractual Arrangements. Occurrence of any of these events could materially and adversely affect our business, financial condition and results of operations. In addition, if the imposition of any of these penalties or requirement to restructure our corporate structure causes us to lose the rights to direct the activities of our PRC Consolidated Affiliated Entities or our right to receive their economic benefits, we would no longer be able to consolidate the financial results of the PRC Consolidated Affiliated Entities in our consolidated financial statements. However, we do not believe that such actions would result in the liquidation or dissolution of our Company, our subsidiaries in China or our PRC Consolidated Affiliated Entities or their respective subsidiaries.

In Indonesia, we carry out certain postal and courier activities through Lalamove Logistik, one of our Consolidated Affiliated Entities. Under the Indonesian laws and regulations, a foreign postal operator is only allowed to provide postal services in Indonesia on the condition that it cooperates with a domestic postal operator through a joint-venture company which is majority-owned (i.e. 51% or above) by the domestic postal operator and minority-owned by the foreign postal operator (i.e. up to 49%). However, the operations of such a joint venture company are restricted within the provincial capitals of Indonesia only, and inter-city operations must only be conducted by domestic postal operators. Given our Indonesian business includes two integrated elements of intra-city services and inter-city services and the Indonesian laws and regulations restricts the foreign shares ownership in postal services business activity, Lalamove Indonesia has cooperated with the Indonesian Registered Shareholders by entering into a series of Contractual Arrangements in relation to their respective financial interests in Lalamove Logistik. The Indonesian Contractual Arrangements enable us to (i) exercise effective financial control over Lalamove Logistik; (ii) receive substantially all of the economic benefits of Lalamove Logistik; and (iii) have an exclusive option to purchase all or part of the equity interests in Lalamove Logistik when and to the extent permitted by Indonesian laws.

We have engaged Hutabarat Halim & Rekan as our Indonesian Legal Advisor, and they are of the opinion that the Indonesian Contractual Arrangements are legally binding and enforceable on the Indonesian Registered Shareholders and comply with all relevant laws and regulations of Indonesia.

Additionally, the laws and regulations in Thailand also place restrictions on foreign investment in and ownership of entities engaged in a number of business activities. In Thailand, direct foreign ownership in each Thai company operating any foreign restricted business under the Thai Foreign Business Act is limited to be lower than 50% of the total outstanding shares in each such Thai company; provided that greater than 50% of the total outstanding shares is owned by genuine Thai shareholder(s), and such entity would be qualified as a Thai entity under the Thai Foreign Business Act. However, the Thai Foreign Business Act precludes any Thai person or entity from holding any equity interest for or in the interest of any foreigner to circumvent the foreign ownership restrictions, in particular through a nominee structure. Additionally, a Governmental Authority may view some arrangements existing before the restructuring of our Thai entities

RISK FACTORS

as possible indications of the use of a nominee structure. If any competent Governmental Authority has officially ruled that there is a nominee structure in any of our Thai entities, any such entity will no longer be qualified as a Thai entity under the Thai Foreign Business Act, and as such, all Thai and foreign shareholders involved in such nominee structure would be subject to criminal liabilities. Therefore, we have restructured the shareholding structure of our Thai entities to eliminate all possible indications of the use of a nominee structure.

We have engaged Kudun & Partners Company Limited as our legal counsel in Thailand, and they are of the opinion that, after the completion of the restructuring, the shareholding structure of our Thai operating entities is in compliance with applicable Thai law. However, the local or national authorities or regulatory agencies in Thailand may reach a different conclusion, which could lead to an action being brought against us by administrative orders or in local courts.

If the authorities of Indonesia, Thailand or other overseas jurisdiction in which we operate find that our contractual or other shareholding arrangements do not comply with their prohibition or restrictions on foreign investment, or if the relevant government otherwise finds that we or any of our subsidiaries are in violation of the relevant laws or regulations or lack the necessary registrations, permits or licenses to operate our businesses in such jurisdictions, they would have broad discretion in dealing with such violations or failures, including: (i) revoking the business licenses and/or operating licenses of such entities; (ii) discontinuing or placing restrictions or onerous conditions on the operations of our Consolidated Affiliated Entities or Thai subsidiaries or on our operations through any transactions between our Company or our subsidiaries, on the one hand, and our Consolidated Affiliated Entities or the Thai subsidiaries, on the other hand; (iii) imposing fines, prohibiting payments by our Consolidated Affiliated Entities or their shareholders to us as contemplated in the Contractual Arrangements with our Consolidated Affiliated Entities, confiscating income from us, Consolidated Affiliated Entities or Thai subsidiaries or imposing other requirements with which such entities may not be able to comply; (iv) imposing criminal penalties, including fines and imprisonment on our Consolidated Affiliated Entities or Thai subsidiaries, their shareholders or directors; (v) requiring us to restructure our ownership structure or operations, including but not limited to terminating the Contractual Arrangements with our Consolidated Affiliated Entities and their shareholders, which in turn would affect our ability to consolidate, derive economic interests from, or exert effective control over our Consolidated Affiliated Entities or Thai subsidiaries; or (vi) restricting or prohibiting our use of the [REDACTED] of this [REDACTED] to finance our business and operations in any of these jurisdictions.

Any of these actions could cause significant disruption to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business, financial condition and results of operations. If any of these occurrences results in our inability to direct the activities of our Consolidated Affiliated Entities or Thai subsidiaries that most significantly impact their economic performance, or prevent us from receiving the economic benefits from these entities, we may not be able to consolidate such entities in our consolidated financial statements in accordance with IFRS Accounting Standards.

Our Contractual Arrangements with our Consolidated Affiliated Entities may result in adverse tax consequences to us.

We could face material and adverse tax consequences if the competent tax authorities determine that our Contractual Arrangements with our Consolidated Affiliated Entities were not made on an arm’s length basis and adjust our income and expenses for tax purposes by requiring a transfer pricing adjustment. A transfer pricing adjustment could adversely affect us by (i) increasing the tax liabilities of our Consolidated Affiliated Entities without reducing the tax liability of our subsidiaries, which could further result in late payment fees and other penalties to our Consolidated Affiliated Entities for underpaid taxes; or (ii) limiting the ability of our Consolidated Affiliated Entities to obtain or maintain preferential tax treatments and other financial incentives.

We rely on Contractual Arrangements with our Consolidated Affiliated Entities and their shareholders to conduct a substantial part of our operations, which may not be as effective as direct ownership in providing operational control.

We rely on Contractual Arrangements with our Consolidated Affiliated Entities and their shareholders to conduct a substantial part of our operations, which may not be as effective as direct ownership in providing operational control. For a description of these Contractual Arrangements, see “Contractual Arrangements”. These Contractual Arrangements may not be as effective as direct ownership in providing us with control over our Consolidated Affiliated Entities. If our Consolidated Affiliated Entities or their shareholders fail to perform their respective obligations under these Contractual Arrangements, our recourse to the assets held by our Consolidated Affiliated Entities is indirect and we may have to incur substantial costs and expend significant resources to enforce such arrangements in reliance on legal remedies available under PRC or Indonesia laws. These remedies may not always be

RISK FACTORS

effective, particularly in light of uncertainties surrounding such contractual arrangements under the PRC laws. Furthermore, in connection with litigation, arbitration or other judicial or dispute resolution proceedings, assets under the name of any of record holder of equity interest in our Consolidated Affiliated Entities, including such equity interest, may be put under court custody. As a consequence, we cannot be certain that the equity interest will be disposed pursuant to the contractual arrangement or ownership by the record holder of the equity interest.

Particularly in the PRC, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC laws, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in the PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event that we are unable to enforce the PRC Contractual Arrangements in the PRC, or if we suffer significant time delays or other obstacles in the process of enforcing the PRC Contractual Arrangements, it would be very difficult to exert effective control over our PRC Consolidated Affiliated Entities, and our ability to conduct our business and our financial condition and results of operations may be materially and adversely affected.

The shareholders of our Consolidated Affiliated Entities may have potential conflicts of interest with us.

Despite the protection of our interest in the Consolidated Affiliated Entities being covered in the Contractual Arrangements, it is always a possibility that the shareholders of our Consolidated Affiliated Entities (which include, among others, our current employee in the PRC and companies in Indonesia) may differ from the interests of our Company as a whole, as what is in the best interests of our Consolidated Affiliated Entities, including matters such as whether to distribute dividends or to make other distributions to fund our offshore requirement, may not be in the best interests of our Company. These shareholders of our Consolidated Affiliated Entities may breach, or cause our Consolidated Affiliated Entities to breach, the existing Contractual Arrangements we have with them and our Consolidated Affiliated Entities, which would have a material and adverse effect on our ability to effectively have financial control over our Consolidated Affiliated Entities and receive economic benefits from them. For example, these shareholders may be able to cause our agreements with our Consolidated Affiliated Entities to be performed in a manner adverse to us by, among other things, failing to remit payments due under the Contractual Arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise, any or all of these shareholders will act in the best interests of our Company or such conflicts will be resolved in our favor. If we cannot resolve any conflict of interest or dispute between us and these shareholders, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

If the custodians or authorized users of our controlling non-tangible assets, including chops and seals, fail to fulfill their responsibilities, or misappropriate or misuse these assets, our business and operations may be materially and adversely affected.

Under PRC law, legal documents for corporate transactions, including agreements and contracts such as the leases and sales contracts that our business relies on, are executed using the chop or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with the relevant local branch of the SAMR. We generally execute legal documents by affixing chops or seals, rather than having the designated legal representatives sign the documents. The registered legal representatives of our subsidiaries and Consolidated Affiliated Entities have the apparent authority to enter into contracts on behalf of such entities without chops, unless such contracts set forth otherwise.

In order to maintain the physical security of our chops, we generally have them stored in secured locations accessible only to the designated key employees of our legal, administrative or finance departments. Our designated legal representatives generally do not have access to the chops. Our procedures may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our key employees or designated legal representatives could abuse their authority, for example, by binding our subsidiaries and Consolidated Affiliated Entities with contracts against our interests, as we would be obligated to honor these contracts if the other contracting party acts in good faith in reliance on the apparent authority of our chops or signatures of our legal representatives. If any designated legal representative obtains control of the chop in an effort to obtain control over the relevant entity, we would need to have a shareholder or board resolution to designate a new legal representative and to take legal action to seek the return of the chop, apply for a new chop with the relevant authorities, or otherwise seek legal remedies for the legal representative's misconduct. If any of the designated legal representatives obtains and misuses or misappropriates our chops and seals or other controlling intangible assets for whatever reason, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve while distracting management from our operations, and our business and operations may be materially and adversely affected.

RISK FACTORS

Our current corporate structure and business operations may be substantially affected by the PRC Foreign Investment Law and its implementing rules, which are subject to change.

The Variable Interest Entity, or VIE, structure through contractual arrangements has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. The MOFCOM published a discussion draft of the proposed PRC Foreign Investment Law (《中華人民共和國外國投資法(草案徵求意見稿)》) in January 2015, or the 2015 Draft FIL, according to which variable interest entities that are controlled via contractual arrangements would also be deemed as foreign-invested entities, if they are ultimately “controlled” by foreign investors. In March 2019, the PRC National People’s Congress, or the NPC, promulgated the FIL, and in December 2019, the State Council promulgated the Implementing Rules of PRC Foreign Investment Law (《中華人民共和國外商投資法實施條例》), or the Implementing Rules, to further clarify and elaborate the relevant provisions of the PRC Foreign Investment Law. The PRC Foreign Investment Law and the Implementing Rules both became effective from January 1, 2020 and replaced the major previous laws and regulations governing foreign investments in the PRC. Pursuant to the PRC Foreign Investment Law, “foreign investments” refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors, (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC, (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors, and (iv) investment in other methods as specified in laws, administrative regulations, or as stipulated by the State Council. The PRC Foreign Investment Law and the Implementing Rules do not introduce the concept of “control” in determining whether a company would be considered as a foreign-invested enterprise, nor do they explicitly provide whether the VIE structure would be deemed as a method of foreign investment. However, the PRC Foreign Investment Law has a catch-all provision that includes into the definition of “foreign investments” made by foreign investors in China in other methods as specified in laws, administrative regulations, or as stipulated by the State Council, and as the PRC Foreign Investment Law and the Implementing Rules are newly adopted and relevant government authorities may promulgate more laws, regulations or rules on the interpretation and implementation of the PRC Foreign Investment Law, the possibility cannot be ruled out that the concept of “control” as stated in the 2015 Draft FIL may be embodied in, or the VIE structure adopted by us may be deemed as a method of foreign investment by, any of such future laws, regulations and rules. If any of our PRC Consolidated Affiliated Entities was deemed as a foreign-invested enterprise, or an FIE, under any of such future laws, regulations and rules, and any of the businesses that we operate would be in any “negative list” for foreign investment and therefore be subject to any foreign investment restrictions or prohibitions, further actions required to be taken by us under such laws, regulations and rules may materially and adversely affect our business, financial condition and results of operations. Furthermore, if future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to existing PRC Contractual Arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure, business, financial condition and results of operations.

We may lose the ability to use and enjoy assets held by our Consolidated Affiliated Entities that are critical to the operation of our business if our Consolidated Affiliated Entities declare bankruptcy or become subject to a dissolution or liquidation proceeding.

Our Consolidated Affiliated Entities hold certain assets that may be critical to the operation of part of our business. If the shareholders of our Consolidated Affiliated Entities breach the Contractual Arrangements and voluntarily liquidate the Consolidated Affiliated Entities or their subsidiaries, or if our Consolidated Affiliated Entities or their subsidiaries declare bankruptcy and all or part of their assets become subject to liens or rights of third-party creditors or are otherwise disposed of without our consent, we may be unable to continue some of our business activities, which could adversely affect our business, financial condition and results of operations. In addition, if our Consolidated Affiliated Entities or their subsidiaries undergo involuntary liquidation proceedings, third-party creditors may claim rights to some or all of their assets, thereby hindering our ability to operate part of our business, which could adversely affect our business, financial condition and results of operations.

RISK FACTORS

Any failure by our Consolidated Affiliated Entities, their respective subsidiaries or shareholders to perform their obligations under our Contractual Arrangements with them would have a material adverse effect on our business.

If our Consolidated Affiliated Entities or their shareholders (which include, among others, our employee and companies) fail to perform their respective obligations under the Contractual Arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies, including seeking specific performance or injunctive relief, and contractual remedies, which we cannot assure you will be sufficient or effective. For example, if the shareholders of our Consolidated Affiliated Entities or our Consolidated Affiliated Entities were to refuse to transfer their equity interests in or assets of our Consolidated Affiliated Entities to us or our designee if we exercise the purchase option pursuant to these Contractual Arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations.

Our PRC Contractual Arrangements with our PRC Consolidated Affiliated Entities are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. Our ability to enforce these Contractual Arrangements could be limited under PRC law. Meanwhile, there are very few precedents and little formal guidance as to how PRC Contractual Arrangements in the context of a PRC Consolidated Affiliated Entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC law, rulings by arbitrators are final, parties generally cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event we are unable to enforce these PRC Contractual Arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these PRC Contractual Arrangements, we may not be able to exert effective control over our PRC Consolidated Affiliated Entities, and our ability to conduct our business may be negatively affected.

We conduct a substantial part of our business operations in the PRC through our PRC Consolidated Affiliated Entities and their subsidiaries by way of our Contractual Arrangements, but certain of the terms of our PRC Contractual Arrangements may not be enforceable under PRC laws.

All the agreements that constitute our PRC Contractual Arrangements with our PRC Consolidated Affiliated Entities, their respective subsidiaries and shareholders are governed by PRC laws and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these agreements would be interpreted in accordance with PRC laws, and disputes would be resolved in accordance with PRC legal procedures. Our ability to enforce the PRC Contractual Arrangements may be limited under PRC law. If we are unable to enforce the PRC Contractual Arrangements, or if we suffer significant time delays or other obstacles in the process of enforcing them, it would be very difficult to exert effective control over our PRC Consolidated Affiliated Entities and their subsidiaries, and our ability to conduct a part of our business and our financial condition and results of operations may be adversely affected.

The PRC Contractual Arrangements contain provisions to the effect that the arbitral body specified in them may award remedies over the equity interest, assets or properties of our PRC Consolidated Affiliated Entities, their subsidiaries, and/or shareholders; provide compulsory relief (for example, for the conduct of business or to compel the transfer of assets); or order the winding-up of our PRC Consolidated Affiliated Entities, their subsidiaries, and/or shareholders. These agreements also contain provisions to the effect that courts of competent jurisdiction are empowered to grant interim relief to a party when requested, for the purpose of preserving the assets and properties, or grant enforcement measures, subject to the requirements under PRC laws. However, under PRC laws, these terms may not be enforceable. Under PRC laws, an arbitral body does not have the power to grant injunctive relief or to issue a provisional or final liquidation order for the purpose of protecting the assets of or equity interest in our PRC Consolidated Affiliated Entities in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts such as the Cayman Islands may not be recognizable or enforceable in the PRC. PRC laws may allow the arbitral body to grant an award of transfer of assets of or equity interests in our PRC Consolidated Affiliated Entities in favor of an aggrieved party.

Furthermore, the PRC Contractual Arrangements provide that (i) in the event of a mandatory liquidation required by PRC laws, our PRC Consolidated Affiliated Entities will sell all of their assets to the extent permitted by PRC law to our FIEs, respectively, or the entity designated by them, at the lowest price permitted under applicable PRC laws; and (ii) our PRC Consolidated Affiliated Entities or their respective shareholders will pay to our FIEs, or the entity designated by them any payments they receive from such transaction, and any profits arising from such a transaction shall be paid to our FIEs, or the entity designated by them in satisfaction of the service fees under the exclusive business cooperation agreement. These provisions may not be enforceable under PRC laws in the event of a mandatory liquidation required by PRC laws or bankruptcy liquidation.

RISK FACTORS

Therefore, in the event of a breach of any agreements constituting the PRC Contractual Arrangements by the PRC Consolidated Affiliated Entities, their respective subsidiaries and/or shareholders, we may not be able to exert effective control over our PRC Consolidated Affiliated Entities due to the inability to enforce the PRC Contractual Arrangements, which could adversely affect our ability to conduct a part of our business.

If we acquire equity interest and/or assets of the Consolidated Affiliated Entities, this equity interest and/or asset transfer may subject us to certain limitations and substantial costs.

In the PRC, pursuant to the PRC Contractual Arrangements, our FIEs or their subsidiaries have the irrevocable and exclusive right to purchase all or any part of the relevant equity interests in our PRC Consolidated Affiliated Entities from our PRC Consolidated Affiliated Entities' shareholders at any time and from time to time in their absolute discretion to the extent permitted by PRC laws. This equity transfer may be subject to approvals from, filings with, or reporting to competent PRC authorities, such as the MOFCOM, the MIIT, the SAMR, and/or their local competent branches. In addition, the equity transfer price may be subject to review and tax adjustment by the relevant tax authorities. The equity transfer price to be received by our PRC Consolidated Affiliated Entities under the PRC Contractual Arrangements may also be subject to enterprise income tax, and these amounts could be substantial.

In Indonesia, a foreign postal operator is prohibited from acquiring shares of an existing Indonesian postal service company, and a foreign postal operator is allowed to own up to 49% of equity interests in an Indonesian postal service company only if such foreign postal operator forms a new joint venture company with an Indonesian postal service company and such joint venture company's operations are restricted within the provincial capitals of Indonesia (i.e. without inter-city operations). Accordingly, in the event of bankruptcy of an Indonesian Registered Shareholder, all of the shares of Lalamove Logistik, our Consolidated Affiliated Entity in Indonesia, registered under the name of such shareholder must be transferred to Lalamove Indonesia (our Affiliated Entity) or a third party designated by Lalamove Indonesia, with the third party being an Indonesian citizen or a legal entity fully owned by Indonesian citizen(s), as set out under the Indonesian Contractual Arrangements and to the extent permitted by the Indonesian laws. Such third party shall hold all the transferred shares based on arrangements that are similar to the Indonesian Contractual Arrangements.

If Lalamove Indonesia or we are unable to procure a third party to replace such Indonesian Registered Shareholder to acquire the respective shares of Lalamove Logistik, and in the event that Lalamove Indonesia or we acquire such shares and become the registered shareholder of Lalamove Logistik, as advised by our Indonesian Legal Counsel, we may violate the current applicable Indonesia laws and regulations that impose restrictions on foreign ownerships and the related postal services, which may result in (i) business licenses of Lalamove Logistik being revoked by the relevant government authority; (ii) the relevant government authority not processing the application for the registration of Lalamove Indonesia or us as the new registered shareholder of Lalamove Logistik and other change in Lalamove Logistik's shareholders composition, directors or commissioners or articles of association; and/or (iii) the aforementioned share transfer being declared null and void by Indonesian courts, in the case that a party applies to the relevant Indonesian courts to nullify and void such share transfer. In addition, such share transfer may also subject us to substantial costs, including professional fees, which may be incurred in connection with the preparation of relevant documentation and filings with respect to the share transfer.

There may be a potential impact to our Company if our PRC Contractual Arrangements with our PRC Consolidated Affiliated Entities, their respective subsidiaries and shareholders are not treated as domestic investments.

If the operation of our businesses conducted through our PRC Consolidated Affiliated Entities is subject to any restrictions pursuant to the 2024 Negative List, or any successor regulations, and the PRC Contractual Arrangements are not treated as domestic investment, the Contractual Arrangements may be regarded as invalid and illegal. If this were to occur, we would not be able to operate the relevant businesses through the PRC Contractual Arrangements and would lose our rights to receive the economic benefits of the PRC Consolidated Affiliated Entities. As a result, we would no longer consolidate the financial results of the PRC Consolidated Affiliated Entities into our financial results and we would have to derecognize their assets and liabilities according to the relevant accounting standards. If we do not receive any compensation, we would recognize an investment loss as a result of such derecognition.

We do not have any insurance coverage to cover our risks relating to our Indonesian Contractual Arrangements, may impact our business, financial condition and results of operations.

We have not purchased nor do we maintain any insurance policy to cover any of the risks relating to our Indonesian Contractual Arrangements. In the event that our Indonesian Contractual Arrangements are held or declared to be illegal, invalid or not legally binding, or if we fail to enforce our rights under our Indonesian Contractual Arrangements, or if we fail to seek remedies against the Indonesian Registered Shareholders under our Indonesian Contractual Arrangements, we may not be adequately compensated for our losses, which may materially and adversely affect our business, results of operations and financial condition.

RISK FACTORS

RISKS RELATED TO DOING BUSINESS IN THE GEOGRAPHIC MARKETS IN WHICH WE OPERATE

Changes in the political and economic policies of the geographic markets in which we operate may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.

We operate our business in a number of geographic markets across China, rest of Asia and LatAm. Accordingly, our business, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in these markets. The economies in emerging markets generally differ from developed markets in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange, government policy on public order and allocation of resources. In some of these markets, governments continue to play a significant role in regulating industry development by imposing industrial policies. Some local governments also exercise significant control over the economic growth and public order in their respective jurisdictions through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policies, and providing preferential treatment to particular industries or companies. Governmental actions to control inflation and other policies and regulations have often involved, among other measures, price controls, currency devaluations, capital controls and limits on imports.

Growth of the economy in each of our geographic markets has been uneven, both geographically and among various sectors of the economy. An economic downturn, whether actual or perceived, a further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could have a material adverse effect on our business, financial condition and results of operations. Some of these markets have experienced, and may in the future experience, political instability, including strikes, demonstrations, protests, marches, guerrilla activity or other types of civil disorder. These instabilities and any adverse changes in the political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations or affect our ability to expand our user base.

There may be changes from time to time with respect to the legal systems of the markets where we operate, and any of our failure to comply with these laws and regulations could adversely affect us.

The legal systems in many of our markets vary significantly from jurisdiction to jurisdiction. Some jurisdictions, including China, have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

Many of our markets have not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations, as well as the related government policies and guidance, are constantly evolving and subject to change, and the application of some of these laws and regulations to our businesses is not settled. We cannot assure you that local administrative and court authorities may interpret the statutory provisions and contractual terms the same way we do, and it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the localities in which we operate. Foreign judgements and arbitration awards may not be enforced by local courts. These circumstances may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory changes may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Many jurisdictions in our markets have enacted, and may enact or amend from time to time, laws and regulations governing the distribution of services, advertising, marketing, messages, applications, electronic documents and other content or communications through the internet or on digital platforms. The relevant government authorities may prohibit the distribution of information through the internet that they deem to be objectionable on various grounds, such as public interest or public security, or to

RISK FACTORS

otherwise be in violation of local laws and regulations. If any information disseminated through our platforms were deemed by any relevant government authorities to violate content restrictions, we may not be able to continue to display such content and could be subject to penalties, including confiscation of the property used in the non-compliant acts, removal of the infringing content, temporary or permanent blocks, administrative fines, suspension of business, revocation of the registration to act as an electronic systems provider and revocation of required licenses, which could materially and adversely affect our business, financial condition and results of operations.

Furthermore, our interpretation of the laws and regulations and the compliance of our business models therewith may be challenged by regulators and court authorities. As a result, we may not be aware of our violation of certain policies and rules until sometime after the violation. In addition, any administrative and court proceedings in our markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

In addition, we are subject to various anti-corruption laws that prohibit improper payments or offers of payments to governments and their officials for the purpose of obtaining or retaining business. Our business in these markets involve operations and agreements with third parties, which may experience corruption. We are subject to the risk of unauthorized payments or offers of payments by one of our employees, consultants or agents, as these parties are not always subject to our control. It is our policy to implement safeguards to discourage these practices by our employees, consultants or agents, yet our existing safeguards and any future improvements may prove to be less than effective, and our employees, consultants and agents may engage in conduct for which we might be held responsible. Violations of applicable anti-corruption laws may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition.

It is possible that a number of laws and regulations may be adopted or construed to apply to us in our geographic markets and elsewhere that could restrict our industries. Scrutiny and regulation of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing this regulation. Changes in current laws or regulations or the imposition of new laws and regulations regarding our industries in our geographic markets may slow the growth of our industries and adversely affect our financial condition and results of operations.

PRC regulations relating to investments in offshore companies by PRC residents may subject our PRC-resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries or limit our PRC subsidiaries’ ability to increase their registered capital or distribute profits.

PRC residents are subject to restrictions and filing requirements when investing in offshore companies. The State Administration for Foreign Exchange, or the SAFE, promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), or SAFE Circular 37, on July 4, 2014. SAFE Circular 37 requires PRC residents to register with local branches of the SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of investment and financing, with such PRC residents’ legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a “special purpose vehicle”. Pursuant to SAFE Circular 37, “control” refers to the act through which a PRC resident obtains the right to carry out business operation of, to gain proceeds from or to make decisions on a special purpose vehicle by means of, among others, shareholding entrustment arrangement. SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Moreover, failure to comply with the

RISK FACTORS

various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls. According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) or SAFE Circular 13, released on February 13, 2015 by the SAFE, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 1, 2015.

We have notified our substantial beneficial owners who we know are PRC residents of their obligations of applications, filings and amendments as required under SAFE Circular 37 and other related rules. Nevertheless, we may not be aware of the identities of all of our beneficial owners who are PRC residents. We do not have control over our beneficial owners and there can be no assurance that all of our PRC-resident beneficial owners will comply with SAFE Circular 37 and subsequent implementation rules, and there is no assurance that the registration under SAFE Circular 37 and any amendment will be completed in a timely manner, or will be completed at all. The failure of our beneficial owners who are PRC residents to register or amend their foreign exchange registrations in a timely manner pursuant to SAFE Circular 37 and subsequent implementation rules, or the failure of future beneficial owners of our Company who are PRC residents to comply with the registration procedures set forth in SAFE Circular 37 and subsequent implementation rules, may subject such beneficial owners or our PRC subsidiaries to fines and legal sanctions. Failure to register or comply with relevant requirements may also limit our ability to contribute additional capital to our PRC subsidiaries and limit our PRC subsidiaries’ ability to distribute dividends to our Company. These risks may have a material adverse effect on our business, financial condition and results of operations.

Any failure to comply with PRC regulations regarding our employee share incentive plan may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), or SAFE Circular 7, issued by SAFE in February 2012, employees, directors, supervisors and other management members participating in any stock incentive plan of an overseas publicly [REDACTED] company who are PRC citizens (including Hong Kong, Macau and Taiwan residents) or who are citizens of foreign countries residing in China for a continuous period of not less than one year (collectively, “Circular 7 Participants”), subject to limited exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas [REDACTED] company, and complete certain other procedures. After our Company becomes an overseas [REDACTED] company upon completion of this [REDACTED], we and our Directors, executive officers and other employees who are Circular 7 Participants and who have been granted options may follow SAFE Circular 7 to register with SAFE. We will make efforts to comply with these requirements upon completion of our [REDACTED]. However, there can be no assurance that they can successfully register with SAFE in full compliance with the rules. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit the ability to make payment under our share incentive plans or receive dividends or sales proceeds related thereto, or our ability to contribute additional capital into our wholly-foreign owned enterprises in China and limit our wholly foreign-owned enterprises’ ability to distribute dividends to us. Our ability to adopt additional share incentive plans for our Directors and employees who are PRC residents may also be restricted.

The ability of our subsidiaries to distribute dividends to us may be subject to restrictions under the laws of their respective jurisdictions.

We are a holding company, and most of our subsidiaries are located throughout the markets in our region. Part of our primary internal sources of funds to meet our cash needs is our share of the dividends, if any, paid by our subsidiaries. The distribution of dividends to us from the subsidiaries in these markets as well as other markets where we operate is subject to restrictions imposed by the applicable laws and regulations in these markets. See “Regulations”. The relevant regulations may be changed and the ability of these subsidiaries to distribute dividends to us may be restricted in the future.

We may rely to a significant extent on dividends and other distributions on equity paid by our principal operating subsidiaries to fund offshore cash and financing requirements. Any limitation on the ability of our operating subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business.

We are a holding company and rely on dividends and other distributions on equity paid by our principal operating subsidiaries, for our offshore cash and financing requirements, including the funds

RISK FACTORS

necessary to pay dividends and other cash distributions to our Shareholders, fund inter-company loans, service any debt we may incur outside of China and pay our expenses. When our principal operating subsidiaries and Consolidated Affiliated Entities in the PRC incur additional debt, the instruments governing the debt may restrict their ability to pay dividends or make other distributions or remittances to us. Furthermore, the laws, rules and regulations applicable to our principal operating subsidiaries and Consolidated Affiliated Entities and certain other subsidiaries permit payments of dividends only out of their retained earnings, if any, determined in accordance with applicable accounting standards and regulations. Under PRC laws, rules and regulations, each of our subsidiaries and PRC Consolidated Affiliated Entities is required to set aside at least 10% of its net income each year to fund certain statutory reserves until the cumulative amount of such reserves reaches 50% of its registered capital. These reserves, together with the registered capital, are not distributable as cash dividends. As a result of these laws, rules and regulations, our principal operating subsidiaries and Consolidated Affiliated Entities in the PRC are restricted in their ability to transfer a portion of their respective net assets to their shareholders as dividends, loans or advances. In addition, registered capital and capital reserve accounts are also restricted from withdrawal in the PRC, up to the amount of net assets held in each operating subsidiary.

The distribution of dividends to us from the subsidiaries in the other geographic markets in which we operate is subject to restrictions imposed by the applicable laws and regulations in these markets, which are more fully described in “Financial Information — Dividend”.

We may be treated as a resident enterprise for PRC tax purposes under the PRC Enterprise Income Tax Law, and we may therefore be subject to PRC enterprise income tax on our global income.

Under the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) and the Regulation on the Implementation of the Enterprise Income Tax Law of China (《中華人民共和國企業所得稅法實施條例》) (collectively, the “PRC EIT Law”), enterprises established under the laws of jurisdictions outside of China with “de facto management bodies” located in China may be considered PRC tax resident enterprises for tax purposes and may be subject to the PRC enterprise income tax at the rate of 25% on their global income. “De facto management body” refers to a managing body that exercises substantial and overall management and control over the production and operations, personnel, accounting and assets of an enterprise. The State Administration of Taxation, or the SAT, issued the Notice Regarding the Determination of Chinese-Controlled Offshore-Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), or Circular 82, on April 22, 2009, which was most recently amended on December 29, 2017. Circular 82 provides certain specific criteria for determining whether the “de facto management body” of a Chinese-controlled offshore-incorporated enterprise is located in China. The determining criteria set forth in Circular 82 may reflect the SAT’s general position on how the “de facto management body” test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises. If we were to be considered a PRC resident enterprise, we would be subject to PRC enterprise income tax at the rate of 25% on our global income. In such case, our profitability and cash flow may be materially reduced as a result of our global income being taxed under the PRC EIT Law. We believe that none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body”.

The M&A Rules and certain other PRC regulations establishing complex procedures for acquisitions could make it more difficult for us to pursue growth through acquisitions in the PRC.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (《關於外國投資者併購境內企業的規定》), or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, and some other regulations and rules concerning mergers and acquisitions established complex procedures and requirements for some acquisitions of Chinese companies by foreign investors, including requirements in some instances that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. Moreover, the PRC Anti-Monopoly Law (《中華人民共和國反壟斷法》) promulgated by the SCNPC which was most recently amended on June 24, 2022 requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by relevant Governmental Authorities before they can be completed. In addition, the Rules on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》) issued by the MOFCOM that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise “national defense and security” concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review, including by structuring a transaction through a proxy or contractual control arrangement.

In addition, laws and regulations governing acquisitions in China are subject to change from time to time. We were not during the Track Record Period, and may not in the future be aware of our violation of these policies and rules until after the occurrence of the violation. For example, under the PRC Anti-Monopoly Law, companies conducting certain investments and acquisitions relating to businesses in China must file with the anti-monopoly enforcement agency, in advance of any transaction where the

RISK FACTORS

parties’ revenues exceed certain thresholds and the buyer would obtain control of, or decisive influence over, the other party, and the enforcement of notification of concentration of undertaking filing requirement by companies with a VIE structure has been strengthening recently. Since 2020, the SAMR has fined companies that acquired or merged with or cooperated with onshore or offshore entities, including those operated through PRC Consolidated Affiliated Entities for failure to file prior notification before conducting the mergers or cooperation transactions. Furthermore, in February 2021, the Anti-Monopoly Committee of the State Council published the Anti-Monopoly Guidelines, which included references to companies with VIE structure within the ambit of SAMR’s merger control review. Any failure or perceived failure to comply with the anti-monopoly laws and regulations, as well as the related government policies and guidance relating to investments in or by us may result in governmental investigations or enforcement actions, litigations or claims against us and could have an adverse effect on our business, financial condition and results of operations.

In the future, we may pursue potential strategic acquisitions that are complementary to our business and operations. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be costly and time-consuming, and any required approval processes, including obtaining approval or clearance from the MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

Dividends paid to our foreign [REDACTED] and gains on the sale of the Shares by our foreign [REDACTED] may be subject to PRC tax.

Under the PRC EIT Law, a 10% PRC withholding tax is applicable to dividends paid to [REDACTED] that are non-resident enterprises, which do not have an establishment or place of business in the PRC or which have such establishment or place of business but the dividends are not effectively connected with such establishment or place of business, to the extent such dividends are derived from sources within the PRC. Any gain realized on the transfer of Shares by such [REDACTED] is also subject to PRC tax at a current rate of 10%, if such gain is regarded as income derived from sources within the PRC. If we are deemed a PRC resident enterprise, dividends paid on our Shares, and any gain realized from the transfer of our Shares may be treated as income derived from sources within the PRC and may as a result be subject to PRC taxation. Furthermore, if we are deemed a PRC resident enterprise, dividends paid to individual [REDACTED] who are non-PRC residents and any gain realized on the transfer of Shares by such [REDACTED] may be subject to PRC tax (which in the case of dividends may be withheld at source) at a rate of 20%. Any PRC tax liability may be reduced by an applicable tax treaty. However, if we are considered a PRC resident enterprise, it is unclear whether in practice holders of the Shares would be able to obtain the benefit of income tax treaties or agreements entered into between China and other countries or areas. If dividends paid to our non-PRC [REDACTED], or gains from the transfer of the Shares by such [REDACTED], are deemed as income derived from sources within the PRC and thus are subject to PRC tax, the value of your [REDACTED] in the Shares may decline significantly.

We and our Shareholders face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises or other assets attributed to a Chinese establishment of a non-Chinese company, or immovable properties located in China owned by non-Chinese companies.

On February 3, 2015, the SAT issued the Bulletin on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》), or SAT Circular 7. Pursuant to this SAT Circular 7, an “indirect transfer” of assets, including non-publicly traded equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to SAT Circular 7, “PRC taxable assets” include assets attributed to an establishment in China, immovable properties located in China, and equity investments in PRC resident enterprises, in respect of which gains from their transfer by a direct holder, being a non-PRC resident enterprise, would be subject to PRC enterprise income taxes. When determining whether there is a “reasonable commercial purpose” of the transaction arrangement, features to be taken into consideration include, without limitation: whether the main value of the equity interest of the relevant offshore enterprise derives from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consist of direct or indirect investment in China or if its income mainly derives from China; whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure; the duration of existence of the business model and organizational structure; the replicability of the transaction by direct transfer of PRC taxable assets; and the tax situation of such indirect transfer and applicable tax treaties or similar arrangements.

In respect of an indirect offshore transfer of assets of a PRC establishment, the resulting gain is to be included with the enterprise income tax filing of the PRC establishment or place of business being transferred, and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to the immovable properties located in China or to equity investments in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax of 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer

RISK FACTORS

payments has the withholding obligation. SAT Circular 7 does not apply to transactions of sale of shares by investors through a public stock exchange where such shares were acquired from a transaction through a public stock exchange. On October 17, 2017, the SAT promulgated the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》), or SAT Circular 37, which became effective on December 1, 2017 and was most recently amended on June 15, 2018. SAT Circular 37, among other things, simplified procedures of withholding and payment of income tax levied on non-resident enterprises.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in our offshore subsidiaries or investments. Our Company may be subject to filing obligations or taxed if our Company is transferor in such transactions, and may be subject to withholding obligations if our Company is transferee in such transactions under SAT Circular 7 and SAT Circular 37. For transfer of shares in our Company by [REDACTED] that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under SAT Circular 7 and SAT Circular 37. As a result, we may be required to expend valuable resources to comply with SAT Circular 7 and SAT Circular 37 or to request the relevant transferors from whom we purchase taxable assets to comply with these publications, or to establish that our Company should not be taxed under these publications, which may have a material adverse effect on our financial condition and results of operations.

Regulations on currency exchange may limit our ability to utilize our cash effectively.

A significant portion of our revenue and expenses are denominated in Renminbi. The conversion of RMB is subject to applicable PRC laws and regulations. The Renminbi is currently convertible under the “current account”, which includes dividends, trade and service-related foreign exchange transactions, but not under the “capital account”, which includes foreign direct investment and loans, including loans we may secure from or for our PRC subsidiaries or PRC Consolidated Affiliated Entities. Currently, our PRC subsidiaries may purchase foreign currency for settlement of “current account transactions”, including payment of dividends to us, by complying with certain procedural requirements. However, the relevant PRC Governmental Authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, the SAFE and other relevant PRC Governmental Authorities. Since a significant amount of our future revenue and cash flow will be denominated in Renminbi, any existing and future laws and regulations on currency exchange may limit our ability to utilize cash generated in Renminbi to fund our business activities outside of the PRC or pay dividends in foreign currencies to our Shareholders, including holders of the Shares, and may limit our ability to obtain foreign currency through debt or equity financing for our PRC subsidiaries and our PRC Consolidated Affiliated Entities.

PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from using the [REDACTED] of this [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries.

In utilizing the [REDACTED] of this [REDACTED], we, as an offshore holding company, are permitted under PRC laws and regulations to provide funding to our PRC subsidiaries, which are treated as foreign-invested enterprises under PRC laws, through loans or capital contributions. However, loans by us to our PRC subsidiaries to finance their activities cannot exceed statutory limits and must be registered with the local counterpart of SAFE and capital contributions to our PRC subsidiaries are subject to the requirement of making necessary registration with competent Governmental Authorities in China.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or Circular 19, effective on June 1, 2015. According to Circular 19, the flow and use of the RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that RMB capital may not be used for the issuance of RMB entrusted loans, the repayment of inter-enterprise loans or the repayment of banks loans that have been transferred to a third party. Circular 19 reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in the PRC in actual practice. SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), or Circular 16, effective on June 9, 2016, which reiterates some of the rules set forth in Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of Circular 19 and Circular 16 could result in administrative penalties. Circular 19 and Circular 16 may significantly limit our ability to transfer any foreign currency we hold, including the net [REDACTED] from this [REDACTED], to our PRC subsidiaries, which may adversely affect our liquidity and our ability to fund and expand our business in the PRC.

RISK FACTORS

On October 23, 2019, SAFE promulgated the Circular of the State Administration of Foreign Exchange to Support the Development of the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), or SAFE Circular 28, which permits non-investment foreign-invested enterprises to use their capital funds to make equity investments in China, with genuine investment projects and in compliance with effective foreign investment restrictions and other applicable laws. However, interpretation and implementations of the SAFE Circular 28 in practice are still in development and subject to change.

On April 10, 2020, the SAFE promulgated the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》), or SAFE Circular 8, under which eligible enterprises are allowed to make domestic payments by using their capital funds, foreign loans and the income under capital accounts of overseas [REDACTED], without providing the evidentiary materials concerning authenticity of each expenditure in advance, provided that their capital use shall be authentic, and conform to the prevailing administrative regulations on the use of income under capital accounts. Considering that SAFE Circular 8 is often principle-oriented and subject to the detailed interpretations by the enforcement bodies to further apply and enforce such laws and regulations in practice, it is unclear how it will be interpreted and implemented by government authorities and banks.

In light of the various requirements imposed by PRC regulations on loans to, and direct investment in, PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans or future capital contributions by us to our PRC subsidiaries. As a result, uncertainties exist as to our ability to provide prompt financial support to our PRC subsidiaries when needed. If we fail to complete such registrations or obtain such approvals, our ability to use foreign currency, including the [REDACTED] we received from this [REDACTED], and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

The approval of the CSRC may be required in connection with the [REDACTED] under the M&A Rules.

The M&A Rules require an overseas special purpose vehicle formed for [REDACTED] purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals to obtain the approval of the CSRC, prior to the [REDACTED] and [REDACTED] of such special purpose vehicle's securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and this [REDACTED] may ultimately require approval from the CSRC. If such approval of the CSRC under the M&A Rules is required, it is uncertain how long it will take us to obtain such approval and any failure to obtain or delay in obtaining the approval for this [REDACTED] would subject us to sanctions imposed by the CSRC and other PRC regulatory agencies, which could include fines and penalties on our operations in China, restrictions or limitations on our ability to pay dividends outside of China.

Our PRC Legal Advisor has advised us that, based on its understanding of the current PRC laws and regulations, we are not required to submit an application to the CSRC for the aforementioned approval of the [REDACTED] or the [REDACTED] and [REDACTED] of our Shares on the Stock Exchange under the M&A Rules. However, our PRC Legal Advisor has further advised us that there remains some uncertainty as to how the M&A Rules will be interpreted or implemented and its opinions summarized above are subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules. We cannot assure you that relevant PRC government agencies, including the CSRC, would reach the same conclusion as we did, and hence we may face regulatory actions or other sanctions from the CSRC or other PRC regulatory agencies. These regulatory agencies may impose fines and penalties on our operations in China, limit our operating privileges in China, delay or restrict the repatriation of the [REDACTED] from this [REDACTED] into China or take other actions that could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as the [REDACTED] of the Class B Shares. The CSRC or other PRC regulatory agencies also may take actions requiring us, or making it advisable for us, to halt this [REDACTED] before settlement and delivery of the Class B Shares [REDACTED] hereby. Consequently, if you engage in market [REDACTED] or other activities in anticipation of and prior to settlement and delivery, you do so at the risk that settlement and delivery may not occur.

Our Hong Kong subsidiary is subject to PRC withholding tax under the New Enterprise Income Tax Law and we may not be able to enjoy the preferential tax rate of 5%.

Under the PRC EIT Law, China-sourced income of foreign enterprises that are “non-PRC resident enterprises” that do not have an establishment or place of business in China or, despite the existence of such establishment or place in China, the relevant income is not actually connected with such establishment or place in China, such as dividends paid by a PRC subsidiary to its overseas parent, is generally subject to a 10% withholding tax unless the jurisdiction of such foreign enterprises has a tax treaty or arrangement with China that provides a different withholding arrangement. However, pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), withholding tax at a reduced rate of 5% may be applicable to dividends payable by PRC resident enterprises to beneficial owners of the dividends that are Hong Kong tax residents which hold at least 25% equity shares of the PRC resident

RISK FACTORS

enterprises if certain requirements are met. Based on the Announcement of the State Administration of Taxation on Issues Relating to “Beneficial Owner” in Tax Treaties (《國家稅務總局關於稅收協定中“受益所有人”有關問題的公告》), which was issued on February 3, 2018 and became effective on April 1, 2018, to determine the “beneficial owner” status of a resident of the treaty counterparty who needs to enjoy the tax treaty benefits, a comprehensive analysis shall be carried out in accordance with the factors set out in such announcement, taking into account actual conditions of the specific case. There is uncertainty regarding whether the PRC tax authorities will consider us to be eligible to the reduced tax rate. If the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income is deemed not to apply to dividends payable by our PRC subsidiaries to their respective Hong Kong immediate holding companies that are ultimately owned by us, the withholding tax rate applicable to us will be the statutory rate of 10% instead of 5%, which may potentially impact our business, financial condition, results of operations and growth prospects.

Fluctuations in foreign currency exchange rates may adversely affect our operational and financial results.

We operate in multiple markets, which exposes us to the effects of fluctuations in currency exchange rates as we report our financials and key operational metrics in U.S. dollars. We primarily earn revenue denominated in PRC Renminbi, Hong Kong dollar, Thai baht, Singapore dollar and Philippine Peso among other currencies. We generally incur costs and expenses for employee compensation and other operating expenses in the local currencies in the markets in which we operate. From time to time, we may pay acquisition considerations in U.S. dollars. We do not rely on any single currency as we earn revenue in different local currencies across our markets. However, fluctuations in the exchange rates among the various currencies that we use could cause fluctuations in our operational and financial results. Our expenses may become higher and our revenue and operating metrics may become lower than would be the case if exchange rates were stable or if we were operating and reporting in one currency. Movements in foreign currency exchange rates may have a material adverse effect on our results of operations, which may cause our financial and operational metrics reported in U.S. dollars to be not fully representative of our underlying business performance. A significant amount of our revenue and some of our operating metrics such as GTV are denominated in certain local currencies that have been subject to significant volatility in the past. Because fluctuations in the value of these local currencies are not necessarily correlated, our results of operations in any period may be adversely affected by such volatility.

We may enter into derivatives transactions and incur relevant costs from time to time to manage our exposure to exchange rate risk. Such derivatives transactions, while intended to be non-speculative, are designed to protect us against increases or decreases in exchange rates, but not both. If we have entered into derivatives transactions to protect against, for example, decreases in the value of a local currency and such local currency instead increases in value, we may incur financial losses. Such losses could materially and adversely affect our financial condition and results of operations.

It may be difficult for overseas regulators to conduct investigations or collect evidence within China and certain other jurisdictions in which we operate.

Shareholder claims or regulatory investigations generally are difficult to pursue as a matter of law or practicality in the PRC and certain other jurisdictions in which we operate. For example, in China, there are legal and other restrictions with respect to providing information needed for regulatory investigations or litigation initiated outside the PRC. The regulatory cooperation mechanism which may be established by authorities in China with the securities regulatory authorities in the United States may not be efficient in the absence of a mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law (《中華人民共和國證券法》), or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. In addition, entities or individuals are prohibited from providing documents and information in connection with any securities transaction activities to any organizations and/or persons abroad without the prior consent of the competent regulatory authorities in China. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within China may further increase difficulties faced by you in protecting your interests.

It may be difficult to effect service of process upon us or our management that reside in China or to enforce against them or us in China any judgments obtained from foreign courts.

Most of our operating subsidiaries are incorporated in China. Some of our management reside in China. Almost all of our assets are located in China. It may not be possible for [REDACTED] to effect service of process upon us or our management inside China. China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of many other jurisdictions. On July 14, 2006, Hong Kong and China entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》), or the Arrangement, pursuant to which a party with an enforceable final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the

RISK FACTORS

judgment in China. Similarly, a party with an enforceable final judgment rendered by a Chinese court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a Chinese court is expressly designated as the court having sole jurisdiction for the dispute.

On January 18, 2019, the Supreme People’s Court and the government of the Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), or the New Arrangement, which seeks to establish a mechanism with further clarification on and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong Special Administrative Region and the China. The New Arrangement discontinued the requirements for a choice of court agreement for bilateral recognition and enforcement. The Arrangement was superseded upon the effectiveness of the New Arrangement on January 29, 2024.

Furthermore, China does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the U.S., the United Kingdom, or many other jurisdictions. Hence, the recognition and enforcement in China of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

On January 9, 2021, the MOFCOM promulgated the Rules on Counteracting Unjustified Extraterritorial Application of Foreign Legislation and Other Measures, pursuant to which, where a citizen, legal person or other organization of China is prohibited or restricted by foreign legislation and other measures from engaging in normal economic, trade and related activities with a third State (or region) or its citizens, legal persons or other organizations, he/it shall truthfully report such matters to the MOFCOM within 30 days. Upon assessment and being confirmed that there exists unjustified extraterritorial application of foreign legislation and other measures, the MOFCOM could issue a prohibition order to the effect that, the relevant foreign legislation and other measures are not accepted, executed, or observed, but such a citizen, legal person or other organization of China may apply to the MOFCOM for an exemption from compliance with such prohibition order. However, since the Order No. 1 is relatively new, the enforcement of it is subject to change.

RISKS RELATED TO THE WVR STRUCTURE

The concentration of the voting power of our Shares limits our Shareholders’ ability to influence corporate matters.

Our Company will be controlled through weighted voting rights upon completion of the [REDACTED]. Immediately upon the completion of [REDACTED], the WVR Beneficiary will be Mr. Chow. Mr. Chow is expected to have an economic interest in the Company of approximately [REDACTED]%, representing approximately [REDACTED]% of the total voting power in general meetings of the Company (assuming the [REDACTED] is not exercised and the [REDACTED] are completed) with respect to Shareholders’ resolutions relating to matters other than the Reserved Matters. Mr. Chow therefore has significant influence over management and affairs of the Company and over all matters requiring Shareholder approval, including the election of Directors (excluding the appointment, election or removal of any independent non-executive Director) and significant corporate transactions, such as a merger or other sale of our Company or our assets, for the foreseeable future. In addition, because each Class B Share carries only one-tenth of the voting rights of each Class A Share (except as required by applicable law and in relation to the Reserved Matters), the issuance of the Class B Shares, including future stock-based acquisition transactions and employee equity incentive programs, could prolong the duration of the WVR Beneficiary’s ownership of our voting power immediately after the completion of the [REDACTED] and their ability to determine the outcome of most matters submitted to a vote of our Shareholders. For further details about our shareholding structure, see “Share Capital — Weighted Voting Rights Structure”. This concentrated control limits or severely restricts our Shareholders’ ability to influence corporate matters and, as a result, we may take actions that our Shareholders do not view as beneficial. As a result, the [REDACTED] of our Class B Shares could be adversely affected. This concentrated control could discourage others from pursuing any potential merger, takeover, or other change of control transactions that holders of Class B Shares may view as beneficial, and may also discourage, delay, or prevent a change of control of our Company, which could have the effect of depriving our other Shareholders of the opportunity to receive a premium for their Class B Shares as part of a sale of our Company and may reduce the [REDACTED] of our Class B Shares.

Holders of our Class A Shares may exert substantial influence over us and may not act in the best interests of our other Shareholders.

Following the completion of the [REDACTED], our WVR Beneficiary will be in a position to exert significant influence over the affairs of our Company and will be able to influence the outcome of any Shareholders’ resolutions, irrespective of how other Shareholders vote. The interests of the holders of our Class A Shares may not necessarily be aligned with the interests of our Shareholders as a whole, and this concentration of voting power may also have the effect of delaying, deferring or preventing a change in control of our Company.

RISK FACTORS

RISKS RELATED TO THE [REDACTED] AND OUR SHARES

No [REDACTED] currently exists for our Shares; an active [REDACTED] market for our Class B Shares may not develop and the [REDACTED] for our Class B Shares may decline or become volatile.

No [REDACTED] currently exists for our Shares. The initial [REDACTED] for our Class B Shares to the public will be the result of negotiations between our Company and the Overall Coordinators (on behalf of the [REDACTED]), and the [REDACTED] may differ significantly from the [REDACTED] of the Class B Shares following the [REDACTED]. We have applied to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED] in, the Class B Shares. A [REDACTED] on the Stock Exchange, however, does not guarantee that an active and liquid [REDACTED] market for our Class B Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the [REDACTED] of the Class B Shares will not decline following the [REDACTED].

The [REDACTED] and [REDACTED] of our Class B Shares may be volatile, which could lead to substantial losses to [REDACTED].

The [REDACTED] and [REDACTED] of our Class B Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the [REDACTED] of the shares of other companies engaging in similar business may affect the [REDACTED] and [REDACTED] of our Class B Shares. In addition to market and industry factors, the [REDACTED] and [REDACTED] of our Class B Shares may be highly volatile for specific business reasons and other related matters, fluctuations in our revenue, earnings, cash flows, investments and expenditures, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies [REDACTED] on the Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our Class B Shares may be subject to changes in price not directly related to our performance.

Future sales or perceived sales of our Class B Shares in the [REDACTED] by major Shareholders following the [REDACTED] could materially and adversely affect the [REDACTED] of our Class B Shares.

Prior to the [REDACTED], there has not been a [REDACTED] for our Class B Shares. Future sales or perceived sales by our existing Shareholders of our Class B Shares after the [REDACTED] could result in a significant decrease in the prevailing [REDACTED] of our Class B Shares. Only a limited number of the Class B Shares currently outstanding will be available for sale or issuance immediately after the [REDACTED] due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our Class B Shares in the [REDACTED] or the perception that these sales may occur could significantly decrease the prevailing [REDACTED] of our Class B Shares and our ability to raise equity capital in the future.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares or other equity securities in the future, including pursuant to the share incentive schemes.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Class B Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] net tangible asset value. In order to expand our business, we may consider [REDACTED] and issuing additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the net tangible asset value per Class B Share of their Class B Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. Furthermore, we may issue Class B Shares pursuant to share incentive schemes, which would further dilute Shareholders' interests in our Company.

We may not be able to pay dividends in the foreseeable future after the [REDACTED].

We may not be able to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an [REDACTED] in our Class B Shares as a source for any future dividend income.

Our Board has complete discretion as to whether to distribute dividends. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions (if any) received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your [REDACTED] in our Class B Shares will likely depend entirely upon any future [REDACTED] appreciation of our Class B Shares. There is no guarantee that our Class B Shares will appreciate in value after the [REDACTED] or even maintain the [REDACTED] at which you purchased the Class B Shares. You may not realize a return on your [REDACTED] in our Class B Shares and you may even lose your entire [REDACTED] in our Class B Shares.

RISK FACTORS

We have significant discretion as to how we will use the net [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the net [REDACTED] from the [REDACTED] in ways you may not agree with or that do not yield a favorable return to our Shareholders. For details, see “Future Plans and Use of [REDACTED] — Use of [REDACTED]”. However, our management will have discretion as to the actual application of our net [REDACTED]. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the net [REDACTED] from this [REDACTED].

We are a Cayman Islands company and, because judicial precedent regarding the rights of Shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, you may have difficulties in protecting your Shareholder rights.

Our corporate affairs are governed by our memorandum and articles of association, as amended from time to time, the Cayman Companies Act and common law of the Cayman Islands. The rights of Shareholders to take legal action against our Directors and us, actions by minority Shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority Shareholders differ in some respects from those established under statutes and judicial precedent in existence in the jurisdictions where minority Shareholders may be located. See “Appendix III — Summary of the Constitution of Our Company and Cayman Islands Company Law”.

As a result of all of the above, minority Shareholders may have difficulties in protecting their interests under the laws of the Cayman Islands through actions against our management, Directors or Substantial Shareholders, which may provide different remedies to minority Shareholders when compared to the laws of the jurisdiction in which such Shareholders are located.

Facts, forecasts and statistics in this Document relating to the industries that we operate may not be fully reliable.

Facts, forecasts and statistics in this Document relating to the industries that we operate in and outside China are obtained from various official government publications. However, we may not be able to guarantee the quality or reliability of these sources. Particularly, neither we, the Joint Sponsors, the Overall Coordinators, [REDACTED] nor our or their respective affiliates or advisers have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from official government sources. Due to possibly flawed or ineffective collection methods or discrepancies between published information and factual information and other problems, the statistics in this Document relating to the industries that we operate in and outside China may be inaccurate and you should not place undue reliance on them. We make no representation as to the accuracy of such facts, forecasts and statistics obtained from official government sources. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon.

You should read the entire Document carefully, and we caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

Subsequent to the date of this Document but prior to the completion of the [REDACTED], there may be press and media coverage regarding us and the [REDACTED], which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this Document, we disclaim responsibility for them. Accordingly, prospective [REDACTED] are cautioned to make their [REDACTED] decisions on the basis of the information contained in this Document only and should not rely on any other information.

You should rely solely upon the information contained in this Document, the [REDACTED] and any formal announcements made by us in Hong Kong when making your [REDACTED] decision regarding our Class B Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Class B Shares, the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective [REDACTED] should not rely on any such information, reports or publications in making their decisions as to whether to [REDACTED] in our [REDACTED]. By applying to purchase our Class B Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this Document.