

RISK FACTORS

An [REDACTED] in our H Shares involves various risks. You should carefully consider all the information in this document and in particular the risks and uncertainties described below before making an [REDACTED] in our H Shares.

The occurrence of any of the following events could materially and adversely affect our business performance, financial condition, results of operations or prospects. If any of these events occurs, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We have relied, and may continue to rely, on certain cross-border e-commerce third-party platforms.

Collaborating with major cross-border e-commerce third-party platforms remains essential to our ability to expand our customer base and business scale, particularly given their critical role in connecting cross-border e-commerce merchants with logistics services providers. In 2023, 2024 and 2025, revenue generated from cross-border e-commerce third-party platforms amounted to RMB5,998.4 million, RMB1,685.3 million and RMB862.9 million, respectively, representing 63.3%, 28.9% and 12.9% of our total revenue for the same years, respectively. In 2023, 2024 and 2025, revenue generated from our largest customer, a major cross-border e-commerce third-party platform in China, amounted to RMB4,923.8 million, RMB1,269.2 million and RMB558.2 million, respectively, representing 51.9%, 21.8% and 8.4% of our total revenue for the same years, respectively.

Certain cross-border e-commerce third-party platforms exert significant influence over transaction fulfillment processes, including specifying their preferred logistics services providers or directing merchants on their platforms to adopt designated shipping methods. To sustain and deepen our cooperation with these platforms, we may need to accommodate platform-specific operational requirements, participate in platform initiatives or provide customized value-added services, all of which could raise our operational costs. In China, logistics services providers typically complete system integration procedures with major cross-border e-commerce third-party platforms before providing services to merchants and consumers on such platforms, and many platforms maintain a list of approved logistics services providers from which merchants may select partners. Accordingly, we need to maintain our status as an approved service provider across major platforms to compete effectively with our peers. We cannot assure you that we will be able to remain on approved service provider list or successfully renew our arrangements with existing platforms. If we fail to maintain these qualifications or to expand our cooperation with key platforms, our service volumes may decline and our business and results of operations may be adversely affected.

In addition, we cannot assure you that we will be able to maintain or renew our existing arrangements with cross-border e-commerce third-party platforms on commercially reasonable terms, or at all. If our major cross-border e-commerce third-party platform customers make adjustments on their logistics procurement model or choose to procure from other logistics services providers, our parcel volume may decrease, which could adversely affect our financial performance and results of operations. We experienced a temporary decrease in revenue in 2024, primarily due to the reduction of purchases from certain large cross-border e-commerce third-party platforms since early 2024, as they have shifted their logistics procurement model from centralized, single-supplier model to a segmented transportation approach in response to their enhanced logistics cost control and risk management requirements. In the future, if any major cross-border e-commerce third-party platform customer terminates its business relationship with us, significantly reduces demand, faces regulatory investigations or experiences any difficulty in their operations, we may not be able to secure alternative customers in the near term and our results of operations could be materially and adversely affected.

RISK FACTORS

We rely on third-party service providers for certain aspects of our operations.

Our logistics services depend on a network of third-party service providers, such as cross-border linehaul operators, customs brokerage firms and last-mile delivery service providers. We have relied, and will continue to rely, on these parties to support the reliability, efficiency, and scalability of our services. Maintaining stable relationships with these partners and effectively supervising their performance can be challenging, and any deficiency in their operations may adversely affect the quality of our services and expose us to heightened operational and legal risks.

Our business partners, particularly third-party last-mile delivery service providers, engage in substantial customer-facing interactions, whose service quality has direct impacts on our brand image and reputation. Any service interruption, operational deficiency, data leakage or non-compliance incident involving these partners may harm our operational results and financial performance. Our contractual agreements require partners to comply with service standards and relevant legal obligations. However, we lack full oversight of their day-to-day actions, nor can we ensure that their internal control measures are robust, adequate or aligned with our own standards. Any unsatisfactory performance, misconduct, mishandling of parcels or non-compliance could lead to consumer complaints, service disruptions, reputational damage and increased operational costs. We may also face legal risks and liabilities, including administrative fines or contractual disputes, even if the underlying issue arises from a partner’s actions.

In the cross-border logistics context, regulatory requirements differ across jurisdictions, and compliance obligations may involve customs clearance, security protocols, data protection and transportation safety. We cannot assure you that the third-party partners we engage will consistently adhere to all contractual liabilities or maintain compliance with evolving regulatory requirements.

Furthermore, during periods of tight logistics capacity, including peak shipping seasons, international transportation disruptions or supply chain congestion, third-party providers may prioritize other clients, particularly those with long-term or high-volume commitments. This could lead to reduced capacity availability, delays or increased costs for us. For example, failure by linehaul partner may cause delivery delays, service instability, and cost escalation, and the concentration of certain equipment or transportation resources in limited suppliers may restrict our ability to secure alternatives in a timely manner.

Any inability of our third-party partners to consistently deliver high-quality, compliant and reliable services could materially and adversely affect our business, financial condition and results of operations.

We are subject to various risks relating to third-party payments.

During the Track Record Period, certain of our customers (individually or collectively, the “**Relevant Customers**”) engaged third-party payors (individually or collectively, the “**Third-party Payors**”) to settle their payments with us (the “**Third-party Payment Arrangements**”), to the best of our knowledge. In 2023, 2024 and 2025, there were 9,131, 9,666 and 7,993 Relevant Customers with payment recorded during the relevant year, respectively. In 2023, 2024 and 2025, the aggregate amount settled under the Third-party Payment Arrangements was RMB1,227.8 million, RMB1,414.9 million and RMB547.9 million, respectively, accounting for 14.0%, 22.7% and 7.5% of the total payments we received from all customers during the same years, respectively. See “Business — Third-party Payment Arrangement.”

We are subject to various risks relating to such Third-party Payment Arrangements, including: (i) possible claims for return of funds from third-party payors who were not contractually indebted to us; (ii) potential risks arising from the fact that we have limited knowledge about the source and purpose of the funds utilized by the third-party payors; and (iii) possible claims from liquidators of third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us in respect of any third-party

RISK FACTORS

payments, we may have to use additional financial and managerial resources to defend against such claims or legal proceedings, and our financial condition and results of operations may be adversely affected as a result. Any future acceptance of Third-party Payment Arrangements by us could leave us exposed to the aforementioned risks.

If we are unable to compete effectively, our business, financial condition, results of operations, and market share could be materially and adversely affected.

The B2C cross-border e-commerce logistics services market in the PRC is highly fragmented, rapidly evolving and intensely competitive. According to Frost & Sullivan, approximately 5,000 service providers operated in this market in 2025, while the top five players collectively accounted for approximately 8.1% and the largest player accounted for 3.4% of the total market share in terms of revenue in 2025.

Many competitors possess broader global service networks, more sophisticated digital and automation systems, stronger brand recognition, stronger capital resources, larger customer base and longer operating track records, giving them advantages in supporting large-scale operations and capturing emerging demand.

Competitive behavior in the industry further intensifies these pressures. Competitors may adopt aggressive pricing or temporary loss-leading strategies to defend or expand market share, which may limit our ability to maintain or improve our margins. Competitors may also strengthen their capabilities through strategic alliances, ecosystem integrations, joint procurement arrangements or technology partnerships to enhance their service offerings and further consolidate their market position. Such consolidations or alliances can enhance their bargaining power in air capacity procurement, customs brokerage and last-mile delivery partnerships, raising the competitive threshold.

As we expand our cross-border e-commerce express services and local last-mile delivery services into new markets, we expect to face competition from both established global logistics companies and local regional players. These competitors may have entrenched local relationships, regulatory familiarity or cost structures that could challenge our market entry and customer acquisition efforts.

Our ability to compete effectively depends on maintaining service quality, managing costs, scaling our network, investing in technologies, responding to evolving customer needs and executing our overseas expansion strategy. Some of these factors may be beyond our control, including global logistics capacity, geopolitical developments, regulatory environments and macroeconomic fluctuations. If we fail to compete effectively, we may lose customers, experience pricing pressure, or be unable to sustain or expand our market share, which could materially and adversely affect our business, financial condition, and results of operations.

Our business growth is closely linked to the development of the B2C cross-border e-commerce industry.

Our business growth is closely linked to the development of the B2C cross-border e-commerce industry, as we primarily provide logistics services to cross-border e-commerce third-party platforms, cross-border merchants and Chinese brands expanding overseas. Demand for our services depends on the overall transaction volume, merchant activity and consumer demand within the cross-border e-commerce ecosystem.

The development of the B2C cross-border e-commerce industry is affected by various factors beyond our control, including consumer spending patterns, macroeconomic conditions, internet and payment infrastructure, regulatory policies, international trade conditions, changes in platform

RISK FACTORS

operating policies and competition from alternative retail channels or business models. In certain overseas markets where we operate or plan to expand, the B2C cross-border e-commerce industry may still be at a relatively early stage of development, and market growth may not develop as expected.

If the B2C cross-border e-commerce industry in our key markets grows more slowly than expected, stagnates or contracts, or if cross-border merchants reduce their sales activities or logistics demand, demand for our services may decline, which could materially and adversely affect our business, financial condition and results of operations.

The B2C cross-border e-commerce logistics services industry is inherently cyclical and vulnerable to global trade conditions, transportation disruptions and market volatility, which could materially and adversely affect our business and results of operations.

The B2C cross-border e-commerce logistics services industry is highly sensitive to global trade conditions, geopolitical developments and the stability of international transportation networks. Our operations depend on the availability and reliability of cross-border transportation capacity, customs clearance efficiency and overseas delivery infrastructure. Factors beyond our control, including geopolitical tensions, international conflicts, trade disputes, port congestion, public health emergencies, labor shortages and disruptions in air transportation networks, may adversely affect the efficiency and stability of cross-border logistics operations.

In recent years, events such as global trade tensions, the Russia-Ukraine conflict and the Red Sea crisis have caused volatility in international logistics networks and freight markets. These developments may lead to transportation delays, capacity shortages, increased freight costs, route adjustments and reduced service reliability. In addition, fluctuations in global or regional economic conditions may reduce cross-border trade demand and intensify pricing pressure within the logistics industry.

If we are unable to respond effectively to changes in transportation conditions, freight capacity availability or customer demand, our operational efficiency, service quality, profitability and growth prospects may be materially and adversely affected.

Our revenue fluctuated during the Track Record Period and may continue to fluctuate due to factors beyond our control.

Our revenue fluctuated during the Track Record Period. Our revenue decreased by 38.6% from RMB9,482.9 million in 2023 to RMB5,827.0 million in 2024. From 2024 to 2025, our revenue increased by 14.8% from RMB5,827.0 million to RMB6,687.1 million. See “Financial Information — Year to Year Comparison of Results of Operations.”

Our revenue stream generally depends on a number of factors, many of which are beyond our control, including the macroeconomic environment, strategic shift of logistics procurement model of cross-border e-commerce third-party platforms, customers’ other business adjustments or variations in consumption intention, changing regulatory and social conditions, as well as the global competitive landscapes. Our ability to retain and attract customers and implement our business strategies are materially affected by such factors. There can be no assurance that our revenue will not fluctuate in the future. Moreover, our future development is also subject to other factors that cannot be fully predicted and may have a material adverse impact on our business, financial condition, results of operations and prospects.

RISK FACTORS

If we fail to keep pace with technological developments, accurately respond to evolving customer demands or maintain our service competitiveness, our business may be materially and adversely affected.

Our long-term competitiveness depends on our ability to continuously leverage technology to enhance operational efficiency, optimize costs and meet evolving customer expectations. If we fail to upgrade our technology infrastructure in a timely and cost-effective manner, accurately identify industry trends or effectively apply data-driven forecasting, our services may become less competitive, our cost advantages may erode and customer retention may decline.

Our operations rely on accurate demand forecasting and data analytics to support capacity planning, procurement, staffing and resource allocation. If our forecasting models fail to capture structural market changes, short-term demand volatility or emerging trends, we may experience inefficient resource utilization, overcapacity, missed business opportunities or weakened operational performance. In addition, technological upgrades require substantial financial, technical and managerial resources, including system enhancement, talent development and infrastructure investment. If such investments do not deliver the intended improvements or expected returns, our operating efficiency, profitability and market position may be adversely affected.

Our growth also depends on our ability to anticipate and respond to evolving customer needs and to provide reliable, flexible and cost-effective logistics services. Customers in the cross-border e-commerce sector often face rapid shipment fluctuations, rising delivery expectations and varying compliance requirements across destination markets. Furthermore, customer acquisition and retention depend on multiple factors, including service reliability, pricing competitiveness, brand reputation and consistent execution. If we fail to effectively respond to changing customer demands, attract new customers or deepen relationships with existing customers, our revenue growth, operational performance and financial condition may be materially and adversely affected.

Our business and results of operations may be materially and adversely affected if we are unable to provide high-quality services.

The long-term success of our business is heavily dependent on our ability to consistently deliver high-quality and reliable services that meet the evolving expectations of cross-border e-commerce third-party platforms and merchants. These expectations extend beyond basic delivery performance to include timeliness, full-chain visibility, cost optimization, compliance readiness, and operational flexibility across international logistic scenarios.

We provide B2C cross-border e-commerce logistics services through an integrated service model that spans first-mile pickup, sorting, cross-border transportation, customs clearance and last-mile delivery. As a result, any service delay, operational error or disruption at any stage of this chain may negatively affect the overall customer experience.

In addition to operational performance, our customer services are critical to sustaining service quality. If our customer service personnel fail to respond promptly, accurately or effectively to customer inquiries, complaints or abnormal-order handling, we may experience a loss of potential or existing customers, lower order volumes, reduced repeat business, and diminished customer satisfaction. If we are unable to maintain or enhance our service quality due to operational constraints, capacity shortages, system failures, personnel issues or other factors beyond our control, our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

Our U.S. operations are subject to complex regulatory requirements, geopolitical uncertainties, and evolving Sino-U.S. trade conditions, which could materially and adversely affect our business, financial condition, and results of operations.

Our local last-mile delivery services in U.S. are subject to extensive and evolving U.S. federal, state, and local regulatory requirements. These include licensing, registration, tax, environmental and labor requirements, as well as rules governing wages, overtime and employee benefits. Complying with this decentralized regulatory framework requires significant management attention and financial resources and specialized personnel. Any actual or perceived non-compliance could result in fines, penalties, operational restrictions, or legal actions, which could harm our reputation, disrupt our operations, and have a material adverse effect on our U.S. business performance.

Our U.S. operations are also exposed to policy volatility arising from Sino-U.S. trade tensions. Changes in tariff policies, import restrictions, export controls, or sanctions, could increase the cost of goods we handle, reduce cross-border shipment volumes, disrupt supply chains or lead to increased regulatory scrutiny of Chinese-invested companies operating in the U.S. Such developments may impose additional compliance burdens, delays in obtaining necessary approvals, or other operational uncertainties. We cannot predict the timing, scope, or severity of future geopolitical or trade policies changes, and any adverse developments could have a material adverse effect on our business, financial condition, and results of operations.

The U.S. government has implemented several major tariff changes in recent years. Prior to 2025, products of Chinese origin being exported into the U.S. were subject to duties ranging from 7.5% to 50% under Section 301 of the U.S. Trade Act of 1974, and imports from the PRC and Hong Kong SAR were free of these duties using informal entry procedures if they have an aggregate fair retail value of less than US\$800 (per person, per day) (the “**De Minimis Exemption**”) under the U.S. Tariff Act of 1930. Under our cross-border e-commerce express services, substantially all parcels delivered to the U.S. fell under the De Minimis Exemption. However, effective on August 29, 2025, the duty-free De Minimis Exemption treatment of imported goods from all foreign countries was suspended by the U.S. government. The suspension includes the goods from China and Hong Kong.

In April 2025, the U.S. government has advocated greater restrictions on international trade in general and significantly increased tariffs on certain goods imported into the U.S., particularly from China, which resulted in increased tensions in its international relationships. China and other countries have retaliated in response to such trade policies and tariffs implemented by the U.S. government. In May 2025, China and the U.S. government reached an agreement on tariff reduction to ease tensions in international relationships and retain market access. In November 2025, the U.S. government announced that the United States will maintain its suspension of heightened reciprocal tariffs on Chinese imports until November 10, 2026. As bilateral relationships are an ongoing matter, we cannot predict how the relationships will further evolve or what exact impact any subsequent developments in the relationships may have on our business and the cross-border e-commerce logistics services market as a whole. We may not be able to timely and fully offset the impact of further tariff increases or policy shifts.

In addition, the ongoing investigation by the U.S. Trade Representative (the “**USTR**”) into alleged unfair trade practices by Chinese shipyards, and the proposed imposition of substantial port-call fees on vessel built in China, adds uncertainty to global shipping markets. Such measures could affect charter rates, vessel availability and global trade flows, indirectly influencing our logistics operations. Any future escalation in U.S. trade actions targeting Chinese products or entities could increase our operational costs, reduce demand from our customers and negatively affect revenue.

RISK FACTORS

We also face elevated labor costs in the U.S. compared with other markets. The U.S. labor market for warehouse and delivery personnel is highly competitive, and we may need to offer higher compensation to attract and retain qualified employees. Compliance with U.S. federal and state labor laws, including rules on minimum wage, overtime and worker classification, further increases costs and operational complexity. Any increases in mandated wage levels, labor shortages, or rising healthcare-related expenses could increase our operating expenses and erode margins.

We continuously monitor regulatory and policy developments and implement measures to control labor costs. However, we cannot assure you that these efforts will fully mitigate the risks associated with regulatory complexity, trade policy volatility or labor-market pressures. Any material adverse developments in these areas could significantly harm our U.S. operations and, in turn, our overall business, financial condition and results of operations.

Any service disruption at our sorting centers or the pickup and delivery depots may adversely affect our operations.

Our daily operations heavily rely on the stable and uninterrupted functioning of our sorting centers and the pickup and delivery depots. These facilities may experience service disruptions due to automated-system failures, capacity constraints during peak periods, *force majeure* events, third-party sabotage, disputes with business partners, employee misconduct or labor actions, government inspections, or regulatory restrictions or other operational incidents.

If any such disruption occurs, parcel sorting, pickup, or delivery at the affected facility may be delayed, suspended, or halted, requiring us to reroute parcels to other facilities. This may result in delivery delays, increased operating costs, customer complaints and reputational damage, and may place additional pressure on other facilities within our network. In addition, disruptions affecting key transportation routes, regional operational hubs or overseas delivery facilities may have broader impacts on our logistics network and service stability. Any material operational disruption could adversely affect our business, financial condition and results of operations.

If we are unable to effectively expand and optimize our logistics network or successfully implement our future plans, our business prospects and results of operations may be materially and adversely affected.

We plan to continue expanding and optimizing our domestic and overseas logistics networks to strengthen our competitiveness across the logistics value chain, improve cross-border transportation efficiency and enhance resource allocation capabilities. In particular, we have accelerated the expansion of our overseas local last-mile delivery capabilities through the establishment of regional sorting centers and delivery networks. The competitiveness of our services depends in part on the scale, coverage, operational efficiency and coordination capabilities of our logistics network.

Expanding and operating our logistics infrastructure requires substantial managerial, financial and operational resources. As we broaden our service offerings, enter new markets and serve a wider customer base, we may face challenges in securing suitable facilities, coordinating regional operational resources, maintaining service quality, optimizing network efficiency and responding to evolving customer demands across a larger operational footprint.

Successful implementation of our expansion strategy depends on various factors beyond our control, including market demand, macroeconomic conditions, regulatory requirements, transportation infrastructure availability and our ability to recruit and retain qualified personnel. Investments in new facilities, technologies and business initiatives may not achieve the expected operational efficiency, profitability or commercial benefits within the anticipated timeframe, or at all.

RISK FACTORS

In addition, if our logistics network coverage, operational capabilities or infrastructure capacity fail to keep pace with business growth or changing market demand, our delivery efficiency, service quality and customer satisfaction may be adversely affected, which could weaken our competitiveness and adversely affect our business, financial condition and results of operations.

Our B2C cross-border e-commerce logistics services are susceptible to changes in international trade policies, sanction measures, export control restrictions, and other regulatory restrictions across multiple jurisdictions, which may increase compliance risks and adversely affect our business operations.

Our B2C cross-border e-commerce logistics services are subject to international trade laws, sanctions regulations, export control rules, tariffs and other regulatory restrictions across multiple jurisdictions. Changes in these laws and policies, particularly amid evolving geopolitical tensions and global trade disputes, may restrict cross-border transportation activities, increase compliance burdens or adversely affect international trade flows and customer demand.

Certain countries and governmental authorities, including the U.S., have imposed economic sanctions, export control measures and trade restrictions targeting specific countries, industries, entities and individuals. As we provide logistics services to cross-border e-commerce platforms and merchants operating across multiple jurisdictions, we or our business partners may face exposure to sanctions-related or export-control compliance risks in connection with certain shipments, counterparties or destination markets.

Although we had not been subject to any sanctions during the Track Record Period and up to the Latest Practicable Date, we cannot assure you that we, our suppliers, customers or other business partners will not become subject to sanctions, export control restrictions or related investigations in the future. Compliance with evolving sanctions and export control requirements may require additional compliance resources and increase our operating costs.

Any actual or alleged violation of applicable sanctions, export control regulations or other trade restrictions, or any related inquiries, investigations or enforcement actions, could result in reputational damage, operational restrictions, fines, penalties or other adverse consequences, which may materially and adversely affect our business, financial condition and results of operations.

Our pricing strategy may not meet our customers’ price expectations or result in profitability.

We operate in a highly competitive B2C cross-border e-commerce logistic industry where pricing remains a key competitive lever. Competitors may possess broader networks, larger scale or more flexible cost structures, enabling them to adopt aggressive or below-market pricing to capture volume or defend market share. Such competitive behavior could restrict our ability to maintain or increase prices or preserve operating margins.

We have historically faced downward pricing pressure in certain markets and may continue to do so. To sustain customer retention and parcel volume, we may need to proactively adjust our pricing. If we cannot effectively manage our cost base or offset these adjustments through operational enhancements, our market share, revenue and profitability may decline. Persistently low pricing levels in competitive or price-sensitive regions may also result in margin compression or even net losses.

RISK FACTORS

Our pricing strategy and policy may not always align with customer expectations, and unfavorable changes in market conditions may reduce the effectiveness of our pricing policies. See “Business — Pricing” for details of our pricing policy. As a result of the foregoing, we cannot assure you that we will be able to maintain growth or achieve sustainable profitability in the future.

Our technology system is critical to our operations and growth prospects.

The performance, reliability, and availability of our technology systems are critical to delivering high-quality cross-border logistics services. We rely on a combination of in house and third party systems to manage order tracking, monitor network capacity and process operating data. System interruptions or service failures caused by telecommunications outages, system defects, improper upgrades, cybersecurity incidents or third party vendor failures may disrupt order fulfilment, increase operating costs and adversely affect our business, financial condition and results of operations.

As our business expands, we continue to invest in upgrades to our information technology systems and infrastructure. Such upgrades may involve temporary disruptions and may not deliver the intended benefits. New technologies may not integrate smoothly with existing systems and may require substantial resources without improving efficiency or reducing costs. Failure to maintain and enhance our systems in a timely, efficient and cost effective manner could constrain our operational capabilities.

Our operations also depend on the reliability and security of telecommunications and internet infrastructure. If we are unable to maintain stable and commercially reasonable arrangements with service providers, or if service interruptions, failures or security breaches occur, we may experience platform unavailability, transaction delays, data loss or processing disruptions. In addition, increases in telecommunications and internet service fees may raise our operating costs. Any of these events could adversely affect our customer satisfaction, reputation and financial performance.

Our long-term growth and competitiveness are highly dependent on our ability to control costs.

Our results of operations depend significantly on our cost management capability. Our cost of sales amounted to RMB9,138.9 million, RMB5,451.0 million and RMB6,225.1 million in 2023, 2024 and 2025, respectively, primarily consisting of fulfillment costs, labor costs, rent, depreciation and amortization. These cost components are subject to various factors that are uncertain and largely beyond our control, such as fluctuations in wage levels, fuel prices, toll fees, leasing costs and outsourced transportation rates.

Our transportation operations rely heavily on fuel consumption and incur substantial toll fees. Fuel availability and prices, as well as the capacity and pricing of third-party transportation providers, are affected by political developments, macroeconomic conditions and market dynamics. Any sharp or unexpected increase in these costs could materially reduce our profit margins. In addition, we incur significant labor and facility-related expenses across our logistics and distribution network. Rising labor costs, capacity shortages or increases in rental and warehouse expenses could further limit our ability to preserve or enhance profitability.

While we have implemented, and plan to continue implementing, various cost control measures, we cannot assure you that these measures will be successful or sufficient to offset rising cost pressures. If we are unable to effectively control our operating costs or appropriately adjust our pricing and network-related fees in response to market conditions, our profitability, liquidity and overall financial condition may be adversely affected.

RISK FACTORS

We are exposed to credit risk of our customers and failure to collect our trade receivables in a timely manner may affect our financial condition and results of operations.

We extend credit to our customers as part of our ordinary course of business, and accordingly, are exposed to credit risks associated with our trade receivables. As of December 31, 2023, 2024 and 2025, the gross carrying amount of trade receivables was RMB1,038.9 million, RMB675.6 million and RMB349.6 million, respectively. Our trade receivables turnover days were 25 days, 53 days and 27 days in 2023, 2024 and 2025, respectively. We recorded loss allowance for credit losses on trade receivables of RMB13.7 million, RMB24.2 million and RMB25.6 million as of December 31, 2023, 2024 and 2025, respectively.

As our business continues to scale and our customer base grows, our trade receivables balance may further increase, which may heighten our exposure to delayed payments or defaults. We generally do not require collateral or other security from our customers in respect of such receivables. Any failure by our customers to settle outstanding balances in a timely manner, or at all, could result in higher impairment losses than previously anticipated. If our credit risk assessment models fail to accurately predict payment defaults, or if macroeconomic conditions change including due to rising interest rates, inflation, financial instability, or other events such as the COVID-19 pandemic, our customers may experience liquidity shortages, become insolvent, or seek to renegotiate their payment terms, which may adversely affect our ability to collect payments due to us. In certain cases, we may be required to initiate legal proceedings to recover overdue balances, which could result in additional costs and divert management’s attention. Any significant delay or failure in collecting our trade receivables may lead to a deterioration of our working capital position, negatively affect our cash flows, and in turn, materially and adversely impact our business, financial condition and results of operations.

We are exposed to foreign exchange risks arising from our business operations.

During the Track Record Period, we generated a substantial portion of our revenue and incurred a substantial amount of cost of sales and operating expenses denominated in RMB. However, we also conducted sales, purchases, and maintained cash balances in other currencies, primarily USD, HKD and Euro. As a result, fluctuations in the exchange rate of RMB against these foreign currencies may expose us to foreign exchange risks.

The value of RMB against USD, HKD, Euro, and other currencies is subject to fluctuations influenced by global political and economic conditions, monetary policies, trade relations, and market demand for foreign exchange, all of which are beyond our control. Any depreciation of RMB against these currencies could increase our cost of sales, operating expenses, and financial obligations denominated in foreign currencies, thereby adversely affecting our financial condition and results of operations. Conversely, any appreciation of RMB may impact the competitiveness of our foreign currency-denominated revenues, potentially affecting our profitability.

We did not hedge our foreign exchange risk during the Track Record Period. Given the inherent volatility in foreign exchange markets, any significant currency fluctuations could materially and adversely impact our business, financial condition, and results of operations.

Our results of operations are subject to seasonality.

Our services and results of operations exhibit certain seasonality, primarily driven by global e-commerce shopping cycles, air freight capacity dynamics and broader macro-environmental factors. Typically, the period from October to January of the following year represents the global peak season for cross-border e-commerce, encompassing major shopping festivals such as “Black Friday” and “Cyber Monday” in the United States, the Christmas shopping season in Europe and pre-Chinese New Year stock replenishment by Chinese merchants. During these peak months,

RISK FACTORS

cross-border transaction volume increases substantially, resulting in heightened demand for air freight capacity. The resulting supply-demand imbalance often drives up air freight rates and leads to a temporary rise in our fulfillment costs.

Because the timing, duration and intensity of holidays and promotional events vary each year across different markets, we may experience fluctuations in parcel volumes and operating performance from period to period. As a result, monthly or quarterly comparisons of revenue or results of operations may not be indicative of our overall performance or future trends, and our results of operations may continue to fluctuate due to these seasonal patterns.

Tightening labor market conditions, rising labor costs and potential labor unrest may adversely affect our business.

Our business requires a sizable workforce. Any inability to retain a stable, sufficiently skilled labor force may disrupt or delay the services we provide to end customers. We typically need to hire additional or temporary workers during peak e-commerce seasons and major promotional events, and we may experience short-term labor shortages during major holiday periods.

In recent years, we have observed an overall tightening and increasingly competitive labor market, and we have experienced, and expect to continue to experience, increases in labor costs arising from higher wages, expanding social benefit obligations, increased headcount requirements and changes in the regulatory environment. We also compete for workers with other logistics companies and labor-intensive industries, and we may not always be able to offer salaries and benefits that are competitive with those offered by our peers.

We may from time to time face labor-related claims or administrative proceedings in the ordinary course of business. Any labor unrest directed at us, whether strikes, work slowdowns or coordinated actions, could impede our normal operations, delay parcel processing and delivery, and lead to lower revenue if customer orders cannot be fulfilled in a timely manner. Moreover, widespread labor unrest in the logistics industry could tighten labor supply or prompt changes to labor laws, including increases in minimum wage or mandatory benefits. Any such developments could materially and adversely affect our labor cost structure, operational efficiency and overall business performance.

Our business is dependent on the transportation and internet infrastructure in countries and regions where we operate.

Our operations rely on the performance, reliability and stability of transportation infrastructure across the markets where we operate. Our business also depends on the availability, reliability and security of internet infrastructure. In many locations, alternative networks may be limited or unavailable, making us vulnerable to service interruptions. Disruptions, slowdowns or failures in internet networks could impair access to our information technology systems and mobile applications. If our services suffer frequent or prolonged interruptions, customer dissatisfaction could lead to reduced spending, ultimately harming our business, financial condition and results of operations.

We collect, process and use data, some of which contain personal information. Any privacy or data security breach could damage our reputation and brand and substantially harm our business and results of operations.

We have access to confidential information in our day-to-day operations. Each waybill contains the names, addresses, phone numbers and other contact information of the recipient of a parcel, while parcel content may also constitute or reveal confidential information. Properly utilizing and safeguarding such data is critical to upholding customer trust and confidence in our services.

RISK FACTORS

Our technology infrastructure also processes and stores confidential information for the proper functioning of our network. Security incidents such as breaches and hackings on our system could undermine the protective technologies we rely on for sensitive data. We may not be able to prevent third parties, especially hackers or other individuals or entities engaging in similar activities, from illegally obtaining confidential information. Such individuals or entities may further engage in various other illegal activities using such information. Additionally, as each parcel moves through our network from pickup to delivery, it is handled by numerous personnel who have access to the relevant confidential information. Some of them may misappropriate confidential information and breach our security policies and measures. Certain personnel with authorized access to relevant confidential information are not our employees, which makes it more difficult for us to implement sufficient and effective control over them.

Practices regarding the collection, use, storage, transmission and security of personal information have recently come under increased public scrutiny. Relevant regulatory frameworks worldwide are rapidly evolving and are likely to remain uncertain for the foreseeable future. Government bodies and agencies in U.S., the PRC and other countries and regions have in the past years adopted, and may in the future adopt, new laws and regulations on data protection and data privacy, all of which may subject us to additional compliance costs. These laws and regulations may be interpreted and applied in a manner that is inconsistent with our existing data management practices, and we could face fines, lawsuits, regulatory investigations, and other claims and penalties, and we could be required to fundamentally change our business practices, which could have an adverse effect on our business. Any inability to adequately address privacy, data protection, and data security concerns, even if unfounded, or any actual or perceived failure to comply with applicable privacy, data protection, and data security laws, regulations, and other obligations, could result in additional cost and liability to us, damage our reputation, inhibit sales, and adversely affect our business. Privacy, data protection, and data security concerns, whether valid or not valid, may inhibit market adoption of our logistics services.

Complying with evolving laws and regulations regarding cybersecurity, information security, privacy and data protection and other related laws and requirements may be expensive and may force us to make adverse changes to our business.

Laws and regulations governing cybersecurity, information security, privacy and data protection, are rapidly evolving, extensive and complex.

On July 30, 2021, the State Council promulgated the *Regulations 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. Competent authorities and administration departments of each important industry and field shall be responsible for formulating determination rules and determining the critical information infrastructure operator (the “CIIO”) in the respective critical industry or field. As of the Latest Practicable Date, we had not received any notification from relevant regulatory authorities regarding our identification as a critical information infrastructure operator. When providing cross-border logistics services, we have access to various operational and other data of shippers, buyers on cross-border e-commerce third-party platforms, employees and others. We cannot guarantee that authorities will not classify us as CIIO in the future. If we are deemed to be a CIIO, where we procure network products or services and such procurement affects or may affect national security, we would be required to follow applicable cybersecurity review and/or extra mandatory protective procedures. During such procedures, we may be required to suspend providing any existing or new services to customers and/or experience other disruptions of our operations, and such review could also result in negative publicity with respect to us and diversion of our managerial and financial resources.

On June 10, 2021, the Standing Committee of the National People’s Congress of China promulgated the PRC Data Security Law, which became effective in September 2021. The PRC Data Security Law provides for a national security review procedure for those data activities which may affect national security and imposes export regulations on certain data and information.

RISK FACTORS

On September 30, 2024, the State Council promulgated the *Regulations on the Administration of Cyber Data Security* (《網絡數據安全管理條例》) (the “**Data Security Regulations**”). According to the Data Security Regulations, network data processors that conduct network data processing activities which affect or may affect national security are required to undergo a national security review in accordance with the applicable PRC regulations. However, the criteria for determining “affect(s) or may affect national security” as stipulated in the Data Security Regulations, are still subject to further clarification by the CAC.

On December 28, 2021, the CAC, the NDRC, the MIIT, and several other administrations jointly promulgated the revised *Cybersecurity Review Measures* (《網絡安全審查辦法》) (the “**Review Measures**”), which became effective on February 15, 2022. According to the Review Measures, (i) where a critical information infrastructure operator procures network products or services, it shall assess in advance the potential national security risks that may arise after such products or services are put into use and, if such procurement affects or may affect national security, apply to the Cybersecurity Review Office for a cybersecurity review; (ii) an issuer who is an internet platform operator holding personal information of more than one million users shall file for a cybersecurity review with respect to its proposed listing on a foreign stock exchange; and (iii) the relevant PRC government authorities may initiate cybersecurity review if such government authorities determine that the issuer’s network products or services, or data processing activities affect or may affect national security. These and other similar legal and regulatory developments could reshape how we design our IT systems, how we operate our business, how our business partners and shippers process and share data, how we process and use data, and how we transfer personal data from one jurisdiction to another, which could impact demand for our services. We may incur relative costs to comply with such laws and regulations, to meet the demands of our customers relating to their own compliance with applicable laws and regulations, and to establish and maintain internal compliance policies.

Under the PRC regulatory framework governing cross-border data transfers, data processors transferring personal information or important data outside of China may be required to apply for a security assessment, enter into a CAC-prescribed standard contract, or obtain personal information protection certification, depending on the nature, volume, and sensitivity of the data involved. Certain exemptions are available under applicable PRC laws and regulations, including cross-border transfers of data that do not constitute personal information or important data, and for data that has not been notified or published as important data by the relevant authorities or regions. In particular, data collected or generated in activities such as international trade and cross-border transportation, to the extent that such data does not include personal information or important data, is not required to undergo procedures such as applying for a data export security assessment, entering into the standard contract for the cross-border transfer of personal information, or obtaining personal information protection certification. In addition, cross-border transfers of personal information that are necessary for the purpose of entering into or performing contracts to which individuals are parties, such as cross-border shopping, cross-border delivery or cross-border payment, are likewise not required to comply with the foregoing procedural compliance requirements. As advised by the PRC Legal Advisors, the regulatory authority of a specific sector and the local government authority shall determine the types of “important data” according to the Data Security Law and, as of the Latest Practicable Date, none of the data we transfer overseas has been identified or published as “important data” by the relevant authorities or regions. Therefore, as we do not process any important data under the relevant PRC laws and regulations, we are not subject to the requirements or obligations concerning the cross-border transfer of important data under the aforementioned regulations. Based on our current business operations, we do not provide personal information of individuals located within the PRC (such as senders) to overseas organizations or individuals. Accordingly, the compliance obligations and requirements applicable to the cross-border transfer of personal information of PRC individuals are currently not applicable to us. However, we cannot assure you that our business model, operational arrangements or data processing activities will not change in the future. Any such changes may result in our data

RISK FACTORS

processing activities being characterized as cross-border data transfers under applicable PRC laws and regulations, thereby subjecting us to additional compliance obligations, including data export security assessment, standard contractual arrangements or other regulatory requirements.

The interpretation and application of laws and regulations relating to cybersecurity, information security, privacy and data protection may evolve over time, which could increase our costs or require us to change our business practices, operational workflows, or service delivery models, potentially requiring significant resource allocation. Any failure or perceived failure to comply with applicable regulatory requirements may result in investigations, proceedings or enforcement actions against us, as well as negative publicity, each of which could damage our reputation, influence our corporate image, undermine customer confidence, and have a material adverse impact on our business and results of operations.

We are subject to risks inherent in the B2C cross-border e-commerce logistics services industry, including personal injury, product damage, and transportation-related incidents.

Our operations involve the handling and transportation of a large volume of parcels across our logistics network, exposing us to risks relating to parcel loss, theft, damage, delivery delays and operational safety incidents. Parcels in our custody may contain prohibited or hazardous items, including flammable, explosive or corrosive materials, which may result in safety incidents, regulatory penalties or liabilities for personal injury or property damage.

Our business also relies on extensive transportation and delivery operations involving vehicles, facilities and personnel. Traffic accidents, vehicle malfunctions, adverse weather, operational errors or other incidents may disrupt our operations and result in parcel losses, personal injury or property damage. In addition, interactions between our delivery personnel and customers or recipients may occasionally give rise to disputes or related claims.

Although we maintain insurance coverage for certain risks, such coverage may not fully compensate us for all losses or liabilities. Any significant incident, claim, regulatory action or reputational damage arising from our operations could increase our costs, disrupt our services and materially and adversely affect our business, financial condition and results of operations.

Damages to brand image and corporate reputation could materially and adversely impact our business.

We recognize that brand image and corporate reputation will grow increasingly vital to boosting competitiveness and sustaining business expansion. Our reputation may be adversely affected by various factors, including service quality, delivery delays, parcel loss or damage, customer complaints, operational incidents, negative publicity, disputes with customers or business partners, and actual or alleged non-compliance with applicable laws and regulations.

Negative publicity relating to our services, management, operations or industry may spread rapidly through online platforms and social media, regardless of whether such information is accurate. Any negative perception of our business or the cross-border logistics industry in general may reduce customer confidence, harm our relationships with customers and business partners, and adversely affect our ability to attract or retain customers.

If we fail to maintain our service quality, effectively manage customer relationships or respond appropriately to negative publicity or reputational incidents, our brand image, business prospects and results of operations may be materially and adversely affected.

RISK FACTORS

We face risks related to severe natural disasters and health epidemics, such as the COVID-19 pandemic, which could materially disrupt our operations.

Severe weather conditions, natural disasters or man-made crises, including storms, floods, fires, earthquakes, typhoons, epidemics, pandemics, conflicts, unrest, or terrorist attacks, may disrupt our business and result in decreased revenue. Customers may curtail their demand for logistics services or shipments, or our costs to operate our business may increase, either of which could exert a material adverse effect on us. Any such incidents could materially and adversely affect our ability to source services and supplies from our suppliers or to distribute packages throughout our markets.

The COVID-19 pandemic has resulted in significant disruptions in the global economy. Due to the surges in the number of COVID-19 cases in January 2023 in China, we experienced temporary labor shortage, which has caused delays in our services. We did not experience any major parcel delivery delay during the Track Record Period and up to the Latest Practicable Date. However, our operations, results of operations and financial condition could be further adversely affected if a wide spread of health epidemic happens again in regions where we have operations in the future.

We may not be able to obtain additional capital when desired, on favorable terms or at all.

We may require additional cash capital resources in order to fund future growth of our businesses, including investments in equipment, facilities and technological systems to remain competitive. If our existing cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets, governmental regulations over foreign investment and the e-commerce industry. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financing covenants that would restrict our operations. Any failure to raise needed funds on terms favorable to us, or at all, could severely restrict our liquidity as well as have a material adverse effect on our business, financial condition and results of operations. Moreover, issuance of equity or equity-linked securities could result in significant dilution to our existing shareholders.

We may not be able to prevent others from unauthorized use of our intellectual properties, which could harm our business and competitive position.

We regard our intellectual property rights as critical to our business. We rely on a combination of intellectual property laws, confidentiality arrangements and contractual protections to safeguard these rights. Legal frameworks, enforcement standards and regulatory practices vary significantly across the jurisdictions in which we operate, and in some markets, the legal systems and enforcement mechanisms remain underdeveloped or inconsistently applied. As a result, registering, maintaining or enforcing intellectual property rights may be difficult, and we may not be able to prevent third parties from misappropriating, copying or otherwise infringing our proprietary assets.

In addition, counterparties may breach confidentiality or license agreements, and we may have limited contractual remedies, particularly in jurisdictions where enforcement is weak or time-consuming. Policing unauthorized use of our intellectual property can be difficult, costly and not always effective, and the measures we take may not be sufficient to prevent misuse, reverse engineering, or unauthorized disclosure.

RISK FACTORS

If we choose to pursue litigation or administrative actions to enforce our rights, such proceedings may consume significant managerial time and financial resources, and there is no assurance that we will prevail or obtain adequate remedies. Any failure to adequately protect or enforce our intellectual property rights could weaken our competitive position, undermine our technology advantages, and materially and adversely affect our business, financial condition and results of operations.

We may be accused of infringing the intellectual property rights of others.

In the competitive and fast-evolving logistics and technology landscape, where patents, trademarks, copyrights, trade secrets and other intellectual property portfolios are increasingly complex and broadly asserted, third parties may from time to time allege that our services, technologies or branding infringe their proprietary rights. We implement measures designed to avoid knowingly infringing the intellectual property rights of others. However, we cannot eliminate the risk that third parties may nonetheless assert infringement claims against us.

Any such claims, whether or not successful or grounded in merit, may be costly and time-consuming to defend and could divert significant management attention away from our operations. If we are found to infringe any third party’s intellectual property rights, we may be required to pay substantial damages or penalties, cease using or offering the relevant technologies or services, or enter into licensing arrangements that may not be available on commercially reasonable terms, or available at all. We may also be subject to injunctions or other court-ordered restrictions that limit our ability to operate certain parts of our business.

We have limited insurance coverage, which may expose us to significant losses and operational disruptions.

We maintain various insurance policies in the PRC to mitigate risks inherent to our operations, including equipment insurance for our sorting centers and accident insurance, as well as compulsory motor vehicle liability insurance and commercial insurance such as automobile third-party liability insurance, vehicle loss insurance and driver/passenger liability insurance. In the U.S., we also maintain general commercial insurance and labor insurance in accordance with the requirements under relevant laws and regulations.

Our existing insurance coverage may not be sufficient to fully protect us against all potential losses or liabilities arising from our operations. We cannot assure you that any claim we submit will be approved in full, processed in a timely manner, or covered under the scope of our current policies. Any uninsured or under-insured events could result in substantial costs, operational disruption and diversion of management attention, which may materially and adversely affect our business, financial condition and results of operations.

In addition, insurance providers may increase premiums, impose more restrictive terms, or decline to renew certain policies based on our historical claims record. We may not be able to obtain insurance coverage of the types or at the levels we consider necessary or at commercially reasonable rates. Any inability to secure adequate insurance protection could further increase our exposure to operational and financial risks.

Our transfer pricing arrangements may be challenged by tax authorities, which could result in increased tax liabilities, penalties, and other adverse consequences.

Under the transfer pricing laws and regulations of the PRC, Hong Kong, and the U.S., related-party transactions are subject to scrutiny by the relevant tax authorities, and the relevant transfer pricing arrangements must generally comply with the arm’s length principle. During the Track Record Period, we engaged in intra-group transactions among our entities in the PRC, Hong Kong, and the U.S. See “Business — Intra-Group Transactions” for details. Following our consultation with the independent transfer pricing consultant we engaged and based on

RISK FACTORS

management’s assessment, our Directors are of the view that during the Track Record Period and up to the Latest Practicable Date, the above-mentioned inter-company transactions were in line with the arm’s length principle and we were in compliance with the relevant transfer pricing laws and regulations. There is no assurance that the relevant tax authorities will share this view in full.

If any tax authority determines that our intra-group transactions were not conducted on an arm’s length basis, it could impose transfer pricing adjustments, which may increase our taxable income in the relevant tax jurisdictions and result in additional tax liabilities. Such adjustments may also lead to double taxation if corresponding tax relief is not obtained in the counterparty jurisdiction. In certain cases, we may be unable to recover any excess tax paid from the relevant tax authorities in the PRC, Hong Kong, and the U.S.

In addition, if we fail to settle the reassessed taxes within the prescribed period, we could be subject to administrative penalties, such as late payment interest and surcharges. In addition, transfer pricing disputes are often complex and time-consuming, may involve extensive documentation and negotiation with multiple tax authorities, and could divert our management’s attention. Any such dispute or adjustment could materially and adversely affect our business, financial performance, and results of operations.

We have granted, and may continue to grant, share-based awards, which may further increase our share-based compensation, adversely affect our financial performance, and dilute existing Shareholders’ stake.

To motivate and encourage our talents to work with an entrepreneurial spirit and grow together with our Group, we granted share awards under the [REDACTED] ESOP. See “Statutory and General Information — D. [REDACTED] ESOP” in Appendix IV to this document. We believe such share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may continue to grant share-based awards in the future. As a result, our share-based compensation may increase, which may adversely affect our financial performance, and dilute existing Shareholders’ stake.

Failure to comply with relevant regulatory requirements relating to the social insurance and housing provident fund contributions for and on behalf of our employees may subject us to penalties and have an adverse impact on our financial conditions and results of operations.

During the Track Record Period, we failed to make full social insurance and housing provident fund contributions for certain of our employees as required by the applicable PRC laws and regulations. During the Track Record Period and up to the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the shortfall. See “Business — Employees — Social Insurance and Housing Provident Funds.”

In the unlikely event that we are required to settle the shortfall of social insurance contribution, if this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. In addition, pursuant to relevant PRC laws and regulations, in case of a failure to pay the full amount of housing provident fund, the competent PRC government authority may require us to pay the outstanding amount within a stipulated period. If the payment is not made within such stipulated period, an application may be made to the PRC courts for compulsory enforcement.

RISK FACTORS

We cannot assure you that we will not be subject to any order to rectify the non-compliance in the future, nor can we assure you that there are no, or will not be any, employee complaints regarding payment of the outstanding amount of the social insurance and housing provident fund contributions against us, or that we will not receive any claims in respect of the outstanding amount of the social insurance and housing provident fund contributions under the applicable laws and regulations.

Failure to comply with property-related laws and regulations in respect of certain of our leased properties may adversely affect our business, financial condition and results of operations.

As of the Latest Practicable Date, for four of our leased properties, we had not been provided by the lessors with the relevant title certificates or relevant authorization documents evidencing the lessors’ rights to lease such properties to us. As advised by our PRC Legal Advisors, without title certificate or proof of authorization from the property owners, our use of the defective leased properties may be affected by third parties’ claims or challenges against the leases. In addition, if the lessors do not have the requisite rights to lease the properties, the relevant lease agreements may be deemed invalid, and as a result we may be required to vacate the defective leased properties and relocate. Any third-party challenge against our leases could divert management attention and require us to incur additional costs to defend such claims, even if we ultimately prevail. We may have to identify alternative properties and incur additional costs in relocation.

As of the Latest Practicable Date, for four of our leased properties on collectively-owned land, we had not been provided by the lessors with consent from not less than two-thirds of the members of villager assembly or the representatives of the villagers. Our use of such leased properties may be challenged, and we may be required to vacate these properties. We may have to identify alternative land and incur additional costs in doing so.

As of the same date, we had one leased property constructed on allocated land. If the relevant lessor leases the allocated land use rights and the relevant building without obtaining proper approval, the related lease agreement may be deemed invalid, and as a result we may be required to vacate the defective leased property and relocate.

We are not aware of any material claims or actions being contemplated or initiated by government authorities, property owners or any other third parties with respect to our leasehold interests in or use of the abovementioned defective leased properties. However, we cannot assure you that our use of such leased properties will not be challenged in the future. In the event that our use of properties is successfully challenged, we may be forced to relocate the affected operations. We cannot assure you that we will be able to find suitable replacement sites on terms acceptable to us on a timely basis, or at all. As a result, our business, financial condition and results of operations may be materially and adversely affected.

Furthermore, as of the same date, we had not registered the lease agreements of certain leased properties with the relevant PRC government authorities. As advised by our PRC Legal Advisors, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each of the unregistered lease agreements if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period.

Failure to renew our leases or secure suitable premises for our facilities could materially and adversely affect our business.

We lease properties primarily for our offices, warehouses and sorting facilities. We may not be able to renew existing leases or secure suitable replacement premises on commercially reasonable terms, or at all. If we are required to relocate any facilities, our operations may be disrupted and we may incur higher rental, relocation and operating costs.

RISK FACTORS

As our logistics network continues to expand, we expect to require additional operational facilities in key locations. However, the supply of suitable logistics and industrial properties may be limited, and we face competition from other market participants for premises that meet our operational requirements. In addition, rental costs in certain regions may continue to increase.

If we fail to renew existing leases, secure suitable new premises in a timely manner or relocate affected operations efficiently, our operational continuity, network expansion plans and overall business performance may be materially and adversely affected.

We are subject to anti-corruption, anti-bribery, anti-money laundering, economic and trade sanctions and other laws and regulations.

We are subject to anti-corruption, anti-bribery, anti-money laundering (“**AML**”), economic and trade sanctions laws and other relevant laws and regulations in various jurisdictions where we operate. These laws and regulations impose obligations relating to customer identification, transaction monitoring, sanctions screening, record keeping and compliance management. As our business continues to expand across multiple jurisdictions, our compliance obligations and regulatory exposure may also increase.

In addition, we currently cooperate with certain third party payment channel to process payments for us, which are also subject to anti-money laundering obligations under applicable anti-money laundering laws and regulations, which require them to comply with certain anti-money laundering requirements, including the establishment of a customer identification procedure, the monitoring and reporting of suspicious transactions, the preservation of customer information and transaction records, and the provision of assistance to the public security department and judicial authority in investigations and proceedings in relation to anti-money laundering matters. If a third-party payment channel fails to perform its anti-money laundering obligations, it may be subject to fines or other proceedings in accordance with the relevant regulations, and in turn our reputation could suffer and we could become subject to regulatory intervention, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Unfavorable results of legal and regulatory proceedings could materially adversely affect our business and financial condition and performance.

We may, from time to time, be subject to legal and regulatory proceedings, disputes and claims that arise in the ordinary course of business. As our business grows and expands geographically, the number, scope and complexity of legal disputes and regulatory inquiries may increase accordingly. As of the Latest Practicable Date, we were not a defendant to any ongoing material litigation, arbitration or administrative proceedings, and we were not aware of any claims or proceedings contemplated by government authorities or third parties which would materially and adversely affect our business.

However, we may in the future be subject to or involved in lawsuits, contract disputes, employment-related controversies, regulatory inquiries, administrative penalties or other proceedings arising from our business operations across multiple jurisdictions. Such matters can require significant resources, including substantial costs for investigation, legal representation, litigation, and potential settlements, judgments, penalties or fines.

Legal and regulatory proceedings may also be time-consuming and divert management and key personnel from day-to-day operations, thereby affecting our operational efficiency. In addition, regardless of the merits of any claim or whether we ultimately prevail, any such proceedings may generate negative publicity, harm our reputation or unsettle our partners and customers. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations or liquidity.

RISK FACTORS

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

Changes in the political and economic policies, as well as the interpretation and enforcement law, rules and regulations, may affect our business, financial condition, results of operations and prospects.

Our operations span multiple jurisdictions, and we generate a substantial portion of our revenue from the PRC. The majority of our businesses, assets and operations are located in the PRC. As a result, our business, financial condition and results of operations are subject, to a significant degree, to the economic, political, social and regulatory environment in the PRC.

The PRC legal system is based on written statutes. Some of the current laws and regulations are relatively new and may be amended in the future and interpreted or enforced depending on the specific facts and circumstances, which may affect our judgment on the relevance of legal requirements and the value of your investment. The PRC government regulates the economy and the industries by imposing industrial policies and regulating the macroeconomy through fiscal and monetary policies. Our performance has been and will continue to be affected by the Chinese economy, while uncertainties stemming from global economic volatility, as well as geopolitical dynamics across various regions, will continue to exert influence on the China economy.

We are unable to anticipate all the risks that we face as a result of current economic, political, social and regulatory developments and many of these risks are beyond our control. All such factors may materially and adversely affect our business operations and financial performance.

You may experience difficulties in effecting service of the legal process upon us and our management and seeking recognition and enforcement of judgments against them across jurisdictions.

The legal systems across different jurisdictions vary significantly, which in turn leads to differences in the effecting service of legal process and the process of recognizing and enforcing any judgments. These processes are subject to treaties or arrangements providing for the recognition and enforcement of judgments made by courts of other jurisdictions.

As a result, [REDACTED] may encounter challenges in effecting service of process and/or recognizing and enforcing any judgments for disputes brought in other jurisdictions. We are a company incorporated under the laws of the PRC, and substantially all of our assets are located in the PRC. Substantially all of our Directors and senior management reside within the PRC, and the assets of our Directors and senior management are likely to be located within the PRC. As a result, it may be difficult for you to effect service of process within Hong Kong, the U.S. or elsewhere outside the PRC upon us or these persons, or to bring an action in Hong Kong against us or these individuals. Moreover, the PRC has not entered into treaties with certain other jurisdictions that provide for the reciprocal recognition and enforcement of judicial rulings and awards.

An original action may only be brought in the PRC against us or our Directors and senior management if the actions are not required to be arbitrated by the PRC laws and upon satisfaction of the conditions for commencing a cause of action pursuant to the civil procedure laws in the PRC.

We may be subject to additional regulatory requirements relating to new laws and regulations on overseas offerings and listings issued by PRC government authorities.

On February 17, 2023, the CSRC promulgated the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and five supporting guidelines, which took effect on March 31, 2023. According to the Overseas Listing Trial Measures, we, as a PRC domestic company seeking to [REDACTED] and [REDACTED] securities in overseas markets, are required to file with the CSRC within three working days after submitting the [REDACTED] application documents to the overseas supervisory authorities. In addition, pursuant to the Overseas Listing

RISK FACTORS

Trial Measures, issuers are also required to submit subsequent reports to the CSRC on relevant information or material events, such as change of control or voluntary or forced delisting of the issuers who have completed overseas offerings and listings.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of the PRC, and the National Archives Administration of the PRC published the *Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies* (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Archives Rules**”), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Overseas Listing Trial Measures and the Archives Rules may keep evolving, failure to comply with which may materially affect our business, results of operations or financial conditions.

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the [REDACTED] from such future financing activities into the PRC or take other actions to restrict our financing activities, which could have a material and adverse effect on our financial conditions and business prospects.

We are subject to the currency exchange regulatory system.

We expect that a large portion of our revenue will be denominated in Renminbi. A portion of our revenue may be converted into or from other currencies in order to meet our foreign currency obligations. For example, we need to obtain foreign currency to make payments of declared dividends, if any, on our H Shares. Under the existing PRC laws and regulations on foreign exchange, following the completion of the [REDACTED], we will be able to make dividend payments in foreign currencies by complying with certain procedural requirements and without prior approval from SAFE.

Fluctuations in the exchange rate of Renminbi against Hong Kong dollar, U.S. dollar and other foreign currencies are affected by, among other things, the changes in domestic and international political, economic conditions and monetary policies. The [REDACTED] from the [REDACTED] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our H Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. There can be no assurance that our business, financial condition and results of operations would not be adversely affected by the fluctuation in exchange rates in the future.

Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

RISK FACTORS

The preferential tax treatments granted by the PRC government may become unavailable.

During the Track Record Period, certain of our subsidiaries enjoyed preferential tax treatments. For example, the subsidiaries of Beijing Yanmaotong, Yanwen Information, Shanghai Mindatong, and Hangzhou Anzhi were eligible for preferential corporate income tax policies applicable to small and micro-sized enterprises. See Note 11 to the Accountants’ Report in Appendix I to this document for details. Any increase in the enterprise income tax rate applicable to our PRC subsidiaries in China, or any discontinuation, retroactive or reduction or refund of any of the preferential tax treatments currently enjoyed by our PRC subsidiaries in China, could adversely affect our financial condition.

Payment of dividends is subject to conditions under the PRC laws.

Dividends may be paid only out of distributable profits pursuant to the stipulation of the PRC laws. Distributable profits are defined as our profits after taxes as determined under the PRC GAAP or the IFRS Accounting Standards (whichever is lower) less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given period are retained and available for distribution in subsequent periods. Moreover, as the calculation of distributable profits under the PRC GAAP is different from the calculation under the IFRS Accounting Standards in multiple respects, our subsidiaries may not have distributable profits as determined under the PRC GAAP, even if they have profits for that period as determined under the IFRS Accounting Standards, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could adversely affect our cash flow and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares, and the liquidity and market price of our H Shares following the [REDACTED] may be volatile.

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

In addition, the [REDACTED] price and [REDACTED] volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including: developments in the global cross-border logistics industry; developments in laws and regulations in regions where we operate; political, economic, financial and social developments in regions where we operate and in the global economy; variations in our operating results; unexpected business interruptions resulting from natural disasters or outbreaks of contagious diseases; additions to or departures of, our executive officers and other members of our senior management; changes in financial estimates by securities analysts; announcements made by us or our competitors; [REDACTED] perception of us and of the [REDACTED] environment in regions where we operate; changes in pricing made by us or our competitors; acquisitions by us or our competitors; the depth and liquidity of the market for our H Shares; and release or expiry of lock up or other transfer restrictions on our H Shares or sales or perceived sales of H Shares by us or other Shareholders.

RISK FACTORS

Moreover, the capital market has ever and again experienced significant price and [REDACTED] volume fluctuations that were unrelated or not directly related to the operating performance of the underlying companies in the market. It is possible that our H Shares may be subject to changes in price not directly related to our performance and as a result, [REDACTED] in our H Shares may suffer substantial losses.

The conversion of Unlisted Shares into H Shares could increase the supply of H Shares in the market, which may negatively impact the market price of H Shares.

According to the stipulations by the CSRC and the Articles of Association, our Unlisted Shares may be converted into H Shares and such converted H Shares may be [REDACTED] or [REDACTED] on an overseas stock exchange, provided that prior to the conversion and [REDACTED] of such converted shares, the requisite internal approval processes have been duly completed and the filing with the CSRC has been duly completed. In addition, such conversion, [REDACTED] and [REDACTED] must comply with the regulations prescribed by the CSRC and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. We can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of shares for entry on the [REDACTED]. This could cause an increase in the supply of H Shares in the market, and future sales, or perceived sales, of the converted H Shares may adversely affect the [REDACTED] price of H Shares.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value, based on the mid-point of the [REDACTED] range. There can be no assurance that if we were to immediately liquidate after the [REDACTED], any assets will be distributed to Shareholders after the creditors’ claims. To expand our business, we may consider [REDACTED] and [REDACTED] additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the net tangible asset value per Share of their 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.

Future sales or perceived sales of substantial amounts of our securities in the public market, including any future [REDACTED] in the PRC, could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholdings.

Future sales of substantial amounts of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new H Shares or other securities relating to our H Shares, or the perception that such sales or issuances may occur could all cause a decline in the market price of our H Shares. Future sales, or perceived sales, of substantial amounts of our securities or other securities relating to our H Shares, including part of any future [REDACTED], could also materially and adversely affect the prevailing market price of our H Shares and our ability to raise capital in the future at a time and at a price which we deem appropriate.

Our Controlling Shareholders have significant influence over our Company and their interests may not be aligned with the interest of our other Shareholders.

Immediately following the [REDACTED], our Controlling Shareholders will hold in aggregate approximately [REDACTED]% of our Shares, assuming no exercise of the [REDACTED]. Our Controlling Shareholders will, through their voting power at the Shareholders’ meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition

RISK FACTORS

of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our Shares.

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

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

We may not pay any dividends on the Shares.

We cannot guarantee when, if, or in what form, dividends will be paid on the Shares following the [REDACTED]. A declaration of dividends must be proposed by our Board and will be based on, and limited by, various factors, including our business and financial performance, capital and regulatory requirements and general business conditions. Furthermore, we may not have sufficient profits to make dividend distributions to Shareholders in the future. Please see “Financial Information — Dividends and Dividend Policy” for more details on our dividend policy.

Certain facts, forecasts and statistics contained in this document are derived from various official sources and may not be complete or up to date. Information from official government sources has not been independently verified by us or any other parties involved in the [REDACTED].

We have derived certain facts and other statistics in this document, particularly the section headed “Industry Overview,” from information provided by the government. The information from official government sources has not been prepared or independently verified by us or any other parties involved in the [REDACTED], or any of our or their respective directors, affiliates, senior management, representatives or advisors, and, therefore, we cannot assure you as to the accuracy and reliability of such facts and statistics from official government sources, which may not be consistent with other information compiled inside or outside the PRC. You should consider carefully how much weight or importance you should attach to or place on such information or statistics.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain [REDACTED] information and other matters. The words “will,” “would,” “estimate,” “expect,” “anticipate,” “plan,” “aim,” “going forward,” “believe,” “may,” “intend,” “ought to,” “continue,” “project,” “should,” “seek,” “potential” and the negative of these words and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business forecasts and prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including

RISK FACTORS

those set out in “Risk Factors” in this document. Accordingly, such statements are not a guarantee of future performance, and you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

If securities or industry analysts do not publish research or reports about us or our business, or if they adversely change their recommendations, the market price and [REDACTED] volume of our H Shares may decline.

The [REDACTED] market for our H Shares will be influenced by research or reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the market price for our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or [REDACTED] volume of our H Shares to decline.

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

We strongly caution you to read the entire document carefully, rather than relying on any information contained in press articles or other media regarding us or the [REDACTED]. Prior to the publication of this document, there may have been and there may also be, subsequent to the date of this document but prior to the completion of the [REDACTED], press and media coverage regarding us and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.