An investment in our Shares involves risks. Prospective investors should consider carefully the risks described below, together with all other information contained in this document, before deciding to invest in our Shares. Some of the following risks relate principally to the industry in which we operate and our business in general. Other risks relate principally to general economic, political and regulatory conditions, the securities markets and ownership of our Shares, including possible future dilution in the value of our Shares. The risks described below are not the only ones we face. Additional risks not described below or not presently known to us or that we currently deem immaterial may turn out to be material. Should these risks occur or turn out to be material, our business, financial condition, results of operations, cash flow, prospects and reputation could be materially and adversely affected. The market price of our Shares could decline due to any of these risks and you may lose all or part of your investment. Unless quantified in the relevant risk factors set out herein, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

This document also contains forward-looking statements that involve risks and uncertainties. Our actual results of operations could differ materially from those anticipated in these forward-looking statements due to a variety of factors, including the risks described below and those discussed in the sections entitled "Financial Information," "Forward-Looking Statements" and elsewhere in this document.

RISKS RELATING TO OUR BUSINESS OPERATIONS

If we are unable to maintain our relationship with Midea Group or adapt to changes in the Midea ecosystem, or if the Midea ecosystem does not grow as expected, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We and Midea Group have developed a strategic and synergistic relationship. We provide integrated supply chain logistics solutions to Midea Group. In 2023, 2024 and 2025, we generated revenue of RMB5,937.7 million, RMB7,675.2 million and RMB8,500.9 million from Midea Group, respectively, representing approximately 36.6%, 41.1% and 39.6% of our revenue for the respective periods. We may from time to time procure certain products and services from Midea Group and/or its associates. See "Relationship with the Controlling Shareholders" and "Connected Transactions." We expect to continue our cooperation with Midea Group in various aspects after the **[REDACTED]**. However, the business strategies and operational focuses of Midea Group have evolved in the past and may continue to evolve in the future. As such, if Midea Group discontinues its cooperation with us, we may have to renegotiate with Midea Group for the cooperation or support, attempt to approach other business partners as replacements, seek alternative revenue sources, or build certain capabilities on our own, which may be expensive, time-consuming and disruptive to our operations. If we are unable to maintain our relationship with Midea Group, our business and operations could be severely disrupted, which could materially and adversely affect our reputation, results of operations and financial condition.

Our business and growth are significantly affected by the development of macroeconomic and other factors globally and in China that affect demand for supply chain logistics solutions and services.

We are a recognized integrated supply chain logistics solutions provider in China. We serve over 17,000 customers in China, covering a number of verticals across the home appliances, FMCG, automotive and auto parts sectors, many of whom are industry leaders in their own verticals. Our business and growth are highly dependent on the viability and prospects of our customers' businesses, which drive demand for logistics solutions and services, including ours, in China and globally in the future. Any uncertainties relating to the growth, profitability or regulatory regime of macroeconomic and other factors in the current and future jurisdictions where we operate could have a significant impact on us. These factors, most of which are beyond our control, include: (i) macroeconomic and policy factors, (ii) the selection, price and popularity of products offered by our customers; (iii) the emergence of alternative channels or business models that better suit the needs of our customers; (iv) changes in laws and regulations, as well as government policies that govern the supply chain logistics industry; (v) changes in politics, including geopolitical tensions, military conflicts (such as the Russia-Ukraine conflict), political turmoil and social instability; (vi) changes in international trade policies, geopolitics and trade protection measures, export control, economic or trade sanctions and investment restrictions that impact our customers' demand for our services; (vii) the development of logistics, payment and other ancillary services associated with logistics; and (viii) the growth of broadband and mobile Internet penetration and usage.

We expect the supply chain logistics industry to continue evolving in its forms and changing the ways in which business is transacted. As such, new opportunities and challenges may arise that drive further demand for innovative, efficient, reliable and cost-effective logistics solutions and services. If the logistics industry does not grow or develop as we expected, or if we cannot effectively adapt to such industry trends, our market leadership position, results of operations and prospects may be materially and adversely affected.

The success of our business depends on our ability to attract a wide array of customers and maintain a high level of customer satisfaction and stickiness, and any failure to do so would materially and adversely affect our business, financial condition, results of operations and prospects.

We offer reliable and differentiated supply chain logistics solutions and services to a wide array of customers, spanning sectors such as home appliances, home furnishings, FMCG, and new energy industries. Maintaining and promoting customer satisfaction of, and loyalty to our services and solutions, logistics network and our brand is critical to our future growth. Many factors could undermine our ability to effectively attract new customers and maintain customer satisfaction and stickiness, including: (i) failure to satisfy customer expectations of the reliability, efficiency, quality and cost-effectiveness of logistics solutions and services available through our network; (ii) failure in maintaining a reliable and effective technology infrastructure and the effectiveness of our intelligent, data-driven logistics processes and systems; (iii) inadequate protection of the security and integrity of the data on our platform; (iv) negative publicity about us, our network, our logistics partners, Midea Group, or the industries in which we operate; (v) negative perceptions of the effectiveness and robustness of our risk management and compliance functions, such as logistics safety management; and (vi) employee misconduct, illegal activities, rumors or false stories, or misconduct by our logistics partners, service providers or other counterparties.

If we do not successfully maintain a high level of customer satisfaction, we may not be able to attract new customers, retain existing customers or increase their use of our solutions and services, which may adversely and materially affect our business and results of operations. Meanwhile, if our promotional activities and marketing strategies do not work efficiently, we cannot cost-effectively attract new customers or maintain our selling and marketing expenses at a reasonable level.

We may not be able to continue to innovate in supply chain logistics solutions, services and technologies.

Failure to continue to do so may make it difficult to differentiate ourselves from other companies providing similar services and could damage our position and erode our market share.

The business environment in which we operate is characterized by rapidly changing technologies, evolving industry standards and regulations and changing customer demand and trends. Our success will also depend, in part, on our ability to identify, develop, acquire or license leading logistics technologies useful for our business, and respond to technological development and evolving industry standards and regulations in a cost-effective and timely manner. Since our inception, we have continuously innovated in solutions and technologies to address unmet customer needs. For details, see "Business — Our Technology." As a result, we must continue to invest significant resources in research and development to enhance our technology capabilities, encompassing Internet of Things ("**IoT**") and other smart hardware, automation and artificial intelligence ("**AI**"), among others. In 2023, 2024 and 2025, our research and development expenses amounted to RMB170.7 million, RMB199.0 million and RMB263.8 million, respectively. If we are unable to respond or adapt in a cost-effective and timely manner to technological development, our business, financial condition and results of operations could be materially and adversely affected.

Failure to maintain positive relationships with logistics partners, suppliers or other service providers, or failure of them in providing reliable or satisfactory services, could have a material adverse effect on our business, financial condition and results of operations.

We leverage our logistics partners' capabilities in providing certain standard services, such as warehousing and line-haul transportation services. Furthermore, we engage other types of suppliers and service providers, such as IoT device manufacturers, to support various aspects of our product development and business operations. In 2023, 2024 and 2025, our procurement costs for logistics capacity and warehousing resources, which were primarily paid to our logistics partners and other service providers, amounted to RMB13,818.6 million, RMB15,983.7 million and RMB18,472.1 million, respectively, representing 85.2%, 85.6% and 86.1% of our total revenue for the same periods.

Our ability to secure sufficient high-quality resources to meet our customer needs at competitive prices is subject to inherent risks, many of which are beyond our control, such as labor shortages or disputes, network congestion, inclement weather, severe and unanticipated natural events, acts of terrorism as well as unfavorable regulatory changes. It may be difficult to find reliable logistics partners, suppliers or other service providers whose performance and reliability meet our standards at the scale our operations require, which may restrict our ability to further expand our network.

We may be unable to find suitable alternative third parties in a timely manner, on commercially reasonable terms or at all.

We may not be able to maintain positive relationships with, or effectively supervise our logistics partners, suppliers or other service providers, which may negatively affect the quality of our supply chain logistics solutions and services and result in additional exposures to legal risks and liabilities. This includes risks such as partners causing fire hazards or fires due to inadequate warehouse management, or damage to goods or transportation accidents resulting from poor cargo transportation management. Some of these third parties, such as providers of our integrated last-mile delivery & installation services, have a significant amount of direct interactions with consumers and their performance is directly associated with our brand and reputation. On the other hand, as we manage relationships with these third parties with contractual agreements, we may not be able to supervise their performance as effectively as if we had full control over them. There is no assurance that unsatisfactory performance or unlawful behavior will not occur. In such cases, as well as in cases of losses, stolen or damages of parcels, we may experience customer complaints, service disruptions and our reputation may be materially and adversely affected. We also may be subject to legal risks and liabilities, including administrative fines, if our logistics partners, suppliers or other service providers fail to obtain the requisite licenses and permits, are subject to legal complaints or otherwise fail to comply with laws and regulations.

Furthermore, we engage outsourcing and third party firms who send large numbers of their employees to work at our logistics facilities. We enter into agreements with such outsourcing and third party firms only and therefore do not have any direct contractual relationship with these outsourced personnel. Since these outsourced personnel are not directly employed by us, our control over them is more limited as compared to our own employees. If any outsourced personnel fails to operate or perform his or her duties in accordance with our protocols, policies and business guidelines, our market reputation, brand image and results of operations could be materially and adversely affected. If the outsourcing and third party firms violate any relevant requirements under the applicable PRC labor laws, regulations or their employment agreements with the personnel, such personnel may claim compensation from us as they provide their services at our logistics facilities. As a result, we may incur legal or financial liabilities.

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

We face direct and indirect competition, principally from other China domestic providers of similar services, such as supply chain, logistics technology and other related services. We compete based on a number of factors, including industry insights, technology capabilities, network coverage, our distinctive "1+3" business model, collaborative relationships with industry leaders and operating efficiency. However, we may not be able to successfully compete against current or future competitors, and such competitive pressures may have a material and adverse effect on our business, financial condition and results of operations.

Our current and potential competitors may have more service offerings, larger customer bases, broader network coverage, stronger brand recognition, greater capital resources and longer operating histories than we do. As a result, our competitors may be able to respond more quickly and effectively to new or evolving opportunities, technologies, standards or customer requirements than we do and may have the ability to initiate or withstand significant regulatory or industry changes. Our competitors may also establish collaborative relationships or strategic alliances to improve their ability to address the needs of customers. Furthermore, when we expand into new industries or geographic markets, we may face competition from new competitors who may also enter the industries or geographic markets where we currently operate or will operate.

Furthermore, the logistics industry is highly price competitive. Our competitors may reduce their prices to gain business, especially during times of slower market demand growth, and such reductions may limit our ability to maintain or increase our prices and operating margins or achieve growth of our business. For example, during the Track Record Period, competition intensified as our competitors increased their investments and offered lower prices, longer credit terms, or leveraged advantages arising from special qualifications. As a result, we experienced the loss of certain key customers, with the revenue attributable to such lost customers amounting to RMB46.8 million, RMB103.4 million, and RMB61.0 million, respectively. Increased investments made and lower prices offered by our competitors may also require us to divert significant managerial, financial and human resources in order to remain competitive. We generally do not seek to compete based on price alone, but rather focus on innovating and differentiating our solutions and services in order to fulfill unmet market demand. If we fail to do so effectively while offering competitive pricing, our market share, profitability and results of operations may be materially and adversely affected.

We have historically operated with a relatively low net profit margin, which makes our profitability sensitive to revenue and cost fluctuations and economic downturns.

Given the competitive nature of our industry and our asset-light business model, we have historically operated with a relatively low net profit margin. During the Track Record Period, our net profit margins ranged from 1.8% to 2.1%. According to CIC, such margin levels are characteristic of integrated supply chain logistics providers in China that adopt an asset-light model, reflecting the significant portion of costs attributed to procuring third-party logistics capacity.

However, this margin profile provides a limited buffer against adverse events. It magnifies the impact of any fluctuation in our costs (such as fuel or labor) or revenue. In the event of an economic downturn, customers may reduce logistics spending or exert pricing pressure. Given our relatively low margin, even a minor decline in revenue or a slight increase in costs that cannot be passed on to customers could disproportionately impact our profitability and potentially result in net losses. This could materially and adversely affect our business, financial condition and results of operations.

We may not be able to expand and strengthen our logistics network, such as warehouses, in a capital-efficient and cost-effective manner.

We develop, manage and operate our logistics network through a combination of self-owned, leased and managed facilities. In particular, we seek to control assets and capabilities such as warehouses in critical hubs to ensure efficient and responsive distribution, as well as leased and managed warehouses to expand our coverage and enhance flexibility. In line with our strategy to optimize capital utilization, we control many of these key nodes not only through ownership of the relevant properties but also through leases. As such, our control over these assets will depend upon our ability to maintain such arrangements. If we fail to maintain such arrangements on terms acceptable to us or at all, we may lose control over the critical nodes and the capacity and service quality of our logistics network may be materially and adversely affected.

We plan to further expand and strengthen our network of logistics infrastructure and capabilities. Our ability to do so in part depends on whether we can continue to identify and control critical logistics nodes in a capital-efficient manner. When carrying out such network expansion plan, we are subject to a variety of risks. Properties that best suit our needs may not be available on commercially acceptable terms, in a timely manner or at all. Our ability to lease or acquire properties depends on a variety of factors, some of which are beyond our control, such as overall economic conditions, the availability of properties for lease, our effectiveness in identifying, leasing or acquiring properties suitable for our network and operations, competition for such properties, and the time needed to obtain relevant government approvals. Properties located in convenient locations or connected by quality roads, highways and railroad access may command a premium price, which may exceed our budget. We also may not be able to recruit a sufficient number of qualified employees to operate additional facilities and equipment. In addition, if our anticipated needs for facilities, fleets, equipment or personnel differ materially from actual usage, our operations may have more or less capacity than is optimal.

To effectively manage our continued expansion, we will need to continue to improve our personnel management, operational and financial systems, policies, procedures and control measures, among others, which could be particularly challenging as we integrate new businesses with different and incompatible systems in new industries or geographic areas. These efforts will require significant managerial, financial and human resources. If we are not able to manage our growth effectively, our business and prospects may be materially and adversely affected.

Even if we manage the expansion of our network successfully, it may not give us the competitive advantage that we expect if similar supply chain logistics solutions and services become widely available at competitive prices to our existing and potential customers. We may not be able to realize returns on our investments, or the returns may be lower, or may be realized more slowly, than we expected. In addition, for self-owned properties, the carrying value of the related assets may be subject to impairment.

Failure to maintain or improve our technology infrastructure could harm our business and prospects.

We have built a full technology stack to digitalize and automate various aspects of the logistics value chain consisting of our core suite of software applications, interfaces and systems and our logistics systems depend on the efficient and uninterrupted operation of our computer and communications systems. We and certain of our logistics partners have experienced, and may experience in the future, system interruptions and delays that render websites, mobile apps and services temporarily unavailable or slow to respond. Despite any precautions we may take, unanticipated problems could result in delays in or temporary outages of our platforms or services, loss of our, consumers' and customers' data and business interruptions for us and our customers. If we experience issues with the performance and reliability of such applications, interfaces or systems, or are unable to properly maintain them in order to address customers' business needs, our business, financial condition, results of operations and prospects, as well as our reputation and brand, could be materially and adversely affected. Furthermore, we have applied intelligent hardware technologies throughout our logistics network, encompassing IoT, hardware automation, among others. Any errors, defects or malfunctioning of such hardware may disrupt our logistics operations, increase safety and security risks and result in poor customer experience, which would materially and adversely affect our business and reputation.

In addition, our technology infrastructure incorporates third-party-developed software, systems and technologies, as well as hardware purchased or commissioned from third-party suppliers. As our technology infrastructure expands and becomes increasingly complex, we face increasing risks regarding the performance and security of our technology infrastructure that may be caused by these third-party-developed components, including risks relating to incompatibilities with existing technology components, service failures or delays or difficulties in integrating back-end procedures on hardware and software.

Adopting new technologies and maintaining and upgrading our technology infrastructure require significant investments of time and resources. Any failure to maintain and improve our technology infrastructure could result in unanticipated system disruptions, slower response times, impaired customer experience and delays in reporting accurate operating and financial information, among other consequences. The risks of these events occurring are even higher during certain periods of peak usage and activity.

If our customers reduce their expenditure in third-party supply chain logistics solutions and services, our business, financial condition and results of operations may be adversely affected.

As an integrated supply chain logistics solutions provider, our business strategies are partially based on the assumption that third-party service providers like us are generally able to provide supply chain logistics solutions and services more efficiently than otherwise could be provided "in-house," primarily as a result of our expertise, technology and cost efficiency. However, many factors could cause a trend reversal. If our customers are able to improve the capabilities and cost structure of their in-house logistics and supply chain activities, our supply chain logistics solutions and services may not be deemed as an attractive alternative meeting our customers' demands, and our business, financial condition and results of operations may be materially and adversely affected.

We may experience any negative publicity that results in severe damage to our brand image or reputation.

We believe that our brand image and corporate reputation, play an increasingly important role in enhancing our competitiveness and maintaining our business growth. Our ability to manage our brand image depends on whether we could successfully provide distinctive and premium services to our customers, manage complaints and negative publicity, and maintain positive perception of us. Furthermore, many other factors, some of which are beyond our control, may negatively impact our brand image and corporate reputation if not properly managed. Service quality issues, actual or perceived, even when false or unfounded, could tarnish the image of our brand and may cause customers to use other supply chain logistics solutions providers. Also, adverse publicity surrounding labor relations, environmental concerns, security matters and the like, or attempts to connect us to these sorts of issues, could negatively affect our overall reputation and acceptance of our services by customers. Damage to our reputation and loss of brand equity could reduce demand for our services and thus have an adverse effect on our business, financial condition and results of operations, and could require additional resources to rebuild our reputation and restore the value of our brand.

In addition, our brand image or reputation may be materially and adversely affected by adverse news, scandals or other incidents associated with the logistics industry. Incidents that cast doubt on the safety of cargo and parcels or the safety of delivery personnel in the logistics industry, including incidents involving our competitors, have been, and may continue to be, subject to media attention and widespread coverage. Such incidents may damage the reputation of not only the parties involved, but also the logistics industry in general and us, even if such parties or incidents have no relation to us, our management, employees, suppliers or other business partners.

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

Our cost of services primarily consists of cost of procurement for logistics capacity and warehousing resources and direct labor expenses. In 2023, 2024 and 2025, our procurement costs for logistics capacity and warehousing resources, which were primarily paid to our logistics partners and other service providers, amounted to RMB13,818.6 million, RMB15,983.7 million and RMB18,472.1 million, respectively, and our direct labor expenses amounted to RMB648.9 million, RMB720.7 million and RMB796.3 million, respectively. See "Financial Information — Principal Components of Results of Operations — Cost of services." If we are unable to effectively control our costs by securing sufficient labor, transportation, facility and other resources at competitive prices, our business, results of operations and profitability may be materially and adversely affected.

Effective cost-control measures have a direct impact on our financial condition and results of operations. See "Financial Information — Factors Affecting Our Results of Operations," and "— Overall tightening of the labor market, increases in labor costs or any labor unrest, including strikes, may affect our business as we operate in a labor-intensive industry." Moreover, we depend on reliable access to third parties to provide certain services that we procure and manage, such as line-haul transportation. Any significant reduction in the availability of, or increase in the costs associated with, third-party products or services could adversely affect our operations and increase our costs, which could adversely affect our operating results and cash flows.

As we aim to expand to new geographic markets, our cost structures may be affected by local conditions, such as fluctuations in prevailing wage levels, foreign exchange rates and local regulatory requirements. We may not be able to effectively adapt to local conditions or obtain local resources at competitive costs.

We have recorded net current liabilities during the Track Record Period, which could expose us to liquidity risks.

As of December 31, 2023, 2024 and 2025, we had net current liabilities of RMB861.3 million, RMB1,299.0 million and RMB783.2 million, respectively. The major components of our current liabilities during the Track Record Period were trade and other payables to our suppliers and service providers, which is a feature of our asset-light business model. Such position can expose us to the risk of shortfalls in liquidity. This in turn could require us to seek adequate financing, such as external debt, which may not be available on commercially reasonable terms, or at all. Although we have historically generated positive cash flows from operations, any difficulty or failure to meet our liquidity needs could have a material adverse effect on our financial condition, results of operations and prospects. Our net current liabilities position may persist or worsen if, for example, our profitability deteriorates or we are required to make significant capital expenditures. For a discussion of factors regarding our ability to meet our payment obligations, see "Financial Information — Net Current Liabilities."

We may face challenges in expanding our logistics business and operations.

As we seek to establish and grow our international business, we face risks associated with expanding into, and operating in, an increasing number of geographic markets. In particular, the expansion of our international logistics business will expose us to risks and challenges inherent in operating businesses globally, including: (i) challenges in applying or adapting our policies and procedures to operating environments across various global markets, including technology, logistics infrastructure as well as corporate culture; (ii) challenges in maintaining efficient and consolidated internal systems, including information technology infrastructure, and in achieving customization and integration of these systems with the other parts of our global network; (iii) differing, complex and potentially adverse customs, import/export laws, tax rules and regulations or other trade barriers or restrictions, related compliance obligations and consequences of non-compliance, and any new developments in these areas; (iv) obtain or maintain the necessary licenses, permits and authorizations to operate our businesses; (v) failure to attract and retain capable talents with international perspectives who can effectively manage and operate our overseas local businesses; (vi) risks related to changing local laws and regulations, including those relating to supply chain logistics solutions and services, privacy and data security, employment and labor protection, anti-corruption and anti-money laundering and increased compliance costs across different legal systems, including the need for increased resources to manage regulatory compliance across our international businesses; (vii) exchange rate fluctuations, which may have a negative impact on our revenues in foreign currencies or result in foreign exchange loss; and (viii) political instability and general economic or political conditions in particular countries or regions, including territorial or trade disputes, war and terrorism.

Failure to manage these risks and challenges could negatively affect our ability to expand our international logistics business and operations as well as materially and adversely affect our business, financial condition and results of operations.

We have historically engaged in third-party payment arrangements and are subject to associated risks.

During the Track Record Period and up to the Latest Practicable Date, certain of our customers settled payments with us through accounts belonging to parties other than the contractual counterparties under the corresponding sales and purchase agreements or relevant parties who assumed unlimited personal liabilities for the payment obligations thereunder (the "**Third-Party Payment Arrangement(s)**"). As of December 31, 2023, 2024 and 2025, the aggregate amounts of such payments were approximately RMB47.0 million, RMB34.8 million and RMB8.0 million, respectively, representing 0.3%, 0.2%, and 0.0% of the Company's revenue for the respective periods. See "Business — Our Customers — Sales and Marketing — Third-Party Payment Arrangements."

We are subject to various risks relating to such Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date, including possible claims from third-party payors for return of funds as they were not contractually indebted to us, and possible claims from liquidators of third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings instituted or brought against us in respect of the historical Third-Party Payment Arrangements, we will have to spend significant financial and managerial resources to defend against such claims and legal proceedings, and our financial condition and results of operations may, as a result, be adversely affected.

Overall tightening of the labor market, increases in labor expenses or any labor unrest, including strikes, may affect our business as we operate in a labor-intensive industry.

Our business requires a substantial number of personnel. Our direct labor expenses recorded under our cost of services accounted for 4.0%, 3.9% and 3.7% of our total revenue in 2023, 2024 and 2025, respectively. Any failure to retain stable and dedicated labor by us may lead to disruptions to or delays in our services. We also hire additional or temporary workers, in particular logistics and delivery personnel, during peak periods of e-commerce activities. In 2023, 2024 and 2025, our costs for such additional or temporary workers were RMB45.8 million, RMB51.7 million and RMB63.8 million, respectively.

We have experienced, and expect to continue to experience, increases in labor expenses due to increases in salaries, social benefits and employee headcounts and we may also face seasonal labor shortages. We may compete with other companies for labor, and we may not be able to offer competitive salaries and benefits compared to what other companies do. If we are unable to secure sufficient labor resources at reasonable costs, our business and results of operations may be materially and adversely affected.

Our business and technologies collect and process data, and the improper use or disclosure of data could result in regulatory investigations and penalties, and harm our reputation and our business.

Our business and technologies collect and process transactional data, as well as certain consumer data in connection with our last-mile delivery and installation solutions. For details, see "Business — Data Privacy and Cybersecurity." We face risks inherent in handling and protecting large volumes of data, especially consumer data. In particular, we face a number of challenges relating to data from transactions and other activities during our business operation, including: (i) protecting the data in and hosted on our system, including against attacks on our system by external parties or misbehavior by our employees; (ii) addressing concerns, negative publicity and litigation related to data privacy, collection, use and actual or perceived sharing for promotional and other purposes, including challenges posed by new forms of data (for example, biometric data, location information and other demographic information); and (iii) complex and evolving applicable laws, rules and regulations relating to the collection (from customers and other third-party systems or sources), use, storage, transmission and security of personal data, including requests from data subjects and regulatory and government authorities.

These challenges are heightened as we aim to expand our business into jurisdictions with different legal and regulatory regimes. If our customer data is improperly used or disclosed by any party, or if we were to be found in violation of any data-related laws, rules or regulations, including those relating to collection and use of customer data, it could result in a loss of customers, logistics partners and other participants from our logistics network, suspension of service or blockage of access to mobile app services, loss of confidence or trust in our platforms, litigation, regulatory investigations, significant amounts of penalties or actions against us, significant damage to our reputation or even criminal liabilities, and have a material adverse effect on our business and prospects.

As permitted by our privacy policies and user agreements, we grant expressly limited access to specified data to certain participants in our logistics network that provide services to our customers. Any actual or perceived improper use of data by us or them, and any systems failure or security breach or lapse on our or their part that results in the release of customer data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability or regulatory actions. This could also attract negative publicity from media outlets, privacy advocates, our competitors or others and could adversely affect our business and prospects.

Our operations are subject to complex and evolving laws and regulations, which may impose additional requirements and other obligations that could materially and adversely affect our business, financial condition and results of operations, as well as the trading prices of our Shares.

Our business operations are regulated by a broad range of laws, rules and regulations, which encompass road transportation, parcel screening and compliance, safety management, labor and employment, tax, environmental, personal information protection, privacy, consumer protection, anti-monopoly and anti-unfair competition, among others. The complexity of these regulations increases our compliance costs and operational risks. Any failure to comply with applicable laws, regulations and policies may subject us to administrative proceedings, fines or other penalties, and materially and adversely impact our business, reputation, financial condition and results of operations.

Furthermore, we are subject to various labor-related laws and regulations in mainland China. For example, we are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of our employees in mainland China. According to the Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》), we are required to set up housing provident fund accounts (住房公積金賬戶) and pay the housing provident fund in time and in full for our employees. According to the PRC Social Insurance Law (《中華人民共和國社會保險法》), a mainland China enterprise is required to obtain social insurance certificates (社會保險登記證) for its employees and to pay the social insurance contributions in time and in full. There is no assurance that our historical and current practice with respect to the contribution of social insurance plans will at all times be deemed in full compliance with relevant laws and regulations in mainland China by government authorities. In the event of any such non-compliance, we may be required to pay any shortfall in social insurance contributions within a prescribed time period and to pay penalties if we fail to do so.

Under relevant PRC laws and regulations, if we fail to pay the full amount of social insurance contributions as required, the relevant authorities may order us to pay the outstanding amount within a prescribed time limit with a late fee of 0.05% per day. If we fail to make such payment within the prescribed period, we may be subject to a fine ranging from one to three times the outstanding amount. For housing provident funds, we may be ordered to pay the outstanding amount within a prescribed time limit, failing which the relevant authorities may apply to the PRC courts for compulsory enforcement. As of the Latest Practicable Date, we had not received any order from the relevant authorities demanding payment of the shortfall or imposing any penalties.

As we aim to further expand into more markets globally, we will also increasingly become subject to additional legal and regulatory compliance requirements as well as political and regulatory challenges, including scrutiny on data privacy and security and anti-money laundering compliance, on national security grounds or for other reasons, in foreign countries in which we conduct business or investment activities.

We face risks associated with items delivered and contents of inventories handled through our logistics network, and risks inherent in the logistics industry, including personal injury, product damage as well as warehousing and transportation-related incidents.

We handle a large volume of inventory across our logistics network for our supply chain logistics solutions. Accordingly, we face challenges with respect to the protection and examination of our inventory. For example, shipments in our network may be delayed, stolen, damaged or lost during delivery for various reasons, and we may be perceived or found liable for such incidents. In addition, we may fail to screen inventory and detect unsafe or prohibited/restricted items. Unsafe items and contraband, such as flammables and explosives, toxic or corrosive items and radioactive materials, may damage other inventory in our network, harm the personnel and assets of us, or even injure the recipients and may expose us to environmental risks. Furthermore, if we fail to prevent prohibited or restricted items from entering into our network and if we participate in the storage, transportation and delivery of such items unknowingly, we may be subject to administrative or even criminal penalties, and if any personal injury or property damage is concurrently caused, we may be further liable for civil compensation.

Providing supply chain logistics solutions and services involves inherent risks. We constantly have a large number of vehicles and personnel in transportation, and are therefore subject to risks associated with transportation safety, and the insurance maintained by us may not fully cover the liabilities caused by transportation related injuries or loss. From time to time, vehicles and personnel may be involved in transportation or other types of accidents, and the parcels carried by them may be lost or damaged. In addition, frictions or disputes may occasionally arise from the direct interactions between delivery personnel with consumers coming to pick up or send parcels.

Any of the above could disrupt our services, cause us to incur substantial expenses and divert the time and attention of our management. We may face claims and incur significant liabilities if found liable or partially liable for any of injuries, damages or losses. Claims against us may exceed the amount of our insurance coverage, or may not be covered by insurance at all. Any uninsured or underinsured loss could harm our business and financial condition. Governmental authorities may also impose significant fines on us or require us to adopt costly preventive measures. Furthermore, if our services are perceived to be insecure or unsafe by our customers, our business volume may be significantly reduced, and our business, financial condition and results of operations may be materially and adversely affected.

We depend on key management as well as experienced and capable personnel generally, and any failure to attract, motivate and retain our staff could severely hinder our ability to maintain and grow our business.

Our future success is significantly dependent upon the continued service of our key executives and other key employees. If we lose the services of any member of management or key personnel, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new staff. Retirements and successions in key personnel positions could result in disruptions, or perceived disruptions, in our operations and the execution of our strategy.

The size and scope of our logistics network also require us to hire and retain a wide range of capable and experienced personnel. We will need to continue to attract and retain experienced and capable personnel at all levels. Any failure to attract or retain key management and personnel could severely disrupt our business and growth.

Our business model involves capital expenditures, which may not generate returns or achieve intended economic benefits in the short term, or at all.

Our business model involves capital expenditures, including expenditures on purchases of equipment, as well as construction of warehouses in connection with the growth of our business. Capital expenditures are associated with certain inherent risks. The amount and timing of capital expenditures depend on various factors, including, among other things, the projected business need. We must estimate the volume of components and finished goods inventory going through our network and the corresponding requirements for logistics infrastructure and network, and make capital commitments based on these projections before they are actually needed. In 2023, 2024 and 2025, we incurred capital expenditures (representing payments for purchase of property, plant and equipment and intangible assets) of RMB80.2 million, RMB57.3 million and RMB61.7 million, respectively. As of December 31, 2025, our capital commitments amounted to RMB36.2 million. Over-capacity could lead to asset dispositions and negative impact on our operating margins, while under-capacity could negatively impact service levels. As a result, we may lose market share or business opportunities to our competitors, and our business, financial condition and results of operations may be materially and adversely affected.

We have historically funded our capital expenditures primarily with cash generated from our operating activities, and proceeds from external debts, and other fundraising activities. We cannot assure you that these sources of financing will be sufficient to fund our expansion plans. Our access to external funding is subject to various factors that are beyond our control, including market conditions, government approval, credit supply and interest rates. Even if we have sufficient funding, assets that best suit our needs may not be available at reasonable prices, or at all. If we are unable to secure sufficient external funds to finance our capital investments and find assets that suit our needs at reasonable prices, our business, financial condition and results of operations could be materially and adversely affected.

Any lack of or failure to maintain requisite approvals, licenses or permits applicable to our business operation may have a material and adverse impact on our business, financial condition and results of operations.

Our business is subject to rigorous regulation, and we are required to hold a number of licenses, permits and filings in connection with our business operation, including, but not limited to, Road Transportation Operation Permit (道路運輸經營許可證). Failure to satisfy these requirements may result in penalties to rectify, fines, or suspension of business for remediation. We hold all material licenses and permits described above for our current operations and are applying for certain permits and filings with the governmental authorities and modification of certain licenses and permits. However, we cannot assure you that we can complete such filings in a timely manner, or at all, due to complex procedural requirements and the expansion of our business. Failure to comply with these regulations mentioned above may result in requirements to rectify, fines, suspension of business for remediation or revocation of permit.

During the Track Record Period and up to the Latest Practicable Date, we have not been subject to material penalties or other material disciplinary action from the relevant governmental authorities regarding the conducting of our business without the above approvals, licenses, permits or filings. However, we cannot assure you that the relevant governmental authorities would not require us to obtain the approvals, certificates or permits, complete filings or take any other actions retrospectively in the future. If the relevant governmental authorities promulgate new laws and regulations that require additional approvals or licenses or impose additional requirements on the operation of any part of our business and we are not able to obtain such approvals, licenses, permits or filings or adjust our business model to comply with such new laws in a timely manner, we could be subject to penalties and operational disruptions and our financial condition and results of operations could be adversely affected.

We face risks relating to acquisitions, investments and alliances.

As we continue to invest in our network, we expect to continue to evaluate and consider an array of potential strategic transactions as part of our overall business strategy, including business combinations, acquisitions and dispositions of businesses, technologies, services, products and other assets, as well as strategic investments, joint ventures and alliances. At any given time we may be engaged in discussing or negotiating a range of these types of transactions. These transactions involve significant challenges and risks, including: (i) difficulties in, and significant and unanticipated additional costs and expenses resulting from, integrating into our business; (ii) disruption of our ongoing business, distraction of and significant time and attention required from our management and employees and increases in our expenses; (iii) departure of skilled professionals and proven management teams of acquired businesses, as well as the loss of established client relationships of those businesses we invest in or acquire; (iv) for investments over which we may not obtain management and operational control, we may lack influence over the controlling partners or shareholders, or may not have aligned interests with those of our partners or other shareholders; (v) difficulties in identifying and selecting appropriate targets and strategic partners, including potential loss of opportunities for strategic transactions with competitors of our investee companies and strategic partners; (vi) negative impact on our cash or results of operations from various fair value changes, impairment charges or write-offs; and (vii) losses arising from disposal of investments or deconsolidation of businesses.

In addition, our strategic investments and acquisitions may adversely affect our financial results, at least in the short term. The performance of our current and future equity method investees may also adversely affect our net profit. There can be no assurance that we will be able to grow our acquired or invested businesses, or realize returns, benefits of synergies and growth opportunities we expect in connection with these investments and acquisitions.

Economic sanctions, anti-corruption and anti-money laundering laws, and changes in international trade or investment policies may expose us to potential compliance risks.

We are subject to economic sanctions, anti-corruption, anti-bribery, anti-money laundering and other relevant laws and regulations in the countries and regions as we aim to expand internationally. Any violation of applicable laws or regulations could result in governmental or regulatory investigations, civil or criminal fines or other sanctions, whistleblower complaints and adverse publicity, which could have an adverse effect on our reputation, business, operating results and prospects. In addition, responding to any enforcement action may result in a significant diversion of management's attention and significant defense costs and other professional fees.

The United States and other jurisdictions or organizations have, through executive orders, passing of legislation or other governmental means, implemented measures that impose economic sanctions against certain countries or jurisdictions, or against targeted industry sectors, groups of companies or persons, and/or organizations within these countries or jurisdictions. There can be no assurance that we will be able to prevent or detect all inadvertent business dealings with sanctioned parties or the dispatch of freight to higher-risk or prohibited end-uses. We cannot predict the interpretation or implementation of government policies in the United States at the federal, state or local levels or any policy of the European Union, the United Nations and other applicable jurisdictions with respect to any current or future activities by us or our third-party business partners in countries subject to international sanctions and with sanctioned persons. As a result, we cannot assure you that our future business will be free of risk under sanctions implemented in these jurisdictions or that we will conform our business to the expectations and requirements of the authorities of the United States or any other government or organization that, with or without jurisdiction over our business, assert the right to impose sanctions on an extraterritorial basis.

In addition, our ability to raise capital could be adversely affected by U.S. investment restrictions targeting certain sectors, such as the Outbound Investment Rule, or any potential expansion thereof. While we believe we are not currently a "covered foreign person" under the Outbound Investment Rule, any future determination by the relevant authorities to the contrary, or any expansion of such rules to cover our business or operations, could negatively affect our ability to raise capital and may dissuade certain U.S. persons from investing in our shares. For more details, see "Regulatory Overview — Laws and Regulations in the United States — Outbound Investment Rule."

Any litigation, legal and contractual disputes, claims or administrative proceedings against us could be costly and time-consuming to defend or settle, and could result in negative publicity.

Our business is subject to the risk of disputes, claims or legal proceedings brought by customers, suppliers, employees, government agencies and others in the forms of private actions, administrative proceedings, regulatory actions or other litigation. The outcome of such proceedings can be difficult to assess or quantify. Claimants in such proceedings may seek recovery of large or indeterminate amounts, and the magnitude of potential losses relating to such disputes may remain unknown for a substantial period of time. The cost of defending future disputes or proceedings may be significant and could negatively affect our results of operations if changes to our business operations are required. There could also be negative publicity associated with such disputes or proceedings, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, any significant dispute or proceeding could adversely affect our business, results of operations, financial condition or reputation.

During the Track Record Period, we entered into tripartite or multi-party settlement arrangements with certain customers and suppliers to facilitate business operations, optimize payment cycles and recover overdue receivables. Under these arrangements, we typically set off amounts payable by us to a supplier against amounts receivable by us from a customer. Although such arrangements are entered into for commercial reasons, they involve more complex contractual and payment relationships than ordinary bilateral transactions. As a result, if disputes or competing claims arise in connection with such arrangements, we may be required to devote significant management time and financial resources to resolving them or defending our position, which could adversely affect our business, financial condition and results of operations. For our pending litigations, see "Business — Legal Proceedings and Compliance."

We face certain risks relating to the real properties.

Any failure to comply with such laws and regulations may subject us to government-ordered rectification measures or challenges by government agencies or third parties regarding the validity of lease agreements. For example, some lessors of our leased properties have not provided us with their property ownership certificates or other documentation proving their right to lease those properties to us. As of December 31, 2025, we leased 233 properties in China each with a gross floor area of 10,000 sq.m. or above, totalling approximately 7.0 million sq.m., approximately 17% of which related to properties for which the relevant landlords had not provided property ownership certificates. If the lessors are not entitled to lease the real properties to us and the owners of such real properties decline to ratify the lease agreements between us and the respective lessors, we may not be able to enforce our rights to lease such properties under the respective lease agreements against the owners. In addition, certain of our leasehold interests in leased properties have not been registered with the relevant PRC governmental authorities as required by PRC law. Although the failure to do so does not in itself invalidate the leases, we may be ordered by the PRC government authorities to rectify such noncompliance and, if such noncompliance were not rectified within a given period of time, we may be subject to fines imposed by PRC government authorities if we fail to register with the relevant PRC governmental authorities. Furthermore, certain of our leased properties' current usages are not in conformity with the permitted usages prescribed in the relevant title certificates. As advised by our PRC Legal Adviser, depending on the specific regulations applied by local authorities, the potential fine for non-registration ranges from RMB1,000 to RMB10,000 per lease agreement.

During the Track Record Period and up to the Latest Practicable Date, we had not been ordered by any competent authority to rectify such non-compliance, nor were we aware of any material claims or actions initiated by government authorities, property owners or third parties regarding our leasehold interests or use of such properties. We were not aware of any material claims or actions being contemplated or initiated by government authorities, property owners or any other third parties regarding our leasehold interests or use of such properties. For details about our leased properties, see "Business — Properties — 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 could be required to relocate the affected operations or take other remedial measures. In addition, we may become involved in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties. Any relocation or remedial action could result in additional expenses and temporary disruption to our logistics activities. As a result, our business, financial condition and results of operations could be adversely affected.

Also, we may, in the future, become subject to loan agreements and other contractual arrangements that, among other things, restrict property transfers, leases and disposals, or require us to meet specified investment thresholds, production-output amounts and tax-contribution targets. Furthermore, for future construction projects on our properties, we must obtain all applicable approvals, licenses, and permits. Failures to comply with such laws, regulations and requirements may subject us to administrative fines, government orders or foreclosures. If we lose the ability to use our owned properties for their actual or intended purposes, or if we are unable to complete planned construction projects in a timely manner, we may not be able to find replacement properties in a timely manner and on commercially acceptable terms, or at all, which may cause disruptions in parts of our logistics network and materially and adversely affect our business and results of operations. During the Track Record Period and up to the Latest Practicable Date, we were not subject to material administrative fines, government orders or foreclosures in connection with the real properties we own.

We may be accused of infringing intellectual property rights of third parties or violating content restrictions under relevant laws.

We may face claims from third parties that our products, service offerings or technologies infringe upon their intellectual property rights or are provided beyond the authorized scope. During the Track Record Period and up to the Latest Practicable Date, we have not faced material litigation involving direct claims of infringement by us. However, the possibility of intellectual property claims against us increases as we continue to grow in China and globally. There could also be existing patents of which we are not aware that our products, service offerings or technologies may inadvertently infringe. Governmental authorities around the world also stepped up efforts to investigate, prevent and take actions against alleged misappropriation of intellectual property, which may result in increased scrutiny, investigations, enforcement actions and litigation relating to intellectual property infringement. These claims or scrutiny, whether or not having merit, may result in our expenditure of significant financial and management resources, injunctions against us or payment of damages. If our products, service offerings or technologies were deemed to infringe upon third parties' patents, copyrights or other intellectual property rights, we could suffer losses, incur additional expenses to purchase such intellectual property rights, or become subject to penalties, which could materially and adversely affect our business, financial condition and results of operations.

We may not be able to protect our intellectual property rights.

We rely on a combination of trademark, fair trade practice, patent, copyright and trade secret protection laws in the jurisdictions where we operate, as well as confidentiality procedures and contractual provisions, to protect our intellectual property rights. See "Business — Intellectual Property." We also enter into confidentiality agreements with our employees and any third parties who may access our proprietary information, and we rigorously control access to our proprietary technology and information.

We have in the past suffered, and may continue to suffer, from intellectual property infringement as we continue to expand our business in China and globally. Intellectual property protection may not be sufficient in the jurisdictions where we operate. Confidentiality agreements may be breached by counterparties, and there may not be adequate remedies available to us for these breaches. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in the jurisdictions where we operate. In addition, policing any unauthorized use of our intellectual property is difficult, time-consuming and costly and the steps we have taken may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. There can be no assurance that we will prevail in any litigation. Besides, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

Our insurance coverage may not cover all losses.

We have obtained insurance, such as property insurance, business interruption insurance for certain of our logistics facilities and third-party liabilities insurance, to cover certain potential risks and liabilities. However, insurance companies in China and other jurisdictions in which we may operate may offer limited business insurance products or we may not be able to obtain such insurance on favorable terms. Our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations.

Any business disruption, litigation, regulatory action, outbreak of epidemic disease or natural disaster could also expose us to substantial costs and diversion of resources. There can be no assurance that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Our financial condition may be materially and adversely affected if we fail to collect trade receivables from our customers in a timely manner, or at all.

Our trade receivables from third and related parties (after deducting credit loss allowance) amounted to RMB1,517.3 million and RMB1,541.6 million and RMB1,681.1 million as of December 31, 2023, 2024 and 2025, respectively. The increases in trade receivables were primarily due to an increase in the proportion of our revenue generated from merchants and customers with credit terms. See "Financial Information — Selected Balance Sheet Items — Trade and note receivables."

Credit risks for trade receivables arise when our customers default on their contractual obligations resulting in financial losses to our Company. While we have internal processes and limits to identify and mitigate credit risks, we cannot assure you that we are or will be able to accurately assess the creditworthiness of each of our customers before entering into agreements or extending credit terms, neither can we guarantee that each of these customers will be able to strictly follow and enforce the payment schedules provided in the relevant agreements. Any inability of our customers to pay us in a timely manner may adversely affect our liquidity and cash flows, which may in turn have a material adverse effect on our results of operations and financial condition.

Discontinuation of any government grants could affect our financial condition and results of operations.

In the past, we have received from time to time various forms of government grants, which are generally non-recurring in nature. As of December 31, 2023, 2024 and 2025, we recorded government grants of RMB52.1 million, RMB61.4 million and RMB53.3 million, respectively. However, the timing, amount and criteria of government grants are determined within the discretion of the local governments and cannot be predicted with certainty before we actually receive any financial incentive. Local governments may decide to reduce or eliminate incentives at any time. We cannot assure you of the continued availability of the government incentives we currently enjoy. Any reduction or elimination of such incentives could affect our results of operations.

Increasing awareness of environmental, social and governance issues may result in the adoption of more stringent laws and regulations that increase our compliance costs.

The growing concerns of ESG issues, such as packaging recycling, clean energy and environmental protection, and the evolving PRC laws and regulations relating to environmental protection, particularly those regarding carbon emissions from transportation vehicles, may lead to the adoption of more stringent laws and regulations affecting our business operations. As a result, we may need to devote more efforts and resources to ensure that we comply with these laws and regulations. We have recognized the importance of ESG and have taken several measures to achieve sustainable development and comply with the ESG-related laws and regulations that apply to us. See "Business — Environmental, Social and Governance Matters." However, we cannot assure that these measures adopted by us can effectively mitigate the associated risks and help us navigate the evolving ESG matters in a complex and changing regulatory environment. Changing existing ESG related laws and regulations or the enactment of new ESG-related laws and regulations may increase our compliance costs, and if we fail to comply with such ESG-related laws and regulations, we may be subject to administrative penalties, fines or orders to suspend our operations, and our business and financial condition may be materially and adversely affected.

An occurrence of widespread health epidemics or other outbreaks or natural disasters could have a material adverse effect on our business, financial condition and results of operations.

Our business could be materially and adversely affected by the outbreak of widespread health epidemics, such as COVID-19, natural disasters, or other events, such as wars, acts of terrorism, environmental accidents, power shortages or communication interruptions. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our industry and our business and operations, and have a material adverse effect on our business, financial condition and results of operations. For example, these events could cause a temporary closure of the facilities we use for our operations, significantly disrupt supply chains and our ability to provide supply chain logistics solutions or severely impact consumer behaviors and the operations of merchants and logistics partners and other service providers in our logistics network. In addition, our revenue and profitability could be materially reduced to the extent that a natural disaster, health epidemic or other outbreak or any change in policy in response to such event harms the global or PRC economy in general.

Changes in the economic, political or social conditions or government policies in the jurisdiction where we operate could affect our business, financial condition and results of operations.

A substantial part of our assets and operations are located in China. In addition, we plan to operate our business in a number of other geographic markets across Asia and globally. Accordingly, our business, financial condition and results of operations could also be influenced by political, economic and social conditions in these markets. Economic growth in each of our geographic markets has been uneven, both geographically and among various sectors within any one of the relevant economies. Any economic downturn, whether actual or perceived, further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could affect our business, financial condition and results of operations. Changes in the economic or political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations and affect our results of operations.

Any uncertainties embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

Legal systems of the geographic markets where we currently operate and plan to operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

We are subject to certain uncertainties embedded in the legal systems of some geographic markets where we operate and plan to operate. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets where we operate and plan to operate are based in part on their respective government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

You may have limited recourse in effecting services of legal process or enforcing overseas judgments against us, our Directors and our senior management.

A substantial part of our assets, and a majority of our Directors and senior management, are located in China. As a result, it may not be possible for investors to effect services of process upon us, or our Directors or senior management who reside in China. China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions.

On July 14, 2006, the Supreme People's Court of the PRC and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》), or the 2006 Arrangement. Under the 2006 Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. On January 18, 2019, the Supreme People's Court of the PRC and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事

案件判決的安排》), or the New Arrangement, which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between the PRC court and Hong Kong court. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People's Court of the PRC and the completion of the relevant legislative procedures in Hong Kong. The New Arrangement will, upon its effectiveness, supersede the 2006 Arrangement.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas securities offering and listing issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Overseas Listing Trial Measures and five supporting guidelines, which had become effective on March 31, 2023 (the "**Overseas Listing Regulations**"). The Overseas Listing Regulations are applicable to overseas securities offering and listing conducted by issuers who are (i) companies incorporated in the PRC ("**PRC domestic companies**") and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. For details, see "Regulatory Overview — Laws and Regulations on Securities and Overseas Listings" in this document. The Overseas Listing Regulations, or any pertinent rules or regulations promulgated in the future, may subject us, or our financing activities, to additional compliance requirements in the future. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our future financing activities.

Our operations are subject to, and may be affected by, changes in tax laws and regulations in the jurisdiction where we operate.

The PRC EIT Law imposes a tax rate of 25% on business enterprises. Some of our subsidiaries are entitled to preferential tax treatment. See "Financial Information — Principal Components of Results of Operations — Income tax expense" in this document. To the extent there are any changes in the laws and regulations governing preferential tax treatment, or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. For example, the tax effect of our preferential tax treatments amounted to RMB8.2 million, RMB10.4 million and RMB9.9 million in 2023, 2024 and 2025, respectively. In addition, the PRC government may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with the PRC tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to PRC tax laws and regulations and tax penalties or fines could affect our businesses, financial condition and results of operations.

We also plan to operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to corporate income tax, are complex, our international operations may expose us to risks associated with the overseas tax policy changes. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

Non-PRC Holders of our H Shares may be subject to PRC income tax obligations.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and a non-PRC investor's jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have an establishment or place of business in the PRC if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within the PRC unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of the PRC and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得 徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. To our knowledge, in practice, the PRC tax authorities have not sought to collect individual income tax from non-PRC resident individuals on gains from the transfer of listed shares of PRC resident enterprises on overseas stock exchanges. However, there is no assurance as to whether further implemented laws, regulations, or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

If the PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

RISKS RELATING TO THE [REDACTED]

An active trading market for our H Shares may not develop or be sustained.

Prior to the **[REDACTED]**, there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity will develop and be sustained following the completion of **[REDACTED]**. The initial **[REDACTED]** for our H Shares to the public will be the result of negotiations, and the **[REDACTED]** may differ significantly from the market price of the H Shares following the **[REDACTED]**.

We have applied to the Stock Exchange for the **[REDACTED]** of, and permission to deal in, the H Shares (including any H Shares which may be issued pursuant to the exercise of the **[REDACTED]**). However, the **[REDACTED]** on the Stock Exchange does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained following the **[REDACTED]**, or that the market price of the H Shares will not decline following the **[REDACTED]**. If an active public market for our H Shares does not develop following the completion of the **[REDACTED]**, the market price and liquidity of our H Shares could be materially and adversely affected.

The price and trading volume of our H Shares may be volatile, which could materially and adversely affect the market price of our H Shares.

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and trading volume of our Shares. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in the PRC have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

You will incur immediate and substantial dilution, and may experience further dilution in the future.

The **[REDACTED]** of the **[REDACTED]** is higher than the net tangible asset value per H 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. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the **[REDACTED]** may experience dilution in the net tangible asset value per H Share of their H Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may issue Shares pursuant to any existing or future share option incentive scheme, which would further dilute our Shareholders' interests in our Company.

Our Controlling Shareholders have significant influence over us, and their interests may not be aligned with the interest of our other Shareholders. Changes in our Controlling Shareholders' shareholdings in our Company may adversely affect our shareholding structure and the market price of our Shares.

As of the date of this document, Midea Group was interested in 52.94% of the total issued share capital of our Company through Midea Zhilian, a wholly-owned subsidiary of Midea Group. Upon completion of the **[REDACTED]**, Midea Group will be interested in **[REDACTED]**% of the enlarged share capital of our Company through Midea Zhilian (assuming the **[REDACTED]** is not exercised). Our Controlling Shareholders have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other securities, timing and amount of dividend payments, nomination of directors, and other significant corporate actions. The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Subject to the Listing Rules, our Articles of Association and other applicable laws and regulations, our Controlling Shareholders will continue to have the ability to exercise their substantial influence over us. The concentration of voting power and the substantial influence of our Controlling Shareholders over our Company 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.

Actual or perceived sale or availability for sale of substantial amounts of our Shares could adversely affect the market price of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and Controlling Shareholders, or the perception or anticipation that such sales might occur, could negatively impact the market price of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. Certain amount of the Shares controlled by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which trading in our Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. In addition, certain existing Shareholders of our Shares are not subject to lock-up agreements. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our Shares.

Certain facts, forecasts and other statistics in this document are derived from various official government sources.

This document, particularly the section headed "Industry Overview," contains information and statistics relating to the logistics industry and other economic data. Such information and statistics have been derived from various official government publications. We believe that the sources of the information are appropriate, and we have taken reasonable care in extracting and reproducing such information. However, the information derived from official government sources has not been independently verified by us, any of the Joint Sponsors, **[REDACTED]**, any of their respective directors and advisers, or any other persons or parties involved in the **[REDACTED]**, and no representation is given as to its accuracy. Collection methods of such information may be ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information.

You should read the entire document carefully and only rely on the information included in this document to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares or the [REDACTED].

There has been, prior to the publication of this document, and there may 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]**. We have not authorized the disclosure of any information concerning the **[REDACTED]** in the press or media. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the **[REDACTED]** or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. You should rely solely upon the information contained in this document, the **[REDACTED]** and any formal announcements made by us in Hong Kong in making your investment decision regarding our H Shares. By applying to purchase our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the **[REDACTED]**.