An [**REDACTED**] *in our H Shares involves various risks. You should carefully consider the following information about risks, together with the other information contained in this Document, including our consolidated financial statements and related notes, before making an* [**REDACTED**] *in our H Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial condition and prospects would likely suffer. In any such case, the* [**REDACTED**] *of our H Shares could decline and you may lose all or part of your* [**REDACTED**]. *You should seek professional advice from your relevant advisors regarding your prospective* [**REDACTED**] *in the context of your particular circumstances.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

If we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

Our growth strategy is built upon a business model that integrates logistics infrastructure with digital-technology enablement to serve the entire life cycle of the bulk commodity supply chain. As part of our business transformation, we have gradually evolved from a provider of standalone transportation services into an integrated supply chain service provider embedded in various stages of our customers' operations. The effective implementation of this strategy requires us to coordinate our three business segments, namely intelligent logistics platform services, integrated supply chain services and other services, at the same time, maintain service quality and operational efficiency at multiple regional and subsidiary levels.

As our business expands from intelligent logistics platform to integrated supply-chain and technology-driven solutions, we face increasing challenges in resource allocation, personnel management, technological innovation, and risk control. The transformation from our truck-cargo matching platform model toward the operational model under Wubo Smart Chain platform involves substantial investment in research and development, information-system integration, and cooperation with large producer customers. Any delay, misalignment of execution, or failure to effectively integrate our resources could undermine our ability to deliver a cohesive service ecosystem. If we fail to manage the transition from a primarily logistics-driven business to a technology-enabled platform, or if we are unable to scale our new services profitably, we may experience operational inefficiencies, cost overruns, or loss of market competitiveness. Any such difficulties in managing our growth or implementing our strategic roadmap could materially and adversely affect our business operations, financial condition, and future prospects.

Changes in national and regional industry policies, subsidies, government grants, and macroeconomic conditions may materially and adversely affect our business, operations, and growth prospects.

The logistics and network freight industries in the PRC are subject to extensive government regulation and policy direction. Government initiatives such as the "shifting freight from road to rail (公轉鐵)", carbon-emission reduction targets, capacity-reduction measures in heavy industries, and increasingly stringent environmental and safety regulations may reduce highway-freight volumes or alter transportation patterns. Our growth prospects also depend on macroeconomic conditions and continued demand for logistics and network freight services within bulk commodities industries. A slowdown in industrial production, fluctuations in commodity or energy prices, reduced investment in infrastructure, or shifts in supply-chain dynamics could reduce freight volumes and weaken customer demand.

In particular, the growth and profitability of our business has been and may continue to be affected by government grants mainly provided by local governments relating to our platform-based transportation services which are linked to network freight industry in the PRC. During the Track Record Period, we received government grants relating to our platform-based transportation services under our intelligent logistics platform services in the amount of RMB882.0 million, RMB636.8 million and RMB536.5 million in 2023, 2024 and 2025, respectively, representing approximately 459.4%, 259.3% and 186.5% of the gross profit generated from our platform-based transportation services in the respective years. Due to the nature of the platform-based transportation services business and the tax and invoice arrangements applicable to certain transportation capacity providers, we face challenges in obtaining sufficient input VAT invoices or otherwise fully claiming VAT deductions in respect of transportation costs. As a result, the VAT burden borne by us in connection with such business operations may be disproportionately heavy. The relevant government grants have historically helped offset part of our transportation costs and tax-related burdens arising from such business operations. During the Track Record Period, had we not received such government grants, we would have incurred gross losses. See "Financial Information — Government Grants — Industry and Policy Background of Government Grants Related to our Platform-based Transportation Services" for further details.

Whether we can continue to obtain such government grants is subject to various factors beyond our control, including applicable government policies and regulatory developments, fiscal budgets, our negotiations with the relevant local financial authorities, our continued satisfaction of the conditions under the relevant government grant arrangements, and our ongoing contribution to the local economy in the relevant regions. On June 6, 2024, the State Council promulgated the Regulations on Fair Competition Review (《公平競爭審查條例》) ("**Decree No. 783**"), which took effect on August 1, 2024. Pursuant to these Regulations, administrative organs and organizations authorized by laws and regulations to perform the functions of public affairs management ("**Drafting Units**") that draft laws, administrative regulations, local regulations, rules, normative documents, as well as specific policy measures ("**Policy Measures**") concerning the economic activities of business operators shall conduct fair competition reviews in accordance with these Regulations. Policy Measures drafted by the Drafting Units shall, without legal or administrative regulatory basis or without approval from the State Council, not contain the following contents that affect the production and operating costs: (i) granting tax incentives to specific business operators; (ii) granting selective or differentiated financial rewards or subsidies to specific business operators; (iii) granting specific business operators preferential treatment in terms of access to factors of production, administrative fees, government funds, social insurance premiums, etc.; and (iv) any other content that affect the production and operating costs. As a result, certain local fiscal support measures and government grant arrangements may be subject to review, adjustment, standardization, reduction, phased withdrawal or termination as part of the ongoing regulatory reform process. Although we are currently entitled to government grants in Fujian Province and the relevant government grant arrangements are expected to remain effective throughout the terms of the relevant agreements, we cannot assure you that such arrangements will continue to be available, be renewed upon expiry, or be implemented on the same terms, or at all. The terms of such arrangements may also be adjusted from time to time, including the applicable revenue targets, economic contribution targets and other conditions that we must satisfy in order to receive such government grants. Industry regulators and certain local governments have continued to explore and implement more standardized policy measures to address the practical challenges faced by intelligent logistics platforms. However, there can be no assurance that such measures will fully mitigate the impact of any future reduction, phase-out or termination of the relevant government grant policies. Any such policy changes could adversely affect our cost structure, operating results and profitability.

In addition, as of December 31, 2023, 2024 and 2025, our government grants receivables were amounted to RMB489.8 million, RMB416.1 million and RMB608.3 million, respectively. We generally receive such government grants within 12 months after we file the grant applications with the applicable local authorities upon satisfaction of the conditions under the relevant government grant arrangements. There is no guarantee that the actual receipt of our government grants would not be subject to any delay resulting from local fiscal budgets, administrative review and approval procedures, regulatory requirements or other factors. If we fail to achieve the applicable economic contribution targets or satisfy other conditions prescribed under the relevant government grant arrangements, the amount of government grants payable to us may be adjusted accordingly as well.

If the relevant local governments delay, reduce, suspend or terminate the payment of government grants to us, or if the relevant arrangements were adjusted as a result of regulatory developments or if we were unable to satisfy any of the applicable conditions for receiving such grants, and assuming that we had not optimized our business structure or achieved cost savings through improvements in operational efficiency as planned, our business, financial condition, results of operations and prospects could be materially and adversely affected. See "Business — Business Sustainability" for further discussion.

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

Our ability to maintain and expand our business depends heavily on delivering high-quality logistics and supply chain services to major customers in the steel, metallurgy, coal and other bulk commodities industries. These customers have strict requirements regarding timeliness, cargo safety, route visibility, contract execution, and on-site coordination. As we expand our service offerings from network freight operations to intelligent logistics platform services and integrated supply chain services, the complexity of our service delivery increases significantly. We must continually enhance our operational capabilities, digital tools, risk-control mechanisms, and customer support functions to meet evolving customer expectations.

If we fail to provide reliable, secure, and efficient services — whether due to transportation delays, cargo damage, insufficient capacity, system malfunctions, inadequate on-site management, or ineffective customer-support responses — our reputation and customer relationships may suffer. Major producer customers often have alternative logistics providers or may develop in-house solutions, and service dissatisfaction may lead to reduced order volumes, non-renewal of cooperation, or loss of key accounts. Any decline in customer confidence or service quality could materially and adversely affect our business operations, financial condition and overall results of operations.

If we are unable to continue meeting changing market demands, adapting to evolving market trends, and innovating, our ability to sustain and grow our business may suffer. We may face challenges associated with system integration and other innovations.

Our business model relies on the successful adoption of our services and solutions by a wide range of ecosystem participants, including major bulk commodity shippers, third-party truck drivers, regional logistics partners, IoT and technology vendors. During our transition from network freight operations to the Wubo Smart Chain model, the effectiveness, reliability and usability of our solutions have become increasingly important. Through the Wubo Smart Chain platform, this model integrates real-time transportation management, digital-twin systems, IoT-enabled visibility and multimodal coordination, and facilitates the integration of business flow, cargo flow, documentation flow, fund flow and information flow. If these solutions do not meet customer expectations in terms of cost reduction, operational efficiency, data accuracy, or risk control, users may be unwilling to adopt or continue using them.

Our business model also depends on our ability to keep pace with the rapid digitalization of the logistics and bulk commodity supply chain, including the transition from network freight services to our Wubo Smart Chain models that incorporate IoT equipment, data-driven dispatch, customized digital solutions. The bulk commodity industries are undergoing significant structural and technological changes, and their long-established operating habits can make digital adoption slow and costly. If we fail to anticipate customer needs, adjust our service offerings, or introduce new products and technologies in a timely or cost-effective manner, our competitiveness and growth potential may be adversely affected.

Market acceptance of our solutions also depends on participants' willingness to adjust long-established operational habits within the bulk commodities supply chain, invest in new technologies, and integrate their internal systems with ours. If major customers delay digital transformation or truck drivers resist using our platform tools, the anticipated network effects, synergies and value-added service opportunities may not materialize. Any failure of our solutions to achieve or sustain market acceptance, or to deliver the expected benefits to ecosystem participants, could limit user growth, reduce transaction volumes, weaken our competitive position, and materially and adversely affect our business, financial condition, and results of operations.

We also rely on continuous upgrades to our proprietary systems to support our digital twin platform, multimodal transport coordination, and real-time supply chain visibility. Any failure to execute these innovations effectively, or any disruption, delay, or cost overrun in implementing new technologies, may impair customer adoption of our solutions and negatively impact our business and prospects.

Our business operations rely heavily on third-party network providers, and a major system outage could significantly impact our operations and the services we offer to customers, potentially causing substantial harm to our business, financial condition, and results of operations.

Our business relies heavily on digital infrastructure, including Wubo Smart Chain Platform, our proprietary digital twin platform. We rely on our technology infrastructure to process, transmit, and store digital information, enabling us to provide services to our customers and manage or support various business processes and activities. Our technology systems may be vulnerable to damage, disruptions, or shutdowns caused by failures during software upgrades or replacements, power outages, hardware failures, computer viruses, malicious insiders, telecommunication failures, user errors, or other catastrophic events. Hackers, whether acting alone or in coordinated groups, might also launch distributed denial-of-service attacks or other coordinated assaults on our technology infrastructure, potentially leading to service outages or interruptions in our business. Such disruptions or delays could result in the loss of data critical to our operations, and we may lack sufficient capacity to recover all lost data and services promptly during an outage. These issues could hinder our ability to conduct other business activities, harm our brand and reputation, distract our employees, decrease our revenue, expose us to liability, and cause shippers, truck drivers and logistics companies working with us to reduce or abandon our solutions and services — all of which could negatively impact our business, financial condition, and results of operations. Moreover, technological obsolescence or failure to keep pace with developments in AI, IoT, or blockchain may undermine our competitiveness.

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

Our monetization model continues to evolve as we expand from network freight operations into smart logistics platform services and integrated supply chain services. These new initiatives require substantial investment in technology, data systems, talent, and operational resources, and their success depends on widespread adoption by major producer customers, third-party truck drivers, and other ecosystem participants. Some of these services are at an early stage of commercialization. We cannot assure you that these initiatives will achieve expected user acceptance, generate stable transaction volumes or deliver the projected economic benefits.

In addition, our ability to monetize new services depends on our capacity to design effective pricing models, demonstrate measurable value to customers, and achieve sufficient scale to offset development and operational costs. Competitive pressure, customer bargaining power in bulk commodities industries, and changes in regulatory policies may limit our ability to charge fees or maintain margins. If our monetization strategies do not perform as intended, or if new business initiatives fail to gain traction or remain unprofitable, our revenue growth, profitability, and long-term competitive position may be materially and adversely affected.

We operate in a competitive intelligent logistics supply chain industry, and if we fail to compete effectively, our business and prospects could suffer.

The intelligent logistics supply chain industry in China is highly competitive and remains fragmented, with more than 3,000 licensed platforms and numerous well-capitalized market participants with nationwide service capabilities. Many of these competitors benefit from strong capital backing, wider customer networks, extensive data resources, or government-supported infrastructure, and may adopt aggressive pricing strategies, offer comprehensive services, or deploy new technologies more quickly than we do. See "Industry Overview — Competitive Landscape Analysis." As we expand from traditional freight operations into integrated supply-chain and digital-platform services, we face increasing pressure to maintain service quality, operational efficiency, and technological differentiation.

In addition, the gradual withdrawal of local incentives and subsidies is accelerating industry restructuring, forcing market participants to compete on service capability rather than policy support. Competitors may replicate aspects of our business model, intensify price competition or target the same large producer customers, including bulk commodities companies, which account for the majority of our business. If we fail to respond to competitive pressures through effective execution, technological innovation, customer-retention initiatives, and differentiated service offerings, our market share, margins, and overall growth prospects may be materially and adversely affected.

We recorded net cash used in operating activities in 2024 and 2025. If we continue to experience net cash used in operating activities or fail to generate sufficient cash from our operations, our business, financial condition and prospects could be adversely affected.

We recorded net cash outflows from operating activities of approximately RMB1,213.8 million and RMB889.1 million in 2024 and 2025, respectively. The net operating cash outflow in 2024 was primarily attributable to an increase in amounts due from related parties and other changes in working capital, while the net operating cash outflow in 2025 was primarily attributable to an increase in trade and other receivables resulting from the growth of our end-to-end supply chain solutions. Certain of our business arrangements, particularly our end-to-end supply chain solutions, may require us to procure bulk commodities and make payments or advance payments to suppliers before receiving payments from customers, which may result in significant working capital requirements and timing mismatches between cash outflows and cash inflows. See "Financial Information — Liquidity and Capital Resources — Operating Activities".

Our ability to generate cash from operating activities depends on a number of factors, including our ability to effectively manage our working capital, collect trade and other receivables in a timely manner, maintain adequate liquidity and continue to grow our business while controlling our operating costs. If we continue to incur net cash used in operating activities or fail to generate sufficient cash from our operations to satisfy our working capital requirements and fund our business expansion, we may need to obtain additional financing, which may not be available on acceptable terms or at all. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

If we fail to keep pace with technological developments and the implementation of advanced technologies, our business, results of operations, and prospects may be materially and adversely affected.

We utilize technologies to serve our customers more efficiently and deliver a better user experience. Our success partly depends on our ability to keep pace with technological changes and the ongoing successful implementation of advanced technologies, including AI, big data, and blockchain. If we fail to adapt our services effectively and promptly to technological developments, our business operations could be impacted. Technological changes may require significant expenditures in research and development, as well as adjustments to our services, which can be disruptive, time-consuming, and costly, potentially increasing management burdens and diverting leadership focus. Challenges in adopting new technologies may make our services less appealing to customers, which could have a serious and negative impact on our business, financial results, and future prospects.

We may not be able to protect our intellectual property rights, including our brand and our technology infrastructure, and third parties may infringe upon or misappropriate our intellectual property.

We rely on a combination of copyright, trademark, patent, and other intellectual property protections, along with confidentiality agreements with our key personnel and other relevant individuals, as well as additional measures to safeguard our intellectual property, including our brand and proprietary technology infrastructure. However, it remains possible for third parties to obtain and use our intellectual property without permission. There may be occasional instances of unauthorized use in China, and enforcement by relevant regulatory authorities may be inconsistent. As a result, we might need to pursue legal action to enforce our rights. Litigation could incur significant costs, divert management's attention and resources, disrupt our operations, and negatively impact our financial condition and results. Given the potential uncertainty as to whether court judgments can be fully and effectively enforced, there is no guarantee that we would succeed in fully stopping unauthorized use of our intellectual property through litigation.

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

Our business operations and the services we provide to our customers may infringe upon or otherwise violate trademarks, copyrights, know-how, proprietary technologies, or other intellectual property rights held by third parties. Such infringement or violation may occur without our knowledge, as we may not always be aware of intellectual property registrations or applications related to trademarks, source codes, software products, or other intellectual property of third parties in Chinese mainland, Hong Kong, or other jurisdictions. Holders of these rights may seek to enforce them against us in Chinese mainland, Hong Kong, or elsewhere. Consequently, we could face legal proceedings and claims regarding others' intellectual property rights from time to time.

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

The success of our business largely depends on the growth of our intelligent logistics supply chain platform business, which in turn relies on our ability to attract and retain, in a cost-effective way, a large number of shippers, deepen our cooperation with them and increase the value contribution of each customer. As of December 31, 2025, we had an aggregate of approximately 9.0 thousand registered shippers on our platform. The appeal of our platform to shippers depends on several factors, including our ability to complete services promptly as requested, the quality and reliability of our services, our capacity to offer competitive prices, and the efficiency and transparency of the service process. If our platform fails to provide attractive services that are comparable or superior to those of our competitors, or if our shippers are dissatisfied or involved in disputes with us, we may struggle to grow our customer base or deepen the engagement of existing shippers.

We have established long-term relationships with several major customers, and any deterioration in these relationships may adversely affect our business, financial condition, and operating results.

A significant portion of our revenue is derived from several major customers in the steel, coal, metallurgy, and other bulk commodity industries. These customers typically operate large-scale production facilities and rely on stable logistics and supply chain services, making them key contributors to our freight volume and integrated supply chain projects. As the bulk commodity industries remain highly concentrated and continue to undergo consolidation, the bargaining power of major customers may increase, resulting in greater pricing pressure, longer settlement cycles, or more stringent service requirements. Any deterioration in our relationships with these customers, reductions in their production output, or changes in their procurement strategies could materially reduce the volume of services they procure from us.

We aim to deepen customer penetration through our Wubo Smart Chain model by offering smart logistics platform services, integrated supply chain services and other ancillary services. These initiatives rely heavily on customer cooperation to integrate systems, adopt our technology tools, and allow access to operational and logistics data. If customers delay digital adoption, switch to competing platforms, adjust operations, or choose to develop in-house logistics capabilities, our ability to grow revenue from these accounts may be limited. Additionally, the loss of any major customer or failure to secure renewals or expansions of existing cooperation agreements could adversely affect our business performance, financial condition, and growth prospects.

Our reliance on the bulk commodity sector exposes us to customer concentration risk.

A significant portion of our revenue is derived from large B-to-B clients in the bulk commodity sector. The number of potential large customers in these sectors is limited, and the loss of one or more key customers, a reduction in order volume, or unfavorable contract renewals could materially affect our financial results. Additionally, the trend toward consolidation among steel and coal producers may increase their bargaining power, leading to lower pricing and extended payment terms.

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

We rely heavily on a large network of independent truck drivers and third-party transportation providers to execute the majority of our freight operations. These truck drivers are not our employees, and their performance, availability, and service quality are outside of our full control. Variations in truck drivers professionalism, safety compliance, vehicle condition, responsiveness, and adherence to service standards may affect our ability to provide consistent, timely, and reliable freight transportation to our customers, particularly in sectors such as bulk commodity where delivery precision and cargo safety are critical. Any failure by truck drivers to meet required service levels, follow loading and unloading instructions, or comply with our operational protocols may result in cargo damage, delays, customer disputes, or increased operational costs.

We also rely on a wide range of third-party business partners to support important parts of our operations, including technology partners for IoT devices and system integration, as well as major coastal and inland river port operators in China in connection with our port handling services, railway companies, fuel stations and charging stations. Many of these partners are independent contractors or service providers over whom we have limited direct control. Their ability to deliver reliable, safe, and compliant services may be affected by their own operational capacity, financial condition, workforce management, regulatory compliance, or service quality. If any of these partners fails to perform their obligations, fails to adopt required digital tools, or experiences operational disruptions, our ability to provide consistent service to customers could be materially impacted.

Deterioration in our relationships with these partners — whether due to commercial disputes, pricing pressure, industry competition, regulatory changes, or their decision to prioritize competing platforms — could delay project implementation, reduce our operational flexibility, or increase our costs. If we are unable to maintain stable, high-quality relationships with our third-party business partners, or if we are required to replace them on short notice, our business operations, customer experience, and growth prospects may be materially and adversely affected.

We are subject to risks associated with the freight transportation industry, including product damage, personal injury, risks associated with the items handled and transported through intelligent logistics supply chain platform services we provide and other transportation-related incidents.

A significant portion of our business involves the transportation of steel, iron ore, coal and other bulk commodities, many of which are heavy, high-value or sensitive to loading and unloading conditions. Although the transportation process is primarily carried out by third-party truck drivers, under our operating model, we undertake actual carrier responsibilities and bear the associated risks relating to cargo safety, transportation quality, and compliance. Freight transportation inherently involves risks of cargo damage, vehicle accidents, loss of goods, and environmental or property damage. These incidents may arise from factors beyond our control, including road conditions, weather, mechanical failure, driver error, or improper loading and unloading by third-party service providers. Any such event may result in compensation claims, customer disputes, increased insurance costs, or reputational harm.

In addition, freight transportation exposes us to risks of personal injury or fatalities involving truck drivers, third-party personnel or members of the public. The scale and complexity of our operations will increase the likelihood of operational incidents if not effectively controlled. We also rely on IoT devices and digital-monitoring systems for route visibility and risk control; technology malfunctions or data inaccuracies may impair our ability to prevent or respond to transportation-related events. If we are unable to adequately manage these operational risks or if serious incidents occur, our business, financial condition, and customer relationships could be materially and adversely affected.

Our business generates and processes a large quantity of data, and improper handling of or unauthorized access to such data may adversely affect our business. Complying with evolving laws and regulations regarding cybersecurity, information security, privacy and data protection and other related laws and requirements may be expensive and force us to make adverse changes to our business.

Our business generates and handles a large amount of data, and mishandling or unauthorized access to this data could harm our operations. Complying with changing laws and regulations related to cybersecurity, information security, privacy, and data protection can be costly and may necessitate significant adjustments to our business operations. Laws and regulations concerning cybersecurity, information security, privacy, data protection, internet use as a commercial platform, and data rights are quickly changing, complex, and sometimes inconsistent and uncertain. Our operations and the services we provide involve collecting and utilizing certain data from shippers, truck drivers and logistics companies with whom we work. We face risks related to complying with applicable laws, rules, and regulations regarding data collection, use, disclosure, and security, as well as handling requests from regulatory and government authorities concerning such data. Any system failure, security breach, or lapse — whether on our part or that of our partners — that results in the release of user data could damage our reputation and brand, and as a result, harm our business, while also risking potential legal liabilities.

Our business depends on our reputation and brand image, and any damage to them could adversely impact our business.

Our reputation and brand image are critical to attracting and retaining major customers in the steel, metallurgy, coal, and other bulk commodity sectors, as well as maintaining the trust of the large pool of third-party truck drivers on whom our transportation capacity relies. Customers in these industries place significant value on reliability, cargo safety, timely delivery, digital transparency, and the stability of supply chain operations. As we expand into integrated supply-chain services, multimodal transport solutions, and our Wubo Smart Chain platform, our brand increasingly reflects not only transportation quality but also our ability to deliver secure, compliant, and technologically advanced solutions.

Any failure to meet service expectations — such as transportation delays, cargo damage, system failures, inaccurate data reporting, inadequate customer support, or operational incidents involving third-party truck drivers — may harm our reputation. Negative publicity, customer complaints, regulatory scrutiny, or perceived lapses in safety, compliance, or technological capability may reduce confidence in our services. Given the concentration and influence of major producer customers, as well as the competitive nature of the logistics and network freight markets, any deterioration in our brand image could lead to reduced business opportunities, loss of key customers, weakened driver engagement, and ultimately a material adverse impact on our business performance and prospects.

If the shippers, truck drivers and logistics companies we work with engage in, or are subject to, criminal, violent, inappropriate, or dangerous activities, we may be subject to liabilities, and our ability to attract and retain shippers and truck drivers may be harmed.

We cannot control or predict the actions of the shippers, truck drivers and logistics companies with whom we work. As a result, they may engage in criminal, violent, inappropriate, or dangerous activities that could harm our operations, cause injuries, property damage, disrupt our business, or damage our brand and reputation. If any of these parties use our platform for illegal activities, it may lead to negative publicity and harm our reputation. Although we perform background checks on truck drivers and due diligence on logistics companies and shippers, these measures may not fully prevent such activities.

Employee misconduct may expose us to vicarious liabilities, reputational harm, and/or economic damages.

Many of our employees play vital roles in ensuring the safety and reliability of our services or our compliance with applicable laws and regulations. Some of our employees have access to sensitive user information, proprietary technologies, and specialized knowledge. Although we have adopted codes of conduct for all employees and implemented detailed policies and procedures related to data privacy, intellectual property, anti-corruption, proprietary information, and trade secrets, we cannot guarantee that our employees will follow these codes, policies, and procedures or that our measures to detect and prevent misconduct will be effective. Employee misconduct could significantly harm our business, results of operations, and financial condition. If any employee engages in misconduct, illegal, or suspicious activities, including but not limited to misappropriation or leaking sensitive user or proprietary information, we and those employees could face legal claims and liabilities, and our reputation and business could suffer severely. Additionally, although we conduct screening during the hiring process, we cannot guarantee that we will identify misconduct in job applicants before hiring them.

We may fail to efficiently attract and retain a large number of truck drivers in order to maintain and improve our transportation capabilities.

Our transportation capacity relies heavily on a broad and stable pool of third-party truck drivers, the majority of whom are individual drivers registered on our platform. As of December 31, 2025, more than 90% of our transportation resources consisted of individual truck drivers, and our ability to secure adequate, compliant and high-quality capacity depends on continuously attracting new drivers and retaining existing ones. The availability and willingness of truck drivers to undertake transportation tasks are influenced by factors beyond our control, including fuel price volatility, regional freight demand, industry competition, labor shortages, regulatory requirements for network freight operations, and the attractiveness of incentives offered by competing platforms. If we fail to provide competitive freight rates, technological tools, or service conditions, truck drivers may choose alternative platforms or exit the market, thereby reducing our operational capacity.

Our strategic growth, including the expansion of Wubo Smart Chain models and the development of regional core-capacity pools, requires reliable access to sufficient transportation resources. Retention of qualified truck drivers also depends on our ability to ensure timely settlement, provide user-friendly digital tools, maintain route visibility through IoT devices, and offer predictable volumes of orders. Any difficulty in maintaining a high-quality driver base may lead to delivery delays, service disruptions, reduced route coverage, or increased procurement costs. If we are unable to attract, manage, and retain a sufficiently large and capable group of truck drivers, our operational performance, customer satisfaction, and ability to expand our business may be materially and adversely affected.

Our long-term growth and competitiveness are highly dependent on our ability to control costs and expenses. Increased costs of revenue could impact our results of operations and our profitability.

Our cost structure is closely tied to factors such as transportation procurement costs, fuel and energy prices, driver incentives, IoT equipment deployment, system integration expenses, labor costs across our regional operations centers, and technology development investments for our Wubo Smart Chain models. As we continue to expand our network freight operations and integrated supply-chain services, we must manage rising operating costs associated with securing sufficient transportation capacity, maintaining digital infrastructure, upgrading safety and risk-control systems, and supporting large-scale customer projects in the bulk commodity sectors. Many of these costs are influenced by factors beyond our control, including market competition for truck drivers, fluctuations in energy prices, regulatory requirements, and inflationary pressures.

In addition, the profitability of our operations depends on our ability to effectively manage the principal costs associated with our respective business segments and services and maintain favorable pricing arrangements with customers. Such costs mainly include (i) transportation fees paid to individual truck drivers and logistics companies, taxes and surcharges, and fuel and gas costs for our platform-based transportation services; (ii) port handling fees and labor costs for our port handling services; (iii) transportation and warehousing fees for our end-to-end supply chain solutions; (iv) vehicle depreciation, labor costs, maintenance fees and transportation fees for our smart industrial parks logistics solutions; and (v) labor costs and hardware equipment costs for our industrial IoT solutions. Any increase in such costs may increase our cost of sales and services and reduce our gross margins. If we are unable to effectively control operating costs, pass on cost increases to customers, or achieve scale efficiencies through our platform and technology initiatives, our results of operations, profitability, and long-term competitiveness may be materially and adversely affected.

Our integrated supply chain services, particularly our end-to-end supply chain solutions, expose us to commodity price, inventory, counterparty and working capital risks.

As we expand our integrated supply chain services, particularly our end-to-end supply chain solutions, we may procure bulk commodities from upstream suppliers, make advance payments, and arrange the transportation, storage, sale or delivery of such commodities to customers. If upstream procurement costs increase after we have agreed pricing arrangements with customers, or if customers reduce or cancel orders, delay acceptance or payment, or otherwise fail to perform their obligations, we may be unable to pass on the increased costs to customers or sell the relevant commodities to alternative purchasers on commercially acceptable terms or in a timely manner. Besides, in our downstream distribution activities, demand for certain commodities may also be lower than anticipated or the sales cycle may be prolonged, resulting in longer holding periods. This may increase our storage and financing costs and expose us to further declines in commodity prices. We may therefore incur lower margins, losses arising from declines in the market value of commodities, inventory impairment, cargo loss or damage, or credit losses.

In addition, such business arrangements may require us to pay suppliers before receiving payments from customers, resulting in significant working capital requirements and potential mismatches between cash outflows and cash inflows. We cannot assure you that we will be able to obtain sufficient financing, maintain adequate liquidity, or recover receivables and prepayments in a timely manner. Any failure to manage these risks may adversely affect our cash flows, liquidity, profitability and results of operations.

Pressure on our pricing could adversely affect our profitability. If we fail to effectively optimize our pricing models, our business, financial condition and results of operations could be adversely affected.

Pricing is a critical component of our business model, particularly in our carrier-based operations, where we earn revenue primarily through transportation fees and freight price spreads. Our ability to maintain profitability depends on accurately assessing market freight rates, managing procurement costs from third-party truck drivers, and setting prices that reflect route conditions, cargo characteristics, and service requirements. The logistics and network freight industry is highly competitive, with many platforms offering aggressive pricing or incentives to attract customers and truck drivers. In addition, major customers in the bulk commodity sectors typically possess strong bargaining power due to their large shipment volumes and concentrated procurement processes, which can result in pricing pressure and narrower margins.

As we expand our Wubo Smart Chain models of services, the diversity of our pricing structures increases, requiring us to incorporate additional service elements, such as IoT-enabled tracking, multimodal transport coordination, risk-control services, and digital contract functions. If we fail to effectively optimize our pricing models, respond promptly to market changes, or reflect rising costs in our pricing — such as fuel price fluctuations, driver incentives, multimodal resources, system-integration expenses, or regulatory compliance costs — our margins may weaken. Any inability to maintain competitive yet sustainable pricing could adversely affect our revenue, profitability, and long-term business prospects.

Our financial results may vary significantly from period to period due to the seasonality and cyclicality of our business.

The steel, metallurgy, coal and other bulk commodity industries — on which our business depends — exhibit significant seasonality and cyclical fluctuations. Transportation demand typically declines during winter months due to adverse weather conditions, road restrictions, and seasonal production curtailments at steel mills and other industrial facilities. Additionally, logistics activity typically slows during Chinese New Year holiday, as factories suspend operations and truck driver availability decreases. Regional safety inspections, environmental control measures, and temporary production limits imposed on producer customers may also result in short-term reductions in shipment volume.

These seasonal and cyclical variations directly impact the volume of freight transported through our platform, the utilization of our transportation capacity, and the demand for our integrated supply chain and technology services. As a result, our revenue, margins, and operating cash flows may fluctuate from one period to the next. Such variations may be further influenced by changes in commodity prices, inventory cycles of major customers, and regional economic conditions. Consequently, our past performance may not be indicative of future results, and our financial condition and results of operations may be materially and adversely affected by cyclical patterns inherent in our industry.

If we fail to effectively identify or consummate acquisitions, investments or alliances, our business, results of operations, financial condition and prospects could be adversely affected. We may not realize all of the anticipated benefits of any acquisitions we make, or those benefits may take longer to realize than expected.

We may, from time to time, evaluate and consider strategic investments, mergers, acquisitions, or alliances to enhance our competitive position, which could be significant to our financial condition and results of operations if completed. However, even if we identify a suitable business opportunity, we might not succeed in closing the transaction. Additionally, even if we complete such a transaction, we may not realize all the expected benefits of these investments, mergers, acquisitions, or alliances, or they may take longer to materialize than anticipated. Moreover, we may face challenges and risks associated with these transactions, which could lead to investment losses.

With respect to our acquisitions during the Track Record Period, there is no assurance that we will be able to successfully integrate the target companies' business, personnel, customer resources, operational processes and internal management. For example, we successfully acquired Shandong Duanxin in December 2025. See "History and Corporate Structure — Major Acquisitions, Disposals and Mergers — Acquisition of Shandong Duanxin." Following the completion of the acquisition, we are required to devote certain management time, financial resources and operational resources to the integration and ongoing management of the target company. We may not be able to complete the integration as planned or in a cost-effective manner, nor may we be able to realize the expected synergies, operational efficiency improvements, customer resource integration or other strategic objectives within the expected timeframe. During the integration process, we may encounter various challenges and risks, including but not limited to difficulties in integrating business models, management systems and corporate culture; loss of key management personnel and employees; instability in relationships with customers, suppliers and other business partners; underperformance of the acquired business as compared with our expectations; and additional integration costs, transaction expenses, impairment losses or other unforeseen liabilities. If we fail to effectively complete such integration, or if the integration costs are higher or the integration process takes longer than expected, we may not be able to realize the expected benefits of such acquisition, and our business, operations and financial condition may be adversely affected.

The success of associated companies depends on several factors that may be beyond our control, and as a result, we may not be able to realize the anticipated economic and other benefits.

We conduct certain business activities through associated companies and joint ventures established with major producer customers and regional partners, including entities formed to support local logistics operations and technology development. The performance and long-term success of these associated companies depend on a number of factors that are outside our direct control, such as their operational capabilities, financial resources, management execution, compliance with local regulations, relationship with local governments, and their ability to secure and retain qualified personnel, truck drivers, or other strategic resources. Market conditions in the regions where these associated companies operate — particularly in the bulk commodity industries — may also impact their performance.

If any associated company fails to meet operational targets, experiences management inefficiencies, encounters regulatory issues, or is unable to maintain stable relationships with customers or regional stakeholders, its performance may fall short of expectations. In such circumstances, we may not be able to realize the anticipated economic benefits, strategic synergies, or business expansion that we expect from these partnerships. In addition, we may be required to provide additional financial or operational support, incur impairment losses, or even restructure or unwind certain partnerships. Any such developments could adversely affect our business, financial condition, and results of operations.

We rely on certain key operating metrics to evaluate the performance of our business, and inaccuracies in such metrics may harm our reputation and negatively affect our business.

We monitor various key operating metrics to assess the performance and scalability of our business, including the number of active truck drivers and active six-axle heavy-duty trucks on our platform, cargo loss rates, shipper customers retention rates, as well as operational data generated by our IoT devices, digital-twin systems and other components of our Wubo Smart Chain model. These metrics rely on data collected from third-party truck drivers, our regional operations centers, on-site personnel, IoT equipment, and external partners. Inaccurate, incomplete, delayed, or improperly recorded data — whether caused by human error, device malfunction, inconsistent reporting standards, or integration issues with third-party systems — may distort our evaluation of operational performance and customer behavior.

If the operating metrics we publish or rely upon are inaccurate or perceived as unreliable, our management may make sub-optimal decisions regarding capacity planning, technology investment, pricing, risk control, and customer management. In addition, customers and business partners increasingly rely on our data transparency and digital logistics capabilities; any perceived inaccuracy or inconsistency in key metrics may erode their confidence in our platform, harm our reputation, or lead to customer complaints, reduced order volumes, or regulatory scrutiny. Any such issues could materially and adversely affect our business operations, financial condition, and growth prospects.

If we fail to recover our trade and other receivables, prepayments and other assets in a timely manner, our business and financial results may be materially and adversely affected.

We are exposed to credit and liquidity risks in respect of our trade and other receivables, prepayments and other assets. As of December 31, 2023, 2024 and 2025, our trade receivables were approximately RMB1,230.8 million, RMB947.9 million and RMB843.3 million, respectively. Our other receivables amounted to approximately RMB607.8 million, RMB535.0 million and RMB859.1 million as of the same dates, respectively, primarily reflecting fluctuations in government grants receivables during the Track Record Period. Our prepayments amounted to approximately RMB207.2 million, RMB868.1 million and RMB3,400.3 million as of the same dates, respectively. The significant increase in our prepayments in 2025 was primarily attributable to the expansion of our integrated supply chain logistics business, in particular the growth of our end-to-end supply chain solutions. We have made provisions for doubtful debts in respect of our trade receivables, representing the expected credit losses assessed by us after taking into account historical default rates, existing market conditions and forward-looking information. If any receivables are determined to be irrecoverable, the provision for doubtful debts in respect of such receivables will be written off. If our trade or other receivables, prepayments and other assets increase significantly and we fail to recover such amounts in a timely manner, our financial condition and business operations may be materially and adversely affected.

Our success depends to a substantial degree upon our senior management and other key personnel, and our business operations would be negatively affected if we fail to attract and retain them.

We rely on our experienced senior management and other key personnel to continue providing their services. Specifically, the industry experience, management skills, and contributions of these individuals are vital to our success. We have agreements with our senior management and key personnel, but these do not guarantee their ongoing service, nor can we be certain we can enforce them. If members of our senior management or key personnel resign, join a competitor, or start a competing company, the costs and uncertainties of finding and integrating replacements could adversely affect our business, financial health, and operating results.

Additionally, if any of our senior management or key personnel cannot or will not continue in their current roles, we may struggle to replace them quickly or at all, which could seriously disrupt our business and impact our performance.

We may not be able to attract and retain the qualified and skilled employees needed to support our business.

We believe our success relies on the efforts, effectiveness, and talent of our employees. Our future success depends on our ongoing ability to attract, develop, motivate, and retain qualified and skilled personnel, especially those with expertise in the logistic industry, the supply chain services industry, the technology sector, and other related fields. Competition for highly skilled workers is extremely fierce. We may not be able to hire and keep these workers at compensation levels consistent with our current pay structure. Some of the companies we compete with for experienced staff have more resources and may offer more attractive employment terms. Additionally, we invest significant time and resources in training our employees, which enhances their value to competitors who may attempt to recruit them. If we fail to retain our staff, we may face high costs in hiring and training replacements, which could also compromise the quality of our services and our ability to serve customers, ultimately leading to a material negative impact on our business and prospects.

We may need additional capital to pursue business objectives and respond to business opportunities, challenges, or unforeseen circumstances, and financing may not be available on terms acceptable to us, or at all.

Growing and operating our business will require additional cash investments, capital expenditures, and commitments to address business challenges, including developing or improving new or existing services and technologies, and expanding our infrastructure. If cash on hand, cash generated from operations, and the [**REDACTED**] from the [**REDACTED**] are not enough to meet our cash and liquidity needs, we might need to seek additional capital, possibly through debt or equity financing. We may not be able to raise the required capital on terms acceptable to us, or at all. Volatility in the credit markets could negatively impact our ability to obtain debt financing. Issuances of equity or convertible debt securities might be on terms that are dilutive or potentially dilutive to our Shareholders, and [**REDACTED**] at which [**REDACTED**] are willing to [**REDACTED**] our securities may be lower than the [**REDACTED**] of this [**REDACTED**]. Holders of new securities may also have rights, preferences, or privileges that are senior to those of existing shareholders. If new financing sources are needed but are insufficient or unavailable, we might have to adjust our growth and operating plans and business strategies based on the funding we can obtain, which could hinder our ability to expand our business.

Failure to pay social insurance and housing provident fund contributions in accordance with applicable PRC laws and regulations may have an adverse impact on our financial condition and results of operations.

We are subject to PRC labor laws and regulations and are required to make contributions to various social welfare plans for our employees, including housing provident fund, pension insurance, medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. The relevant authorities may examine an employer's compliance, and any failure to make contributions in full in accordance with the applicable requirements may result in administrative penalties. During the Track Record Period, we made such contributions in full. Except for the matters described below, we made such contributions in compliance with applicable national and local requirements, and we have not been subject to any penalties, investigations or regulatory inquiries in respect of social insurance or housing provident fund contributions. Prior to our acquisition of Shandong Duanxin on December 31, 2025, the social insurance contributions for employees of Shandong Duanxin were paid through a centralized payment process administered by Shandong Energy or its subsidiary, while the relevant contribution costs were actually borne by Shandong Duanxin and its subsidiaries (the "**Centralized Payment Process**"). See "Business — Compliance."

As advised by our PRC Legal Advisor, the Centralized Payment Process was inconsistent with the relevant PRC laws and regulations requiring employers to make social insurance contributions for their employees independently and therefore entailed certain legal deficiencies.

Our business is subject to a broad range of PRC laws and regulations. If we are deemed to be not in compliance with any of these laws and regulations, our business, reputation, financial condition and results of operations may be materially and adversely impacted.

Our business is supervised and regulated by relevant PRC government authorities, including but not limited to the SAMR, Ministry of Transportation, and MIIT. These authorities jointly promulgate and enforce regulations affecting many aspects of our day-to-day operations. We are required to obtain and maintain various licenses, permits, approvals and registrations necessary for the operation of certain of our businesses, and to renew such licenses and permits in a timely manner upon their expiry. For example, in accordance with the applicable PRC laws and regulations, an entity engaging in network freight business is generally required to obtain an operating license from the local county-level authority responsible for the supervision and administration of road transportation. If we fail to comply with the relevant terms, conditions and requirements, we may be subject to fines and other administrative penalties imposed by the government and may be ordered to rectify such non-compliance. If we fail to rectify the relevant non-compliance within the prescribed period, we may be forced to suspend operations, and the affected entities may also be subject to penalties such as suspension of business.

The laws and regulations of the Chinese Mainland may be amended, updated or newly promulgated from time to time, and there are uncertainties as to the interpretation and enforcement of current and future laws and regulations applicable to us and the shippers, truck drivers and logistics companies with whom we cooperate. In addition, the relevant government authorities may in the future require us to obtain additional approvals, licenses, permits or registrations. New laws imposing additional restrictions or stricter enforcement of existing regulations could allow the PRC government to impose fines, confiscate income, revoke business licenses, or require us to cease certain operations, all of which could materially harm our results. Moreover, emerging policies related to climate change might influence customer preferences or demand, potentially increasing our compliance costs or necessitating new marketing strategies.

We cannot guarantee that all logistics companies, shippers, and truck drivers we work with are fully compliant with the law. Non-compliance by any of these parties could lead to penalties or administrative actions that might hinder their ability to work with us, adversely affecting our business, reputation, financial health, and results.

Regulatory uncertainties, particularly concerning anti-monopoly and anti-unfair competition laws, could negatively impact our business. In November 2020, the SAMR's Anti-monopoly Bureau released the draft Guidelines on Anti-monopoly Issues in Platform Economy for public comment, which came into effect in February 2021. As we grow our business, there is no assurance that regulators will not investigate or take enforcement actions against our future investments, mergers, or partnerships. If any of these activities are considered to establish a concentration of undertakings under the PRC Anti-monopoly Law, we could be ordered to cease the activity, dispose of assets or shares, transfer business, or take other corrective measures within a specified timeframe, and fines of up to RMB500,000 may be imposed.

Our operations may also be regulated by environmental laws and regulations. For instance, truck drivers must use vehicles that meet relevant emission standards for our platform's shipping orders. Additionally, changes in PRC regulations could require further investments to meet new standards related to health, safety, and environmental protection. As we expand — including integrating new energy vehicles into our fleet and broadening our product offerings — compliance with these laws may demand significant costs, and failure to comply could result in legal liabilities.

Continued expansion of our business necessitates adherence to these environmental regulations, which are subject to periodic inspections and renewal requirements. Non-compliance may lead to liabilities and other legal consequences.

If we, our employees, affiliates and business partners, such as suppliers, fail to comply with anti-corruption laws and regulations and our anti-corruption policies and procedures, our reputation may be seriously harmed and our business, financial condition, results of operations and prospects may be materially and adversely affected.

We are exposed to risks if the conduct of us, our employees, affiliates and business partners violates anti-corruption laws and regulations. Although we have adopted anti-corruption policies and stringent internal procedures, and work closely with the relevant governmental authorities to ensure compliance with applicable policies, laws and regulations, our efforts may not be sufficient to ensure that we, our employees, affiliates and business partners will at all times comply with such policies, laws and regulations. If we, our employees, affiliates or business partners violate any applicable policies, laws, rules or regulations, we may be subject to fines and/or other penalties, and our reputation, corporate image and business operations may be materially and adversely affected. The interpretation of laws and regulations by regulatory authorities or courts may differ from our understanding, and anti-bribery or anti-corruption regulations may be amended from time to time. If we fail to comply with such measures, or become the subject of any negative publicity as a result of actions taken by us, our employees, affiliates or business partners, our reputation, corporate image and business operations may be materially and adversely affected, which in turn could materially and adversely affect our business, financial condition, results of operations and prospects.

Defects related to certain of our properties may adversely affect our ability to use these properties.

As of the Latest Practicable Date, the lease agreements with respect to 14 out of 27 properties leased by us had not been registered with the appropriate government authorities in the PRC, and the landlords of seven leased office properties were unable to provide the relevant title certificates. See "Business — Properties." As advised by our PRC Legal Advisor, if we and the landlords fail to register such lease agreements as required by the relevant competent authorities, we may be subject to a fine of RMB1,000 to RMB10,000 for each of the unregistered lease agreements. There can be no assurance that the relevant government authorities would not impose administrative penalties on us as a result of the non-registration of these lease agreements. If we are liable for fines because of the non-registration of lease agreements, our business operation could be adversely affected.

In addition, as of the Latest Practicable Date, certain self-constructed buildings owned by Yiqi Duanxin and Yulin Duanxin, with an aggregate gross floor area of 1,950 sq.m. and an aggregate carrying amount of approximately RMB2.2 million as of December 31, 2025, had not obtained building ownership certificates. Such buildings may be identified as illegal constructions, and we may be ordered to rectify or demolish them or be subject to administrative penalties. Although we believe alternative premises are available and, as advised by our PRC Legal Advisor, these matters would not constitute a material legal impediment to the [**REDACTED**], any relocation, rectification or penalty may adversely affect our operations.

The enforcement of the PRC Labor Contract Law, and other labor-related regulations in the PRC may increase our labor costs and limit our flexibility to use labor. Our failure to comply with PRC labor-related laws may expose us to penalties.

According to the PRC Labor Contract Law, employers must enter into written employment contracts with employees. If a factual labor relationship is considered to exist between an employee and an employer, the labor authority can order the employer to correct this by signing written contracts with the employees and paying twice the monthly salary. An employer is required to sign an indefinite-term labor contract with any employee who has worked for the company for 10 consecutive years. Additionally, if an employee requests or agrees to renew a fixed-term labor contract that has already been renewed twice in a row, the new contract must be indefinite with some exceptions. The employer must provide economic compensation to an employee if a labor contract is terminated or expires, except in certain specifically regulated situations. As a result, our ability to terminate employees is heavily restricted. Furthermore, the government has issued various labor-related regulations to further protect employee rights. If we decide to change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may limit our ability to make those changes in a cost-effective way. Since the interpretation and enforcement of these regulations are still evolving, our employment practices might not always be compliant with the new rules. If we face severe penalties or incur significant liabilities due to labor disputes or investigations, our business and financial condition could be negatively impacted.

We may be subject to various claims and lawsuits in the ordinary course of business, and increases in the amount or severity of these claims and lawsuits could adversely affect us.

We may face claims and lawsuits, including various disputes and litigation related to commercial issues, personal injury, property damage, labor conflicts, and other matters in our normal business operations. Legal actions against us could lead to settlements, injunctions, fines, penalties, or other outcomes that could harm our business, financial health, results of operations, and reputation. Even if we win these cases, defending ourselves could incur substantial costs. A significant judgment or regulatory action against us, or a major disruption caused by adverse rulings involving our directors, officers, or employees, would seriously impact our liquidity, business, financial condition, performance, and reputation prospects.

We may not have sufficient insurance coverage.

We purchase and maintain insurance policies that we believe align with industry practices and comply with relevant laws and regulations. See "Business — Insurance." However, we cannot guarantee that our insurance policies will provide sufficient coverage for all risks associated with our business operations. In line with common industry practice in China, we do not carry business interruption insurance or key-man life insurance. Additionally, we cannot guarantee we will be able to file successful claims for losses under our current insurance policies in a timely manner or at all. If we suffer losses not covered by our insurance, or if the reimbursement is significantly less than our actual losses, we may have to cover the remaining losses ourselves. This could negatively impact our business, financial condition, and results of operations.

RISKS RELATING TO DOING BUSINESS IN COUNTRY WE OPERATE

Changes in China's economic, political, and social conditions, as well as the policies of the PRC government, may adversely impact our business, prospects, and the viability of our growth and expansion plans.

During the Track Record Period, most of our clients and suppliers came from China. Accordingly, our business, financial condition, results of operations and prospects may be materially affected by the general political, economic and social conditions in China, as well as the continued growth of the overall PRC economy. Although the PRC economy has experienced significant growth over the past decades, there can be no assurance that such growth will be maintained across different industries in a balanced manner. The PRC government has implemented various measures to encourage economic growth, some of which may benefit the overall PRC economy but may not have the same effect on us.

Furthermore, if any material changes in the policies of the PRC government or in PRC laws and regulations have a material adverse impact on China's overall economic growth, the market demand for our products and services may also be affected, which could in turn adversely affect our business, results of operations and competitive position.

Uncertainties regarding the interpretation and enforcement of PRC laws, rules and regulations could adversely affect us.

We conduct our business through entities in the Chinese Mainland, and our business is therefore subject to the laws and regulations of the Chinese Mainland. The legal system of the Chinese Mainland is a civil law system based on written statutes. Unlike the common law system, court decisions may be referred to for guidance but have limited precedential value. The laws and regulations of the Chinese Mainland continue to evolve and improve, and uncertainties may exist in their interpretation and implementation in certain respects. The application of certain laws and regulations to our business may be subject to further clarification through regulatory practice, administrative interpretation, judicial decisions or otherwise. As administrative authorities and courts have certain discretion in interpreting and applying laws and regulations, we may have difficulty in accurately assessing the scope of application of, and enforcement standards under, such laws and regulations with respect to our business in all circumstances. Such uncertainties may affect our assessment of compliance requirements, as well as our ability to enforce contractual rights or bring claims.

In addition, certain policies and internal guidelines of the Chinese Mainland may not be published in a timely manner, or their interpretations may differ among authorities or across regions, and in certain circumstances may be applied retroactively. As a result, we may only become aware that we have violated certain rules or requirements after the fact. If we fail to adjust our business and operations in a timely manner to comply with the relevant regulatory requirements, we may be required to devote additional resources to address regulatory changes and may be subject to rectification requirements, administrative penalties or other legal liabilities, which may adversely affect our business, financial condition and results of operations.

Our business operations are extensively impacted by the policies and regulations of the PRC government. Any policy or regulatory change may cause us to incur significant compliance costs.

We are subject to extensive national, provincial, and local government regulations, policies, and controls. Central, provincial, and local authorities and agencies regulate many aspects of Chinese industries, including, but not limited to, industry-specific rules. These include: (i) traffic and transport services; (ii) internet content provision; (iii) environmental laws and regulations; (iv) security laws and regulations; and (v) taxes, duties, and fees. The liabilities, costs, obligations, and requirements linked to these laws and regulations could cause disruptions to our operations or affect our financial position and results of operations. Failure to comply with relevant laws and regulations could lead to penalties, including suspension of our operations, which could seriously harm our business, prospects, financial condition, and results. Moreover, there is no guarantee that government agencies will not revise existing laws or regulations or introduce additional or more stringent ones. Adapting to such legal changes may increase our compliance costs, capital expenditures, or create other obligations or liabilities.

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

Our assets and subsidiaries are all located in the PRC. The majority of our Directors and senior management resides within the PRC. As a result, it may take a relatively long period of time to effect service of process upon our Directors and senior management inside the PRC. In addition, [**REDACTED**] may also experience difficulties in enforcing judgments if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions.

Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the [**REDACTED**] of our Shares on the Stock Exchange, the holders of Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

The PRC government policy on foreign investment in the PRC may adversely affect our business and results of operations.

Foreign investors' activities in the PRC are regulated based on the industry involved and require additional verification by certain authorities. The Special Management Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》), known as the 'Negative List,' issued by the NDRC and MOFCOM, outlines restrictions for foreign investment, including requirements for equity and senior management, and industries that are off-limits. The Negative List covers 11 industries, while sectors not listed are governed by the principle of equal treatment for domestic and foreign investments. As of the Latest Practicable Date, we have obtained the Value-added Telecommunications Business Operation License required for engaging in our intelligent logistics supply chain platform business, so as to avoid the impact of the regulations relating to the Negative List on such business. Any foreign investor failing to comply with these regulations can face bans on their investment activities, requirements to correct noncompliance, and other penalties. Such restrictions may limit these investors' capabilities and willingness to invest, potentially affecting our business and financial condition. Specifically, foreign investors are generally prohibited from holding more than 50% of the equity interests in a value-added telecommunications enterprise. Accordingly, any direct or indirect investment in our Company by foreign investors, as well as any foreign investment in our shareholders, is subject to this foreign ownership restriction. See "Regulatory Overview — Regulations on Foreign Investment Restriction on Value-added Telecommunications Services."

Aside from our intelligent logistics supply chain platform business, for which we are required to obtain a Value-added Telecommunications Business Operation License, our other operations in China are not included in the Negative List. However, since the Negative List might be updated in the future, there is no guarantee that the PRC government will not alter its policies in a way that would place part of our business in China under the Negative List. If we are unable to obtain or sustain approval from the relevant authorities to continue our business in China, which becomes prohibited or restricted for foreign investors, we may be compelled to sell or restructure that part of our business. Additionally, if we need to modify our corporate structure or business lines due to government policy changes on foreign investment, our business, financial condition, and results of operations could suffer.

Our operations are subject to and may be affected by changes in PRC tax laws and regulations.

As a company incorporated in the PRC, we are subject to PRC tax laws and regulations. We cannot assure you that we will be able to fully comply with the relevant tax laws and regulations. Any failure to comply with such laws and regulations may result in fines, other penalties, litigation or legal proceedings, which could adversely affect our business, financial condition and results of operations. We are also subject to examinations by tax authorities and governmental authorities with respect to our tax filings and other tax matters. We regularly assess the likelihood of adverse outcomes arising from such examinations in determining the adequacy of our tax provisions. We cannot assure you as to the outcome of such examinations. If our effective tax rate increases, or if the amount of taxes ultimately determined to be payable by us exceeds the amounts previously accrued, our financial condition, results of operations and cash flows may be adversely affected.

Holders of our H Shares may be subject to PRC taxation.

Non-PRC resident individuals and non-PRC resident enterprises have different tax obligations regarding dividends received from us or gains from the sale or other disposal of our H Shares, according to applicable PRC tax laws, rules, and regulations.

Under the PRC IIT Law, non-PRC resident individuals are subject to a 20% PRC individual income tax on their dividend income from the PRC, and we are required to withhold this tax from our dividend payments. If there is an applicable tax treaty to avoid double taxation and tax evasion between China and the jurisdiction where the foreign individual resides, the appropriate tax rate will be determined according to such treaty. Typically, the tax rate on dividends is 10% based on tax treaties or agreements, and because many stockholders are involved for a listed company, to simplify tax administration, a domestic non-foreign-investment enterprise with shares listed in Hong Kong can generally withhold dividend income tax at a rate of 10%. There remains uncertainty about whether gains realized by non-PRC resident individuals on the disposition of H Shares are subject to PRC individual income tax.

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》) and other applicable PRC tax rules and regulations, non-PRC resident enterprises that lack establishments or premises in the PRC, or have establishments or premises in the PRC but their income is unrelated to those establishments or premises, are subject to a 10% PRC enterprise income tax on dividend income received from a PRC company and gains from the sale or other dispositions of equity interests in a PRC company. The 10% tax rate may be reduced under specific arrangements or treaties between China and the jurisdiction where the non-resident enterprise is based. There remains significant uncertainty as to how the PRC tax authorities interpret and enforce these laws, rules, and regulations, including whether and how non-PRC resident holders of H shares are subject to enterprise income tax on gains from the sale or other dispositions of their H shares. Furthermore, any unfavorable changes in applicable tax laws, regulations, or rates enacted by the PRC tax authorities could materially and adversely affect the value of your [**REDACTED**] in our H Shares.

Failure to comply with PRC regulations and laws in relation to the share incentive scheme may subject the participants or us to fines and other legal or administrative sanctions.

In February 2012, the SAFE issued the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Share Schemes of Overseas Publicly Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), or the Stock Option Rules, which replaced the earlier rules issued by the SAFE in March 2007. Under the Stock Option Rules, PRC residents participating in stock incentive plans of an overseas publicly listed company are required, through a PRC agent or PRC subsidiary of such overseas company, to register with the SAFE and complete other specified procedures. These participants must also retain an overseas entrusted institution to handle matters related to exercising stock options, buying and selling corresponding stocks or interests, and transferring funds. Additionally, the PRC agent is obligated to amend the SAFE registration if there are any material changes to the stock incentive plan, the PRC agent or the overseas entrusted institution, or other significant modifications.

We have adopted a share incentive scheme in 2022, pursuant to which we granted restricted shares to, among others, certain participants, including our Directors, senior management members, core employees and other persons who have a significant impact on our operating performance. We and our PRC resident participants who have been granted restricted shares will be subject to the Stock Option Rules upon completion of this [**REDACTED**]. Failure of the PRC resident holders of our restricted shares to complete their SAFE registrations may subject these PRC residents to fines and legal sanctions and could also limit our ability to contribute additional capital to our PRC subsidiaries, restrict our PRC subsidiaries from distributing dividends to us, or otherwise materially harm our business.

Our payment of dividends may be subject to restrictions under the PRC laws.

Under PRC laws, dividends can only be paid out of distributable profit. Distributable profit is our profit calculated under PRC GAAP or IFRS, whichever is lower, minus any recovery of accumulated losses and allocations to statutory and other reserves that we are required to make. Consequently, we might not have enough or any distributable profit to pay dividends to our Shareholders, even in profitable years. Any distributable profit not distributed in a given year is retained and available for future distribution. During the Track Record Period, our Company did not pay or declare any dividends for each of the years ended December 31, 2023, 2024 and 2025, except for the dividends declared and paid before the reorganization from Shandong Duanxin to Yankuang Energy in respects of the year ended December 31, an aggregate amount of RMB100.0 million has been approved by the shareholders of Shandong Duanxin.

Furthermore, we must follow the dividend distribution rules set by the PRC regulatory authorities when deciding our dividend payout ratios. These rules may be amended by the authorities in the future, which could significantly impact the capital available for our business development and growth.

Additionally, because the calculation of distributable profits under PRC GAAP differs from that under IFRS in certain ways, our subsidiaries might not have distributable profits as calculated under PRC GAAP, even if they report profits under IFRS, or vice versa. As a result, we may not receive enough dividends from our subsidiaries. If our subsidiaries fail to pay dividends, it could negatively affect our cash flows and our capacity to distribute dividends to our Shareholders in the future, including periods where our financial statements show profitable operations.

The PRC government's control over foreign currency conversion restrictions on currency exchange may limit our foreign exchange transactions.

Currently, the Renminbi cannot be freely exchanged for any foreign currency, and the rates and remittances of foreign currencies are governed by PRC foreign exchange rules. We cannot guarantee that we will have enough foreign exchange to meet our needs.

Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including dividend payments, do not require prior approval from SAFE, but we must provide documentation of these transactions and conduct them at designated foreign exchange banks in the PRC that are licensed to handle foreign exchange. However, foreign exchange transactions under the capital account conducted by us must be approved in advance by SAFE.

Following the completion of the [**REDACTED**], under current foreign exchange rules, we will be able to pay dividends in foreign currencies without prior SAFE approval by following certain procedures. However, we cannot guarantee that these policies for paying dividends in foreign currencies will stay the same in the future. Additionally, a shortage of foreign exchange could limit our ability to obtain enough foreign currency for dividend payments or other foreign exchange needs. If we cannot get SAFE approval to convert the Renminbi into foreign currencies for business purposes, our capital plans, business operations, results, and financial condition could suffer significantly.

Fluctuations in exchange rates could result in foreign currency exchange losses, and have a material and adverse effect on our results of operations.

The exchange rates of the Renminbi against the Hong Kong dollar and other currencies may fluctuate from time to time, and depend significantly on domestic and international economic and political developments, as well as the supply and demand for currencies in the local market. It is difficult to predict how market forces or government policies might influence the future exchange rate of the Renminbi against the Hong Kong dollar and other currencies. Additionally, the People's Bank of China regularly intervenes in the foreign exchange market to restrict fluctuations in the Renminbi's exchange rates and to accomplish policy objectives. We face risks associated with potential volatility in future exchange rates and the PRC government's controls on currency conversion. We cannot guarantee that we will avoid material net foreign exchange losses in the future. If such losses occur, our operating results and financial condition could be negatively impacted. The [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. Therefore, any appreciation of the Renminbi against the Hong Kong dollar could decrease the value of our [**REDACTED**] from the [**REDACTED**]. Conversely, any depreciation of the Renminbi could adversely affect the value of, and dividends payable on, our Shares in a foreign currency. Furthermore, there are limited instruments available to mitigate our foreign currency risk at reasonable costs. Moreover, we are currently required to obtain approval from SAFE before converting significant amounts of foreign currencies into Renminbi. All these factors could materially and adversely impact our business, financial condition, results of operations, prospects, and may reduce the value of, and dividends payable on, the Shares expressed in foreign currencies.

We face risks related to our overseas expansion.

We are expanding our international ocean freight business, broadening our cross-border supply chain capabilities, and exploring overseas service bases. These attempts are subject to foreign regulatory approval, political and policy changes, logistical challenges, and cross-border compliance risks. Adverse developments in host countries, such as changes in import restrictions, currency controls, or local partnership disputes, may delay implementation or result in financial losses.

Changes in regulations, international trade policies and tariffs, as well as escalating political tensions, may adversely affect our business and results of operations.

Due to the interconnected nature of the global economy, policy changes in one region of the world may have an immediate and significant adverse impact on global markets. Significant political, trade or regulatory developments in the jurisdictions in which we provide services are difficult to predict and may materially and adversely affect us.

Escalation of political tensions arising from trade policies may reduce trade, investment and other economic activities among major international economies. These developments, or expectations of any such developments, could materially and adversely affect global economic conditions and the stability of global financial markets, which in turn may adversely affect our business and results of operations. As a result, these developments may require us to make additional investments to monitor policy trends and explore response strategies in order to mitigate their impact on our operations. The current international trade tensions and political tensions, and any escalation thereof, may also materially and adversely affect our ability to further expand our customer base. If our customers are affected by restrictive measures such as trade protection or export controls, our performance and revenue may be adversely affected. Geopolitical developments may also lead to increased restrictions on foreign investment and technology exchanges, thereby increasing compliance requirements and creating uncertainty for [**REDACTED**]. Any of the foregoing factors may materially and adversely affect our business, prospects, financial condition and results of operations.

RISKS RELATING TO THE [REDACTED]

No [REDACTED] currently exists for our H Shares; an [REDACTED] for our H Shares may not develop, the [REDACTED] for our H Shares may decline, and the [REDACTED] of our H Shares may be limited.

Before the [**REDACTED**], there was no [**REDACTED**] for our H Shares. We cannot guarantee that a [**REDACTED**] with adequate liquidity and [**REDACTED**] for our H Shares will develop and be maintained after the [**REDACTED**] is completed. Additionally, the [**REDACTED**] of our H Shares is likely to be set by agreement between the [**REDACTED**] and us, and may not reflect the [**REDACTED**] of our H Shares after the [**REDACTED**]. If an active [**REDACTED**] does not develop for our H Shares following the [**REDACTED**], the [**REDACTED**] and liquidity could be significantly and negatively affected.

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

The [**REDACTED**] and [**REDACTED**] of our H Shares can be highly volatile. Several factors, some beyond our control, such as changes in our operational results, adjustments in our pricing policy, the emergence of new technologies, strategic alliances or acquisitions, the addition or departure of key personnel, changes in profit forecasts or recommendations by financial analysts, modifications in credit ratings, litigation, or the removal of restrictions on share transactions, could cause significant and sudden fluctuations in the [**REDACTED**] of our H Shares. Additionally, the business, operational results, financial condition, and [**REDACTED**] of shares of other companies in similar industries may influence the [**REDACTED**] and [**REDACTED**] of our shares. Furthermore, the Hong Kong Stock Exchange and other securities markets have experienced, from time to time, substantial [**REDACTED**] and [**REDACTED**] swings that are unrelated to the actual performance of any particular company. Therefore, it is possible that our H Shares could experience [**REDACTED**] that are not directly linked to our operational performance.

There will be a time gap of several business days between [REDACTED] and [REDACTED] of our H Shares [REDACTED] in the [REDACTED]. Holders of our H Shares are subject to the risk that [REDACTED] of our H Shares could fall during the period before [REDACTED] of our H Shares begins.

The [**REDACTED**] of our H Shares is expected to be set on the [**REDACTED**]. However, our H Shares will not start [**REDACTED**] on the Hong Kong Stock Exchange until they are delivered, which is anticipated to be [**REDACTED**] after the expected [**REDACTED**]. Therefore, [**REDACTED**] might not be able to sell or trade our H Shares during that time. As a result, holders of our H Shares face the risk that the [**REDACTED**] could decline before [**REDACTED**] begins due to unfavorable market conditions or other negative developments that could happen between the sale and the start of [**REDACTED**].

Substantial future sales or the expectation of substantial [REDACTED] of our H Shares in the [REDACTED] following the [REDACTED] could materially and adversely affect [REDACTED] of our H Shares.

Before the [**REDACTED**], there has been no [**REDACTED**] for our H Shares. Future [**REDACTED**] or perceived [**REDACTED**] by our Shareholders of our H Shares after the [**REDACTED**] could cause a significant drop in the current [**REDACTED**] of our H Shares. Only a small number of the H Shares currently outstanding will be available for [**REDACTED**] or [**REDACTED**] immediately after the [**REDACTED**] due to contractual and regulatory restrictions on disposal and new issuance. However, once these restrictions expire or if they are waived, future [**REDACTED**] of large amounts of our H Shares in the [**REDACTED**] or the perception that these [**REDACTED**] might happen could sharply reduce the current [**REDACTED**] of our H Shares and hurt our ability to raise equity capital in the future.

As the [REDACTED] of our H Shares is [REDACTED] than our consolidated net tangible book value per Share, [REDACTED] of our H Shares in the [REDACTED] may experience immediate [REDACTED] upon such [REDACTED].

Since the [**REDACTED**] of our H Shares [**REDACTED**] the consolidated net tangible assets per Share immediately before the [**REDACTED**], [**REDACTED**] of our H Shares in the [**REDACTED**] may face immediate and substantial [**REDACTED**] in the [**REDACTED**] net tangible asset value by approximately [**REDACTED**] per Share (assuming an [**REDACTED**] of [**REDACTED**] per H Share, which is the [**REDACTED**] of our indicative [**REDACTED**] between [**REDACTED**] and [**REDACTED**] per H Share). Our existing Shareholders will see an [**REDACTED**] in the [**REDACTED**] adjusted consolidated net tangible asset value per Share of their Shares. Refer to [**REDACTED**] in Appendix II of this document. Additionally, holders of our H Shares might experience further [**REDACTED**] if the [**REDACTED**] (on behalf of the [**REDACTED**]) exercises the [**REDACTED**] or if we [**REDACTED**] more H Shares in the future to [**REDACTED**] at a [**REDACTED**] than our net tangible asset value per Share at that time.

We may need additional capital, and [REDACTED] of additional H Shares or other equity securities could result in additional dilution to our Shareholders.

Despite our current cash, cash equivalents, and the [**REDACTED**] from the [**REDACTED**], we might need extra funds to support our ongoing growth or other future projects. We cannot guarantee that financing will be available in the right amounts or on terms we find acceptable, if at all. If we are unable to raise additional funds, we may be compelled to sell more equity securities, which could lead to further dilution for our Shareholders.

Facts, forecasts and statistics in this document relating to our industry may not be fully reliable.

Certain facts, forecasts and statistical data in this operating results relating to China and the global economy and the industry in which we operate have been derived from official government publications or other publicly available sources that we believe to be reliable. However, we cannot assure you as to the quality or reliability of such sources. Neither our Group, the Sole Sponsor nor any other party has independently verified the information derived from official government sources and, accordingly, no representation is given as to its accuracy or completeness. Due to possible flaws or ineffectiveness in the methods of collecting information, discrepancies between published information and market practice, and for other reasons, the statistical data relating to China and the global economy and the industry in which we operate contained in this operating results may be inaccurate or may not be comparable to statistical data produced for other economies, and you should not place undue reliance on such statistical data. In addition, such facts, forecasts and statistical data involve risks and uncertainties and are subject to change based on various factors and should therefore not be unduly relied upon. You should consider carefully the weight or significance to be attached to such facts or statistical data and should not place undue reliance on them.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events, or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

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

We strongly advise against relying on any information in press articles or other media about us and the [**REDACTED**]. Before this document was published, there had been press and media coverage about us and the [**REDACTED**]. This coverage may include references to certain information not included in this document, such as specific operating and financial details, projections, valuations, and other data. We have not authorized the release of any such information through the press or media and do not take responsibility for any such coverage or for the accuracy or completeness of any such information or publication. We make no claims regarding the appropriateness, accuracy, completeness, or reliability of such information or publications. If any of this information conflicts or is inconsistent with the information in this document, we disclaim responsibility for it, and you should not rely on such information.