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

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our historical growth may not be indicative of our future growth, and if we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

We have experienced fast growth in our business in recent years. Our total revenue increased from RMB3,560.5 million in 2019 to RMB4,664.6 million in 2020, and further increased to RMB6,297.3 million in 2021, representing a CAGR of 33.0% from 2019 to 2021. Our historical growth has placed, and will continue to place, significant demands on our management and our technology infrastructure, as well as our administrative, operational and financial systems. However, our historical growth may not be indicative of future growth and our planned growth initiatives may not be successful.

We intend to continue to implement our business strategies to achieve high growth and profitability. See "Business—Strategies." However, there can be no assurance that we will be able to manage our growth effectively. Our ability to achieve profitability depends on our abilities in continuously generating revenue, as well as our abilities in effectively managing the costs and expenses associated with business operations and expansion. If we fail to manage our growth or sustain profitability effectively, our financial condition, results of operations and business prospects could be materially and adversely affected.

The profitability of our business has been and is expected to continue to be reliant upon, among others, government grants provided by local financial bureaus relating to digital freight business. If we cannot continue to receive such grants, our financial performance may be materially and adversely affected.

We receive government grants related to our digital freight business. In 2019, 2020, 2021 and the nine months ended September 30, 2021 and 2022, the total amount of government grants related to digital freight business we recognized amounted to RMB916.0 million, RMB1,192.5 million, RMB1,771.8 million, RMB1,312.4 million and RMB1,285.7 million, respectively, accounting for approximately 3.9%, 4.3%, 4.7%, 4.6% and 4.7% of our Online

GTV in the corresponding years/periods, respectively. In 2019, 2020, 2021 and the nine months ended September 30, 2021 and 2022, government grants related to digital freight business under freight transportation services amounted to RMB112.3 million, RMB168.7 million, RMB236.4 million, RMB173.5 million and RMB183.6 million, respectively; government grants related to digital freight business under freight platform services amounted to RMB631.6 million, RMB812.5 million, RMB1,180.4 million, RMB876.9 million and RMB845.9 million, respectively; and government grants related to taxes and surcharges amounted to RMB172.1 million, RMB211.3 million, RMB355.0 million, RMB262.0 million and RMB256.2 million, respectively. The profitability of our digital freight business significantly depends upon the amount of government grants provided by local financial bureaus, which are based on our contribution to the local economy and are not guaranteed. Whether we can obtain such government grants in a particular province in the PRC is subject to the policy of the local financial bureau and the negotiation between such local financial bureau and us. While we are currently entitled to government grants related to our digital freight business in all of the provinces where we conduct our digital freight business, we cannot assure you that we will be able to continue to receive such government grants on similar terms, or at all. In the event that the government grants are reduced or canceled, we may have to adjust the rate of our digital freight service fee, which could make the services under our digital freight business less attractive to shippers and truckers and our business could be materially and adversely affected. We cannot assure you that we will always be able to pass on any increased costs due to reduction or elimination of related government grants through adjustment of the rate of the fees we charge the shippers either, in which case, our results of operations and financial condition could be materially and adversely affected. See "Financial Information—Government Grants."

Our business and growth are affected by various macroeconomic factors, including the continuous growth of demand for digital freight services in the freight transportation industry in China.

Our future business opportunities depend on the sustained growth of China's economy, the continuous development of China's commerce landscape and the related demand for nationwide digital freight services in the freight transportation industry in China. The future development and landscape of China's economy are affected by a number of factors, many of which are beyond our control. These factors include the consumption power and disposable income of consumers, as well as changes in demographics and consumer preferences. Further, the emergence of alternative channels or business models that better suit the needs of consumers and the development of online-to-offline logistics integration by merchants can also affect the development of multiple business sectors in China and the overall macroeconomic landscape in China. Moreover, other factors, such as changes in government policies, laws and regulations can also influence the development of the economic conditions in China. If the macroeconomic landscape in China and the resulted demand for nationwide digital freight services in the freight transportation industry in China fail to develop as we expect, our business and growth could be adversely affected.

Any deterioration in the economic environment may subject our business to various risks. The freight transportation industry has historically experienced cyclical fluctuations in financial performance due to economic slowdowns, downturns in business cycles, volatility in energy price, pandemic and other factors beyond our control. During economic downturns, the reduction in overall demands for transportation services may lead to reduced demand for our services and exert downward pressures on our prices and profitability. In periods of strong economic growth, demand for limited transportation resources may also result in increased network congestion and operating inefficiency. The abovementioned adverse changes may lead to disruption and discontinuity in the traffic and functions of major manufacturers, distributors, merchants and retailers in China, and as a result could severely limit our ability to continue growing our business.

We operate in a competitive industry, and if we fail to compete effectively, our business and prospect could suffer.

The freight transportation industry in China is large and competitive. According to CIC, there were approximately 1,950 digital freight platforms like us nationwide by the end of 2021. The top five players accounted for 36.0% of the entire market share in terms of Online GTV in 2021, the top ten players accounted for approximately 50% of the entire market share in terms of Online GTV in 2021, and most of the freight transportation platforms are small to medium-sized enterprises. We compete with existing market players and potential new entrants emerging in the market, including other major digital freight platforms, truckers' communities and platforms for truck purchase and aftermarket services, among others. Our competitors may have a broader service or network coverage, more advanced technology infrastructure, broader customer base, stronger brand recognition and greater capital resources than we do. Our competitors may also establish cooperative relationships or competing networks to increase their ability to address the needs of logistics companies, cargo owners and truckers, which could also negatively impact us. In addition, our competitors may compete with us by reducing their prices, especially during economic downturns. Such reductions may limit our ability to maintain or increase our prices or operating margins or achieve growth in our business. We may not be able to successfully compete against current or future competitors, and competitive pressures may have a material and adverse effect on our business, financial condition and results of operation.

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.

The success of our business largely depends on our ability to provide high-quality services to address the needs of our customers, including logistics companies and cargo owners, and to further enhance the quality of our services to adapt to the constantly evolving demand from our customers. Such efforts are key for us to maintain our reputation and to sustain long-lasting, stable business relationship with logistics companies, cargo owners and other customers that we work with. If we are unable to provide high-quality services to our customers, or unable to provide our services to our customers in a timely, reliable, and secure manner, our reputation and customer loyalty could be negatively affected. In addition, if our customer service personnel fail to satisfy customers' needs and respond effectively to their complaints, we may lose potential or existing customers and experience a decrease in demand for our services, which could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to continue to meet changing market demands, adapt to evolving market trends and continue to innovate, our ability to sustain and grow our business may suffer. We may face challenges associated with expanding or diversifying our solution and service offerings and exploring new business.

Innovation and the acute sense of seizing market demands are vital to the success of our business. Our success significantly depends on our ability to maintain and increase the scale of our network by keeping developing our technological-driven services and therefore attracting additional shippers and truckers to our platform. We intend to further diversify our service offerings and expand our customer base through innovation to increase our revenue sources in the future. If we are unable to recognize our customers' needs and adjust our business to adapt to the changing market demands, we might fall behind in the competition with other market players and our ability to sustain and grow our business may suffer.

Expansion into new types of services may involve risks and challenges we do not currently face, and may require us to devote significant financial and managerial resources. Such expansion may not perform as well as expected. We may not be able to successfully anticipate and address customer demand and preferences in the new types of services we provide, and our existing network and facilities may not be adaptable to the new services provided to customers. We may also be inexperienced with the operating models and cost structures associated with the new services we provide to consumers. In addition, we may not be able to ensure adequate quality of our new services, and therefore may receive complaints or incur costly liability claims, which would harm our overall reputation and financial performance.

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 substantially hinges on the growth of our digital freight services, which in turn depends on our ability to attract and retain, in a cost-effective manner, a large number of shippers and engage them to utilize the digital freight services we provide. As of September 30, 2022, we had served over 11,600 shippers on our platform. The attractiveness of our platform to shippers depends on a variety of factors, including our ability to punctually complete our services as requested, the quality and reliability of our services, our ability to offer competitive prices for our services, and the efficiency and transparency of the service process we provide. If our platform fails to provide attractive services comparable or superior to those of our competitors, or if our shippers are not satisfied with our services or are involved in disputes with us, we may not be able to continue to grow our customer base or further enhance the engagement of existing shippers.

In addition, we actively engage new shippers through online and offline customer acquisition channels, such as customer referral, online advertisement and targeted promotions. We are also deploying sales personnel with industry expertise and experience to acquire new shippers across various industries as we diversify and expand our customer base. These efforts on customer engagement may not yield the expected results or justify the relevant costs we incur and our results of operations and business prospects may be adversely affected.

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

We rely on truckers to complete the orders for our digital freight business we receive from our customers on our platform, and the number of truckers we are connected to through our platform significantly impacts our transportation capabilities. During the Track Record Period, the number of truckers who had completed shipping orders on our platform amounted to 2.5 million. An average of more than 210,700 truckers obtained orders through our platform every month during the Track Record Period. In 2019, 2020, 2021 and the nine months ended September 30, 2022, the number of active truckers on our platform, defined as those truckers who completed at least four orders on our digital freight platform in a given year, amounted to 229,800, 296,200, 411,600 and 325,100, respectively. The attractiveness of our platform to truckers is affected by various factors, including the requirements and authenticity of orders on our platform, the level of prices we are able to offer to truckers on our platform, the speed and easiness of payment settlement, and our ability to offer full-range services to assist truckers with freight transportation. Although we believe the value proposition our platform provides to truckers significantly contributes to our ability to attract truckers to, and retain truckers on, our platform, any adverse change in such value propositions our platform offers to truckers could result in a decrease in our ability to attract and retain truckers, which would in turn adversely affect our transportation capabilities and business operations. See "Business—Our Ecosystem—Truckers." In addition to the organic growth through word-of-mouth referral, we conduct online and offline engagement activities for truckers, such as organizing regular gatherings among truckers and providing incentives to existing truckers for successful referrals. Such activities require significant resources and may not achieve the results as we originally contemplated, and consequently, our efforts in effectively engaging truckers may not be as successful as expected.

We have established long-term relationships with a number of major customers, and deterioration in our relationships with them may adversely affect our business, financial condition and results of operation.

Our business has benefited from our long-term and stable business relationships with our major customers, which are primarily large-size logistics companies. Such long-term and stable business relationship with our major customers help us build up our reputation within the industry, attract new customers and grow our customer base. We typically enter into framework agreements with our major customers, but there is no guarantee that we will be able to renew the agreements at favorable terms to us, or at all, and it is also uncertain how many orders will be placed by these customers each year within the framework of cooperation. If these customers decide to grow their in-house logistics teams or they are able to find other providers for digital freight services, we may lose their business. Deterioration of our relationships with any major customer, a decrease in the number of orders any major customer places with us, or a material adverse change to the business of any major customer could materially harm the demand for our digital freight services.

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 work with third-party business partners in certain aspects of our business. For example, in our Truck Plus business, truckers are served by third-party truck sellers and dealers, with third-party service providers that provide comprehensive Truck Plus solutions encompassing new truck sales, maintenance, insurance, second-hand truck sale and other services for truckers. We select third-party business partners that we work with based on a number of criteria, including their demonstrated competence, market reputation and our prior relationship with them, if any. We cannot assure you that the services rendered by any of these third-party business partners will be satisfactory or meet our requirements for quality and safety, or that their services will be completed on time. If the performance of any third-party business partner proves unsatisfactory, or if any of them is in breach of its contractual obligations due to their financial difficulties or other reasons, or if any of them violates relevant laws and regulations, we may not be able to provide quality products and services to our customers, which may result in delays, customer complaints, or even legal proceedings. Furthermore, if our relationship with any of the third-party business partners deteriorates, a serious dispute with them may arise, which may in turn result in costly legal proceedings. The occurrence of any of the above events may have a material adverse effect on our business, financial condition, results of operations and reputation.

Our dependence on truckers to provide transportation services may impact the quality of our freight transportation services.

We do not employ any truckers, and we depend on external truckers to provide digital freight services on our platform. Our commitment to high-quality and secure transportation substantially depends on such external truckers whose actions are not fully controlled by us. Any shortcoming in services of external truckers, such as extended delays in transportation due to human errors, loss of goods because of negligence, willful misconduct, theft, or inappropriate attitude towards shippers or receivers, or any other failure to meet customer expectations or requirements, may be attributed to us, resulting in disputes and damage to our business and reputation.

Although we have established a comprehensive system of service protocols for truckers on our platform and entered into contracts with them, or agreed with them on terms for the freight transportation services they provide, we may not be able to exercise the same level of supervision over their conduct as we would if they were our employees. In the event of any unsatisfactory performance, lack of certain qualifications or licenses, misconduct, or illegal actions by truckers in completing orders on our platform, the disputes resulted from such actions may involve us and we may suffer reputational and incur liabilities.

We conduct thorough background checks for the truckers registered on our platform and implement strict truckers management. We review the background information of truckers together with their relevant licenses and permits before they could register with our platform. We also continuously monitor the status of the truckers. However, we cannot assure you that our background check process is able to verify the accuracy of all the information provided by truckers, or that our monitoring activities are able to prevent all misconduct by truckers in providing relevant services.

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 the digital freight services we provide and other transportation-related incidents.

We handle a large volume of shipments and face risks inherent to the freight transportation industry, which may result in commercial disputes, property damage, personal injury, labor disputes and fatal accidents. Shipments in transit may be stolen, damaged or lost for various reasons, and we may be found liable for such incidents. Our failure to detect or prevent dangerous goods from being transported may harm our reputation and business, as certain dangerous items may damage the trucks or other products and cause personal injury or fatal accidents. Transportation of goods also involves risks regarding transportation safety. From time to time, truckers on our platform may be involved in transportation accidents, and may also cause or suffer from personal injuries or fatal accidents, while the insurance they maintain may not fully cover the damages caused.

Any of the foregoing risks could disrupt our services, cause us to incur expenses and divert the time and attention of our management. We may face claims and incur liabilities if found liable or partially liable for any commercial disputes, property damage, personal injury, labor disputes and fatal accidents. Although for certain transactions under our digital freight business, we may purchase and maintain insurance policies for product damage when insurance was prescribed by shippers, claims against us may not be fully covered by insurance. Government authorities may also impose fines on us or require us to adopt costly preventive measures. Furthermore, if our customers consider our freight transportation service unsafe, the attractiveness of the services we provide will be compromised.

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

The recognition and reputation of our brand and the successful maintenance and enhancement of our brand and corporate reputation have contributed, and will continue to contribute, significantly to our success and growth.

Any negative perception and publicity, whether or not justified, such as accidents caused in our services, complaints in relation to quality of services we provide, disputes with shippers, truckers and other parties involved in our transportation, or illegal or inappropriate conduct of our employees or our business partners, could sabotage our reputation and reduce the value of our brand. Further, our competitors may fabricate complaints or negative publicity about us for the purpose of vicious competition. With the increased use of social media, adverse publicity can be disseminated quickly and broadly, making it increasingly difficult for us to respond and mitigate effectively.

We are also subject to negative publicity about the shippers and truckers we work with, whose activities are out of our control. Negative public perception that logistics companies or cargo owners on our platform do not place authentic orders or that truckers on our platform do not provide satisfactory freight transportation services, even if factually incorrect or based on isolated incidents, could undermine the trust and credibility we have established and have a negative impact on our ability to attract and retain customers and truckers.

If the logistics companies, cargo owners or truckers 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 truckers may be harmed.

We are not able to control or predict the actions of the logistics companies, cargo owners or truckers we work with, and, as a result of certain actions by them, we may be unable to protect or provide a safe environment for our freight transportation process. The logistics companies, cargo owners or truckers we work with may engage in, or are subject to, criminal, violent, inappropriate or dangerous activities. Such actions may result in injuries, property damage, business interruption, brand and reputational damage, or significant liabilities for us. If the logistics companies, cargo owners or truckers we work with engage in criminal, violent, inappropriate, or dangerous activities, transfer dangerous goods, or use our platform as a conduit for criminal activities, our customers may not consider our platform safe, and we may be subject to negative publicity as a result of our business relationship with such logistics companies, cargo owners or truckers we work with, which would adversely impact our brand, reputation and business.

Although we conduct background checks on truckers on our platform and due diligence on logistics companies and cargo owners we work with, these methods may not be effective in preventing such criminal, violent, inappropriate or dangerous activities.

During the Track Record Period, some of our customers (the "Relevant Customer(s)") settled their outstanding payments (the "Third-Party Payment") to us through third parties (the "Third-Party Payer(s)") which may subject us to various legal risks.

In 2019, 2020, 2021 and the nine months ended September 30, 2022, the aggregate amount of Third-Party Payments was approximately RMB132.3 million, RMB59.6 million, RMB63.8 million and RMB0.6 million, which accounted for approximately 3.7%, 1.3%, 1.0% and 0.01% of our Group's total revenue during the corresponding periods, respectively. Third-Party Payments may subject us to various legal risks. We are exposed to possible money laundering risks as we only possess limited background knowledge of the parties involved in the Third-Party Payment arrangement and the source of the Third-Party Payments. In addition, we may be subject to potential claims from Third-Party Payers or their liquidators to return the Third-Party Payments. If we were involved in legal proceedings on money laundering charges,we may need to spend significant time and financial and managerial resources in response to such proceedings. Even If we have good defences to the allegations and the court rules in our favour, our reputation as a trustworthy business may still be tarnished by our mere presence in the proceedings, which may in turn result in difficulties for us to maintain good business relationship with our existing customers or attract new customers. Moreover, if any Third-Party Payer or its liquidators brings any claim against us demanding the return of the relevant Third-Party Payment, we may be forced to comply with the court ruling and return the payment which was paid for the services that we provided. We cannot assure you that our business, financial condition, results of operations and prospects will not be materially and adversely affected by a claim or prosecution against us.

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

Many of our employees play critical roles in ensuring the safety and reliability of our services or our compliance with relevant laws and regulations. Certain of our employees have access to user information, proprietary technologies and know-hows. While we have adopted codes of conduct for all of our employees and implemented detailed policies and procedures relating to data privacy, intellectual property, anti-corruption, proprietary information and trade secrets, we cannot assure you that our employees will abide by these codes, policies and procedures or that the precautions we take to detect and prevent employee misconduct will be effective. Misconduct by our employees may materially and adversely affect our business, results of operations and financial condition. If any of our employees engage in any misconduct, illegal or suspicious activities, including but not limited to, misappropriation or leakage of any sensitive user information or proprietary information, we and such employees could be subject to legal claims and liabilities and our reputation and business could be materially and adversely affected as a result. In addition, while we have screening procedures during the recruitment process, we cannot assure you that we will be able to uncover misconduct of job applicants that occurred before we offered them employment.

Our business operations and financial performance were and may in the future continue to be adversely affected by the COVID-19 outbreak, and may face risks related to natural disasters, extreme weather conditions, health epidemics and other unforeseeable catastrophic incidents, which could significantly disrupt our operations.

The outbreak of the COVID-19 epidemic in China and globally has resulted in significant disruptions and distortions in the global economy. In early 2020, the Chinese government took certain emergency measures to combat the spread of the virus, including implementation of travel bans, blockade of certain roads and closure of factories and businesses. The closure of business and the slow-down of overall economic activities as a result of the COVID-19 outbreak resulted in a decline of freight volume in such period, as compared with the same period in 2019. Consequently, the COVID-19 pandemic has adversely affected our business, financial condition and results of operations for the six months ended June 30, 2020.

Since the beginning of 2022 and up to the Latest Practicable Date, there had been a resurgence of the COVID-19 pandemic in certain areas of China due to the Delta and Omicron variants. In response to such resurgence of the COVID-19 pandemic, the Chinese government took certain emergency measures, including travel restrictions, mandatory quarantines, limitations on public gatherings, and lockdowns of certain cities or regions. As a result, the entire road freight transportation industry in China had been adversely affected. Due to quarantine requirements and travel restrictions, the number of truckers available to fulfill shipping orders declined. The business activities of some of the shippers were also adversely affected, and consequently, their demand for digital freight services decreased. Our business operations and financial performance were affected by the resurgence of the COVID-19 pandemic in 2022. In the nine months ended September 30, 2022, our Online GTV declined by 3.5% to RMB27.3 billion from RMB28.3 billion for the nine months ended September 30, 2021 and the number of shipping orders fulfilled on our platform decreased to 7.5 million from 7.8 million for the nine months ended September 30, 2021. We recorded a net profit of RMB3.7 million in the nine months ended September 30, 2022, representing a 93.5% decrease from net profit of RMB56.7 million for the nine months ended September 30, 2021.

Since the end of the Track Record Period and up to the Latest Practicable Date, our business continued to be affected by the lingering effects of the COVID-19 resurgence. In particular, from late October 2022 to early December 2022, the operations and business development activities at our headquarter in Hefei were adversely affected due to the restrictive measures implemented by the government in response to a temporary regional resurgence of COVID-19. In the two months ended November 30, 2022, our Online GTV amounted to RMB5.8 billion, representing a 9.2% decrease from the two months ended November 30, 2021. Since December 2022, the PRC government has started to relax some of its restrictive measures nationwide, including digital health code, mass testing and lockdown. Many regions are currently facing a surge in COVID-19 cases following such relaxation. We continued to take measures to protect our business operations from the adverse impact of the COVID-19 outbreak. See "Financial Information—Impact of the COVID-19 Outbreak" and "—Recent Development."

In addition to the COVID-19 outbreak, the occurrence of other natural disasters or catastrophic events could materially disrupt our business and operations. Our business may be materially and adversely affected by the outbreak of other widespread health epidemic, such as swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, and Zika, by harsh weather conditions or natural disasters, such as snowstorms, earthquakes, fires or floods, among others, or by other unanticipated catastrophic events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. Any of the aforementioned catastrophic events could significantly impact the industries we operate in and cause a temporary closure of the offices we use for our operations, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. In addition, our revenue and profitability could be materially reduced to the extent that a health epidemic, adverse weather conditions or natural disaster or other outbreak harms the global or Chinese economy in general. Our operations could also be severely disrupted if the logistics companies, cargo owners and truckers we work with, or other participants in our ecosystem were materially and adversely affected by health pandemics or epidemics, harsh weather conditions, natural disasters or other outbreaks.

We incurred net loss in 2019, and we may not be able to remain profitable in the future.

We incurred a net loss of RMB3.3 million in 2019 and we recorded net profits of RMB26.1 million, RMB50.7 million and RMB3.7 million in 2020, 2021 and the nine months ended September 30, 2022, respectively. Our ability to achieve and maintain profitability depends on our ability to continue to increase our market share, maintain competitive pricing, leverage technology and business innovations to expand and enhance our service offerings, increase our operational efficiency, and successfully integrate our acquired businesses. These are affected by many factors which may be beyond our control, such as the overall demand for digital freight services nationwide and the general economic conditions. If we cannot successfully offset our increased total costs with a significant increase in revenues, our business, financial condition and results of operations may be materially and adversely affected. We may continue to incur net losses in the future due to changes in the macroeconomic and regulatory environment, competitive dynamics and our inability to respond to these changes in a timely and effective manner.

We experienced net operating cash outflow for the nine months ended September 30, 2022.

We recorded net cash outflow from operating activities of approximately RMB21.7 million for the nine months ended September 30, 2022, primarily due to a decrease in our net profit for such period as a result of the COVID-19 resurgence in China, and the change in working capital as we settled certain tax payables during this period. Please refer to the section headed "Financial Information—Liquidity and Capital Resources" of this document for further details. We may experience periods of net cash outflow from operating activities in the future, and as a result, our liquidity and financial condition may be materially and adversely affected. There is no assurance that we will have sufficient cash from other sources to fund our operations. If we resort to other financing activities to generate additional cash, we will incur additional financing costs, and we cannot guarantee that we will be able to obtain the required financing on terms acceptable to us, or at all.

Our failure to recover a significant portion of our trade and other receivables in a timely manner may have a material adverse effect on our business and financial results.

We face credit and liquidity risks attributable to our trade and other receivables. As at December 31, 2019, 2020 and 2021 and September 30, 2022, our trade and notes receivables were approximately RMB128.6 million, RMB189.4 million, RMB176.3 million and RMB93.0 million, respectively. In addition, during the Track Record Period, we also recorded certain amounts of other receivables, which primarily consisted of (i) other receivables from shippers for shipping fees, which represent the transportation fees uncollected from shippers upon fulfilment of the shipping orders under the freight platform services; and (ii) government grants receivables, which represent the government grants from local government authorities to support the Group's digital freight business. As at December 31, 2019, 2020 and 2021 and September 30, 2022, our prepayments, other receivables and other assets balances were approximately RMB1,215.1 million, RMB1,583.2 million, RMB1,641.5 million and RMB1,179.0 million, respectively.

Although the ageing of the majority of our trade receivables was less than one year during the Track Record Period, we cannot guarantee that we will always be able to recover these amounts in a timely manner in the future. A provision for doubtful debts is made for the amounts of trade receivables that represents the expected credit loss which we have assessed by considering historical default rates, existing market conditions and forward-looking information. If the receivables are determined to be irrecoverable, the provision for doubtful debts of such receivables will be written off. In the event that our trade or other receivables increase significantly and we fail to collect these receivables in a timely manner, our financial condition and business operations may be materially and adversely affected.

We are uncertain about the recoverability of our deferred tax assets, which may affect our financial positions in the future.

As at December 31, 2019, 2020 and 2021 and September 30, 2022, our deferred tax assets amounted to RMB13.7 million, RMB9.0 million, RMB12.8 million and RMB16.3 million, respectively, which represent the allowance for impairment losses of certain accounts receivables and unused tax losses. For details of the movements of our deferred tax assets during the Track Record Period, please see Note 28 to the Accountants' Report in Appendix I to this document. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered. In this context, we cannot guarantee the recoverability or predict the movement of our deferred tax assets, and to what extent they may affect our financial positions in the future.

If our preferential tax treatments become unavailable, our results of operation and financial condition may be adversely affected.

During the Track Record Period, we enjoyed preferential tax treatment under relevant preferential tax policies, as (i) our Company was qualified as a high-tech enterprise and was entitled to a preferential income tax rate of 15%; and (ii) certain of our subsidiaries were qualified as small and micro enterprises and were entitled to a preferential income tax rate of 20%. We cannot assure you that the PRC policies on preferential tax treatments will not change or that the current preferential tax treatments we enjoy or will be entitled to enjoy will not be canceled. Moreover, we cannot assure you that our Company or our subsidiaries will be able to renew the same preferential tax treatments upon expiration. If any such change, cancelation or discontinuation of preferential tax treatment occurs, the relevant entities will be subject to the PRC enterprise income tax at a rate of 25% on taxable income. As a result, the increase in our tax charge could materially and adversely affect our results of operations.

Failure to fulfil our obligations in respect of contract liabilities could materially and adversely affect our results of operation, liquidity and financial position.

Our contract liabilities represent our obligations to provide the contracted products and services to customers. Our contract liabilities mainly arise from the advance payments made by customers while the services are yet to be provided. As at December 31, 2019, 2020 and 2021 and September 30, 2022, we had contract liabilities of approximately RMB8.6 million, RMB11.1 million, RMB10.3 million and RMB12.4 million, respectively.

There is no assurance that we will be able to fulfil our obligations in respect of contract liabilities. If we were not able to fulfil our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognised as revenue, and we may have to return the advance payment made by our customers. As a result, our results of operations, liquidity and financial position may be materially and adversely affected. In addition, if we fail to fulfill our obligations under our contracts with customers, it may adversely affect our relationship with such customers, which may also affect our reputation, business and results of operations in the future.

Fluctuation in our financial assets at fair value through profit or loss may affect our results of operations and bring valuation uncertainty due to the use of unobservable inputs that require judgment and assumptions which are inherently uncertain.

Fluctuation in fair value change of our current financial assets at fair value through profit or loss, which primarily consist of the wealth management products issued by reputable commercial banks in China, may affect our results of operations. We made investments in wealth management products during the Track Record Period and recorded a fair value of RMB0.4 million, RMB0.4 million, RMB5.0 million and RMB110.0 million as of December 31, 2019, 2020 and 2021 and September 30, 2022, respectively. We are exposed to credit risk in relation to our investments in wealth management products, which may adversely affect the net changes in their fair value. We cannot assure you that market conditions and regulatory environment will create fair value gains on the wealth management products we invest in or that we will not incur any fair value losses on our investments in wealth management products in the future. If we incur such fair value losses, our results of operations, financial condition and prospects may be adversely affected. See Note 22 to the Accountant's Report in Appendix I to this document for more details.

We have established share incentive plans, which may materially impact our future results of operations.

We have established share incentive plans for the purpose of providing incentives and rewards to eligible participants who contribute to the success of our operations. Our employees (including our directors) receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. We therefore incurred expenses based on the fair value of share-based compensation measured at the date of grant under the share incentive plans, which were recorded in our consolidated financial statements for the relevant periods. In 2019, 2020 and 2021, and the nine months ended September 30, 2021 and 2022, we recognized share-based compensation expenses of RMB1.5 million, RMB15.3 million, RMB22.3 million, RMB15.1 million and RMB13.7 million, respectively. We may continue to incur such share-based compensation expenses in the future. Any significant share-based compensation expenses may result in a material and adverse impact on our results of operations. If new shares are allotted and issued by our Company for the share incentive plans, it may have a dilutive impact on investors' [**REDACTED**]. See Note 30 to the Accountants' Report in Appendix I to this document for more details.

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

We have entered into and established associated companies with third parties and may continue to do so in the future. The performance of such associated companies has affected, and will continue to affect, our results of operations and financial position. For the three years ended December 31, 2019, 2020 and 2021 and the nine months ended September 30, 2021 and 2022, our share of losses of associates was RMB0.6 million, RMB0.8 million, RMB0.8 million, RMB0.6 million and RMB1.2 million, respectively. The success of an associated company depends on a number of factors, some of which are beyond our control. As a result, we may not be able to realize the anticipated economic and other benefits from our joint ventures and associated companies.

In addition, our investment in associates are subject to liquidity risk. Our investments in associates are not as liquid as other investment products as there is no cash flow until dividends are received even if our associates report profits under the equity accounting. Furthermore, our ability to promptly sell one or more of our interests in the associates in response to changing economic, financial and investment conditions is limited. The market is affected by various factors, such as general economic conditions, availability of financing, interest rates and supply and demand, many of which are beyond our control. We cannot predict whether we will be able to sell any of our interests in the associates for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a purchaser and to complete the relevant transaction. Therefore, the illiquidity nature of our investment in associates may significantly limit our ability to respond to adverse changes in the performance of our associates and joint ventures. In addition, if there is no share of results or dividends from our associates, we will also be subject to liquidity risk and our financial condition or result of operations could be materially affected.

In addition, since we do not have full control over the business and operations of our associated companies, we cannot assure that they have been, or will be in strict compliance with all applicable PRC laws and regulations. We cannot assure you that we will not encounter problems with respect to our associated companies or our associated companies will not violate PRC laws and regulations, which may have an adverse effect on our business, results of operation and financial condition.

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.

In order to maintain competitive pricing and enhance our profit margins, we must continually control our costs, expenses and prices. We may not be able to pass increased operating cost to our customers, which may materially and adversely affect our business, financial condition and results of operations.

Effective cost-control and price-control measures have a direct impact on our financial condition and results of operations. We have adopted various measures, including enhancing our operational efficiency with advanced technologies, and will continue to adopt new ones as necessary and appropriate. In 2019, 2020 and 2021 and the nine months ended September 30, 2021 and 2022, our cost of revenue was RMB3,348.7 million, RMB4,363.6 million, RMB5,897.4 million, RMB4,382.5 million and RMB4,451.5 million, respectively. However, the measures we have adopted or will adopt in the future may not be as effective as expected in improving our financial condition and results of operations. If we are not able to effectively control our cost, our business, financial condition and results of operations may be materially and adversely affected.

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

Our business has been, and is expected to continue to be, affected by seasonality experienced in the freight transportation industries. We generally have fewer orders or a lower volume of business during the Chinese New Year holiday period in the first quarter of each year. Correspondingly, we generally observe a surge in business in the fourth quarter and early first quarter of each year, before the Chinese New Year holiday period. See "Business—Seasonality." Such patterns of seasonality may impose challenges on our transportation capacity and resources, and on our business operations. Seasonality also makes it challenging to accurately and timely estimate customer demands and manage our service accordingly. For example, with a surge of demand during the peak seasons of road freight transportation, we may find it challenging to align truckers with sufficient capacity to meet the demand. Failure to meet demand associated with the seasonality in a timely manner may adversely affect our business.

If our customers decide to reduce their logistics and supply chain costs or increase utilization of their internal logistics operations to substitute the services we provide, our business, financial condition and results of operations may be materially and adversely affected.

A major driver for the logistics companies and cargo owners to use our digital freight services is the high cost and degree of difficulty associated with developing in-house logistics and supply chain solution. However, our customers may decide to develop their own in-house logistics capabilities, which may lead to their reduced needs for the services we provide. In this case, we may need to compete with the in-house solutions our customers develop that compete with, or with the potential to substitute, the services we provide, which may not only lead to decrease in demand for the services we provide but also impose challenges on the long-term and stable business relationship between us and our customers. As a result, our business, financial condition and results of operations may be materially and adversely affected.

We may face liabilities for user misconduct, inappropriate or illegal content uploaded by users, and information displayed on, retrieved from or linked to our platform.

The PRC government has adopted regulations governing Internet access and the distribution of information over the Internet. Under the Internet security regulations, Internet content providers and Internet publishers are prohibited from posting or displaying over the Internet content that, among other things, compromises national security, harms the dignity or interests of the state, incites ethnic hatred or racial discrimination, undermines the PRC's religious policy, disturbs social order, disseminates obscenity or pornography, encourages gambling, violence, murder or fear, incites the commission of a crime, infringes upon the lawful rights and interests of a third party, or is otherwise prohibited by law or regulations. As advised by our PRC Legal Advisers, if PRC regulatory authorities determine that any content displayed on our platform does not adhere to applicable laws and regulations, they may require us to limit or eliminate the dissemination or availability of such content on our platform in the form of take-down orders or otherwise. Such regulatory authorities may also impose penalties on us, including fines, confiscation of income or, in circumstances involving more serious violations by us, the termination of relevant business license, any of which would materially and adversely affect our business and results of operations.

Subject to our content monitoring process, our registered users can share on our Trucker Community platform various types of content, such as updating user profiles, posting original articles, sharing videos linked to third-party platforms or answering questions. We require our users to confirm before registration that the content shared by them is in compliance with PRC laws and regulations and does not infringe other parties' legal rights. In addition, we have adopted and implemented strict internal procedures aiming to ensure that no prohibited or pirated content is displayed on our platform. We also have a content monitoring team which is responsible for monitoring and preventing the public release of inappropriate or illegal content on our Trucker Community platform. However, given the large user base we have, we may not be able to fully control the content from our users. As most of our users are individuals, they may not be able to fully indemnify us for all damages, including regulatory penalties or third-party claims, caused by the content they have displayed on our platform. Moreover, because the definition and interpretation of prohibited content are in many cases vague and subjective, it is not always possible to determine or predict what content might be prohibited under existing restrictions or restrictions that might be imposed in the future. Failure to identify and prevent illegal or inappropriate content from being displayed on our platform may subject us to severe sanctions and penalties such as fines, confiscation of income or, in circumstances involving more serious violations by us, the termination of relevant business license.

We may be subject to liabilities for defective or unqualified products sold, or substandard services provided, by third-parties through our Truck Plus solutions, and our business and reputation could be materially and adversely affected.

Through our Truck Plus solutions, we connect truckers on our platform with third-party providers of truck aftermarket services, and we partner with third-party providers of truck aftermarket services to serve truckers on our platform. In addition, we connect truckers on our platform who intend to purchase second-hand trucks with truck sellers. However, the measures of safeguarding against defective or unqualified products by third parties or by us may not be adequate. We may not be able to detect and prevent all potential instances of misconduct or negligence committed by such third-party sellers, dealers or service providers in the process.

While we have not encountered any material issues with respect to the products sold, or services provided, through our Truck Plus solutions, we cannot ensure that our quality control mechanism is able to identify all defective or unqualified products or services, which may pose safety or other risks to truckers on our platform. If the products sold, or the services provided, through our Truck Plus solutions were to cause personal injury or injury to property, the injured party or parties could file a claim against us, and there can be no assurance that we will be able to recover all or any amounts from the third-party truck sellers, dealers, service providers or truck supplies providers that we work with. Any product liability claim, regardless of its merit or success, could have a negative impact on our reputation and business, and result in the expenditures and diversion of management's attention.

If we fail to effectively identify or consummate acquisitions, investments or alliances, our business, results of operations, financial condition and prospects could be materially and 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, combinations, acquisitions or alliances to enhance our competitive position. These transactions could be material to our financial condition and results of operations if consummated. However, if we are able to identify an appropriate business opportunity, we may not be able to successfully consummate the transaction and, even if we do consummate such a transaction, we may be unable to realize all of the anticipated benefits of such investments, combinations, acquisitions or alliances, or those benefits may take longer to realize than expected. In addition, we may not be able to avoid the difficulties and risks associated with such transaction, which may result in investment losses.

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

The freight transportation industry is by nature labor-intensive, and our business requires a substantial amount of labor inputs provided by our employees as well as the truckers on our platform. As of September 30, 2022, we had a total of 1,019 employees. In 2019, 2020, 2021 and the nine months ended September 30, 2022, the number of active truckers on our platform, defined as those truckers who completed at least four orders on our digital freight platform in a given year, amounted to 229,800, 296,200, 411,600 and 325,100, respectively. If we fail to retain stable and dedicated labor provided by our employees and the truckers on our platform, the services we provide to our customers may experience disruptions, deterioration in quality, or delays.

We have observed an overall tightening labor market, which imposes significant challenges on the labor cost we incur. We have experienced, and expect to continue to experience, increases in labor costs due to increases in salaries, social benefits and employee headcounts and we may also face seasonal labor shortages.

We may be subject to disputes with our employees, and with the truckers on our platform, from time to time in the ordinary course of business. Any labor unrest or strikes among our employees, or among the truckers on our platform, could directly or indirectly prevent or hinder our normal operating activities, and if not resolved in a timely manner, could lead to delays in fulfilling our orders. We are not able to predictably control any labor unrest, especially those involving labor not directly employed by us. Further, labor unrest may affect general labor market conditions or result in changes to labor laws and regulations, which in turn could materially and adversely affect our business, financial condition and results of operations.

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.

Laws and regulations governing cybersecurity, information security, privacy and data protection, the use of the internet as a commercial medium, and data sovereignty requirements are rapidly evolving, extensive, complex, and include inconsistencies and uncertainties. Our business operations, and the services we provide to our customers, involves the collection and use of certain data collected from the logistics companies, cargo owners and truckers we work with. We face risks related to compliance with applicable laws, rules and regulations relating to the collection, use, disclosure and security of such data, as well as any requests from regulatory and government authorities relating to such data. Any system failure or security breach or lapse on our part, or on the part of our business partners, that results in the release of user data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability. In November and December 2020, we received certain notifications from the China Academy of Information and Communications Technology, a subordinate to the MIIT, claiming our potential violation of relevant rules and regulations governing privacy, as our Trucker Community App, and several third-party software development kits that are linked to our Trucker Community App, were found to be involved in improper collection and handling of user information, such as collecting MAC address of user's device upon first time running the App before obtaining user's authorization. In December 2020, our Trucker Community App was temporarily suspended from download by the MIIT in certain major App platforms. See "Business—Data Privacy and Personal Information Protection—Temporary App Takedown."

On July 10, 2021, the Cyberspace Administration of China (國家互聯網信息辦公室) (the "**CAC**") published the Measures for Cybersecurity Review (Revised Draft for Comments) (《網絡安全審查辦法(修訂草案徵求意見稿)》) (the "**Revised Draft**"), which stipulates that data processors which possess personal information of over one million users and intends for a "foreign" listing must apply for a cybersecurity review. On November 14, 2021, the CAC published the Regulations on the Administration of Network Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the "**Draft Regulations**"), further expanding the scope of application of cyber security review, stipulating that data processing entities seeking a listing in Hong Kong that will influence or may influence national security must apply for a cybersecurity review. On December 28, 2021, the CAC promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Cybersecurity Review Measures**"), which came into effect on February 15, 2022. See "Regulatory Overview."

The Cybersecurity Review Measures further stipulate that if an operator possesses personal information of over one million users and intends for "foreign" listing (國外上市), it must be subject to the cybersecurity review. However, the Cybersecurity Review Measures provide no further explanation or interpretation for "foreign" listing (國外上市).

The Draft Regulations also reiterate the circumstances under which data processors shall apply for cybersecurity review, including, among others, (i) the data processors who process personal information of at least one million users apply for "foreign" listing (國外上市); and (ii) the data processors' listing in Hong Kong affects or may possibly affect national security. However, it provides no further explanation or interpretation as to how to determine what constitutes "affecting national security", and there remain uncertainties whether we would be subject to the cybersecurity review for the [**REDACTED**] pursuant to such Cybersecurity Review Measures. In addition, the operative provisions may be subject to change with substantial uncertainty. We cannot predict the impact of these Cybersecurity Review Measures, if any, at this stage, and we will closely monitor and assess any development in the rule-making process. Therefore, it remains uncertain whether the proposed measures will be applicable to our business, the [**REDACTED**], or whether the future regulatory changes would impose additional restrictions on companies like us. In light of the above uncertainties, as of the date of the document, we had not applied for such cybersecurity review. If the Cybersecurity Review Measures mandate clearance of cybersecurity review and other specific actions to be completed by companies like us for the [**REDACTED**] or our future capital raising activities, we may face uncertainties as to whether such clearance can be timely obtained, or at all. Failure to comply with the cybersecurity and data privacy requirements in a timely manner, or at all, may prevent us from using certain network products and services and subject us to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, and revoking relevant business permits or business licenses, among other sanctions. See "Regulatory Overview—Regulations Related to Cyber Security and Privacy Protection."

Furthermore, recently, certain PRC regulatory authorities issued Opinions on Strictly Cracking Down on Illegal Securities Activities (《關於依法從嚴打擊證券違法活動的意見》), which were available to the public on July 6, 2021 and further emphasized to strengthen the cross-board regulatory collaboration, to improve relevant laws and regulations on data security, cross-border data transmission, and confidential information management, and provided that efforts will be made to revise the regulations on strengthening the confidentiality and file management relating to the offering and listing of securities overseas, to implement the responsibility on information security of overseas listed companies, and to strengthen the standardized management of cross-border information provision mechanisms.

As a result of such greater attention and scrutiny, our compliance costs with respect to data securities compliance may increase, and we may be subject to heightened requirements and challenges associated with data security and protection. If we are unable to manage these requirements, our reputation and results of operations could be materially and adversely affected. See "Regulatory Overview—Regulations Related to Cyber Security and Privacy Protection."

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 rely on certain key operating metrics, such as Online GTV, which are used by us and may be used by our investors to evaluate the performance of our business. Our operating metrics may differ from estimates published by third parties or from similarly titled metrics used by our competitors due to differences in methodology and assumptions. We calculate these operating metrics using internal company data that has not been independently verified. While these numbers are based on what we believe to be reasonable, there are inherent challenges in measuring our operating metrics. If we discover material inaccuracies in the operating metrics we use, or if they are perceived to be inaccurate, our reputation may be harmed and our evaluation methods and results may be impaired, which could negatively affect our business. If investors make investment decisions based on operating metrics we disclose that are inaccurate, we may also face potential lawsuits or disputes.

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 depend to a significant degree on the continued service of our experienced senior management and other key personnel. In particular, the industry experience, management expertise and contributions of the members of our senior management and other key personnel are crucial to our success. We have entered into employment agreements with our senior management and other key personnel. However, these agreements do not ensure the continued service of these senior management and key personnel, and we may not be able to enforce these agreements. If members of our senior management team or other key personnel resign, join a competitor or form a competing company, the cost and uncertainty associated with our search and integration of a replacement could have an adverse effect on our business, financial condition and results of operations.

In addition, we do not maintain key man life insurance for any of the senior members of our management team or other key personnel. If any of our senior management members or other key personnel are unable or unwilling to continue in their present positions, we may not be able to replace them promptly or at all, which may severely disrupt our business and affect our results of operations.

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

We believe our success depends on the efforts, effectiveness and talent of our employees. Our future success depends on our continued ability to attract, develop, motivate and retain qualified and skilled personnel, particularly personnel with expertise in the freight transportation industry, the technology industry and other industries related to our operations. Competition for highly skilled personnel is extremely intense. We may not be able to hire and retain these personnel at compensation levels consistent with our existing compensation and salary structure. Some of the companies with which we compete for experienced personnel have greater resources than we have and may be able to offer more attractive terms of employment.

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

The operations of our business depend on our technology infrastructure, and a significant system disruption could adversely affect our operations and the services we provide to our customers, which could severely impact our business, financial condition and results of operations.

We rely on our technology infrastructure to process, transmit and store digital information in our provision of services to our customers, and to manage or support a variety of business processes and activities. Our technology infrastructures may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, computer viruses, malicious insiders, telecommunication failures, user errors or other catastrophic events. Hackers, acting individually or in coordinated groups, may also launch distributed denial of service attacks or other coordinated attacks on our technology infrastructure that may cause service outages or other interruptions in our business. Such interruptions or delays in our service may also lead to the loss of data that are crucial to our business operations, and we may not have sufficient capacity to recover all data and services lost in a timely manner in the event of an outage. These factors could prevent us from engaging in other business operations, damage our brands and reputation, divert our employees' attention, reduce our revenue, subject us to liability and cause the logistics companies, cargo owners, truckers we work with to reduce the use of or abandon our solutions and services, any of which could adversely affect our business, financial condition and results of operations.

Any deficiencies in China's telecommunication and Internet infrastructure could impair the functioning of our technology system and the operation of our business.

Our business depends on the performance and reliability of the telecommunication and Internet infrastructure in China. The availability and reliability of our website, mobile application, customer service hotline and technology system depends on telecommunications carriers and other third-party providers for communications and storage capacity, including bandwidth and server storage, among other things. If we are unable to enter into and renew agreements with these providers on acceptable terms, or if any of our existing agreements with such providers are terminated as a result of our breach or otherwise, our ability to provide our services to our customers could be adversely affected. Although we have not experienced any material service interruptions in the Track Record Period, frequent service interruptions could frustrate the logistics companies, cargo owners and truckers we work with and discourage them from using our platform, which could cause us to lose business and harm our operating results.

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

We apply technologies to serve our customers more efficiently and bring them better user experience. Our success will in part depend on our ability to keep up with the changes in technologies and the continued successful implementation of advanced technology, including AI, big data and blockchain. If we fail to adapt our services to changes in technological developments in an effective and timely manner, our business operations may suffer. Changes in technologies may require substantial expenditures in research and development as well as in modification of our services, which may be disruptive to our business and can be time-consuming and expensive, and may increase management responsibilities and divert management attention. Hurdles in implementing technological advances may result in our services becoming less attractive to our customers, which, in turn, may materially and adversely affect our business, results of operations and 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, confidentiality agreements with our key personnel and other relevant persons and other measures to protect our intellectual property, including our brand and our proprietary technology infrastructure. Nevertheless, it may be possible for third parties to obtain and use our intellectual property without authorization. There may be instances of unauthorized use of intellectual property in China from time to time, and enforcement of intellectual property rights by the relevant regulatory authorities maybe inconsistent. As a result, litigation may be necessary to enforce our intellectual property rights. Litigation could result in substantial costs, divert our management's attention and resources, disrupt our business, and have a material adverse effect on our financial condition and results of operations. Given the relative unpredictability of the PRC's legal system with respect to intellectual property rights, and the potential difficulties in enforcing a court judgement, there is no guarantee that we would be able to halt any unauthorized use of our intellectual property in China 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 other parties. Such infringement or violation may happen without our awareness, as we may not always be aware of intellectual property registrations or applications relating to trademarks, source codes, software products or other intellectual property of third parties whether in the PRC, Hong Kong or other jurisdictions. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in the PRC, Hong Kong or other jurisdictions. As a result, we may be from time to time in the future subject to legal proceedings and claims relating to the intellectual property rights of others.

Assertions of infringement of intellectual property or misappropriation of confidential information against us could have a material adverse effect on our business, financial condition and results of operations. Protracted litigation could divert our management's attention and our resources and also result in existing or potential customers deferring or limiting their procurement or use of our services until resolution of such litigation. Even if such assertions against us are unsuccessful, they may cause us to lose existing and future business and incur reputational harm and substantial legal fees.

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 significant cash investments, capital expenditures and commitments to respond to business challenges, including developing or enhancing 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 sufficient to meet our cash and liquidity needs, we may need to seek additional capital, potentially through debt or equity financings. We may not be able to raise required capital on terms acceptable to us, or at all. Volatility in the credit markets may have an adverse effect on our ability to obtain debt financing. Issuances of equity or convertible debt securities may be on terms that are dilutive or potentially dilutive to our Shareholders, and the prices at which new investors would be willing to purchase our securities may be lower than the [**REDACTED**] price of this [**REDACTED**]. The holders of new securities may also have rights, preferences, or privileges that are senior to those of existing stockholders. If new financing sources are required, but are insufficient or unavailable, we may need to modify our growth and operating plans and business strategies based on available funding, if any, which would harm our ability to grow our business.

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 23 out of 26 properties we leased from independent third parties were not registered with the appropriate government authorities in the PRC. See "Business—Properties." As advised by our PRC Legal Advisers, 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.

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

During the Track Record Period, we had not made full contributions to the social insurance plan and housing provident fund based on the actual salary level of some of our employees as prescribed by relevant laws and regulations. During the Track Record Period, the total shortfall amount for our social insurance contribution for our employees was approximately RMB2.2 million, and the total shortfall amount for our housing provident fund contribution for our employees was approximately RMB2.0 million. See "Business—Employees—Social Insurance and Housing Provident Funds."

Pursuant to relevant PRC laws and regulations, the under-contribution of social insurance within a prescribed period may subject us to a daily overdue charge of 0.05% of the delayed payment amount. If such payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount. Pursuant to relevant PRC laws and regulations, if there is a failure to pay the full amount of housing provident fund as required, the housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. We cannot assure you that the relevant government authorities will not require us to pay the outstanding amount within a prescribed time and impose late charges or fines on us, which may materially and adversely affect our business, financial condition and results of operations.

In addition, during the Track Record Period, a few of our PRC operating entities engaged third-party human resources agencies to pay social insurance and housing provident funds contributions for some of their employees. This is because such employees worked outside of the cities where the operating entities are registered and third-party human resources agencies were engaged to pay social insurance and housing provident funds for such employees in cities where they worked. If the relevant competent government authority is of the view that this third-party agency arrangement does not satisfy the requirements under the relevant PRC laws and regulations, in respect of housing provident fund, we may be ordered to pay the outstanding balance to the relevant local authority within a prescribed period of time, failing which the government authority can apply to the People's Court for compulsory enforcement, but no penalties are provided under the relevant PRC laws and regulations; and in respect of social insurance, we might be ordered to pay the outstanding balance within a certain period of time and a late fee that equals to 0.05% of the total outstanding balance per day from the date of the failure to make sufficient payment, failing which we may be subject to a fine ranging from one to three times of the total outstanding balance. See "Business—Employees—Social Insurance and Housing Provident Funds."

Under the agreements between the third-party human resources agencies and our relevant operating entities, the third-party human resources agencies have the obligations to pay social insurance and housing provident funds contributions for our relevant employees. However, if the human resource agencies fail to pay the social insurance or housing provident fund contributions for and on behalf of our employees as required under applicable PRC laws and regulations, we may be ordered to rectify such failure or be subject to penalties. As of the Latest Practicable Date, none of the third-party human resources agencies that we cooperate with had failed to pay, or delayed in paying, any social insurance or housing provident fund contributions for our employees.

Failure by us to obtain, maintain or update necessary licenses, approvals or permits may have material adverse effect on our business, financial condition and results of operations.

We are required to obtain and maintain numerous approvals, licenses, assurances, accreditations, permits, registrations and certificates from relevant authorities to operate our business. See "Business—Legal Proceeding and Compliance—Licenses and Permits."Any failure by us to obtain approvals, registrations, licenses, assurances, accreditations, permits and certificates necessary for our operations or to comply with the terms, conditions, and requirements thereunder, may result in enforcement actions against us, including suspension or termination of licenses, approvals, assurances, accreditations, permits, registrations, and certificates, orders issued by the relevant regulatory authorities causing operations to cease, fines and other penalties, and may include corrective measures requiring capital expenditure or remedial actions. In the event that such enforcement action is taken, our business operations could be materially and adversely disrupted.

As required by applicable PRC laws and regulations, an entity that engages in digital freight business is generally required to obtain an operating license from local county-level authorities that are responsible for the supervision and administration of road transportation. See "Regulatory Overview—Regulations Related to Road Transportations." During the Track Record Period, we had not obtained such license for the operation of digital freight business for one of our subsidiaries, Sichuan Quanwang Express. See "Business—Legal Proceeding and Compliance—Licenses and Permits" for more details. Furthermore, we need to renew the operating licenses for digital freight businesses, and other relevant licenses and permits, for our subsidiaries once they expire, and if we cannot complete the renewal in a timely manner, the corresponding subsidiaries may be subject to business suspension and other penalties.

Due to uncertainties of the interpretation and implementation of laws and regulations, and the promulgation of new laws and regulations in China from time to time, we may be required by regulatory authorities to obtain additional licenses for our business, failure of which may have a material adverse effect on our business, financial condition and results of operations. If the PRC government promulgates new laws and regulations that require additional approvals or licenses, it has the authority, among other things, to levy fines, confiscate incomes, revoke business licenses, or require us to discontinue relevant business or impose restrictions on the affected portion of business. Any of these actions by the PRC government may have a material and adverse effect on our results of operations.

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 subject to governmental supervision and regulation by the relevant PRC governmental authorities, including but not limited to the SAMR, Ministry of Transportation and the MIIT. Together, these governmental authorities promulgate and enforce regulations that cover many aspects of our day-to-day operations. If we are deemed to be not in compliance with these requirements, we may be subject to fines and other administrative penalties from the relevant PRC government authorities. In case of our failure to rectify our noncompliance within required period by the relevant PRC government authorities, we may be forced to suspend our operation.

Existing and new laws and regulations may be enforced from time to time and substantial uncertainties exist regarding the interpretation and implementation of current and any future PRC laws and regulations applicable to us and/or the logistics companies, cargo owners and truckers that we work with. If the PRC government promulgates new laws and regulations that impose additional restrictions on the operations of us and/or the logistics companies, cargo owners and truckers that we work with, or tightens enforcements of existing or new laws or regulations, it has the authority, among other things, to levy fines, confiscate income, revoke business licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these actions by the PRC government may have a material and adverse effect on our results of operations. In addition, potential new regulations or policy in relation to climate changes might affect our customer's preference or demands in using our services, which might require us to incur additional compliance costs or incur costs for implementing new marketing strategies to attract our customers.

We cannot assure that all of the logistics companies, cargo owners and truckers that we work with will be in full compliance with the laws and regulations. If any of them fails to comply with the laws and regulations and are subject to penalties or administrative orders, they may not be able to continue to work with us. As a result, our business, reputation, financial condition and results of operations may be materially and adversely affected.

Regulatory uncertainties relating to, or failure to comply with, anti-monopoly and anti-unfair competition laws could adversely affect our business, financial condition, or operating results. In November 2020, the Anti-monopoly Bureau of SAMR released the draft Guidelines on Anti-monopoly Issues in Platform Economy, or the Platform Economy Anti-monopoly Guidelines, for public comment and in February 2021, adopted the Platform Economy Anti-monopoly Guidelines. As we continue to develop our business, there can be no assurance that regulators will not initiate anti-monopoly enquiry or investigation into, or take enforcement actions against any of our future investments, mergers and acquisitions or alliances. If any of our future investments, mergers and acquisitions, alliances are deemed to constitute concentration of undertaking under the PRC Anti-monopoly Law, we may be ordered to terminate the contemplated concentration, to dispose of our equity or asset within a prescribed period, or to transfer our business within a prescribed time or to take any other necessary measures to return to the pre-concentration status, and a fine of no more than RMB500,000 may be imposed.

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 employer may be ordered by the labor authority to rectify the non-compliance by entering into written employment contracts with the employees and pay twice the salary per month. An employer is obliged to sign an unfixed-term labor contract with any employee who has worked for the employer for 10 consecutive years. Further, if an employee requests or agrees to renew a fixed-term labor contract that has already been entered into twice consecutively, the resulting contract must have an unfixed term, with certain exceptions. The employer must pay economic compensation to an employee where a labor contract is terminated or expires in accordance with the PRC Labor Contract Law, except for certain situations which are specifically regulated. As a result, our ability to terminate employees is significantly restricted. In addition, the government has issued various labor-related regulations to further protect the rights of employees. In the event that we decide to change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may also limit our ability to effect those changes in a manner that we believe to be cost-effective. As the interpretation and implementation of these regulations are still evolving, our employment practices may not be at all times deemed in compliance with the new regulations. If we are subject to severe penalties or incur significant liabilities in connection with labor disputes or investigations, our business and financial conditions may be adversely affected.

We may 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 be subject to claims and lawsuits, including various claims and litigation related to commercial disputes, personal injury, property damage, labor disputes and other matters in the ordinary course of our business. Actions brought against us may result in settlements, injunctions, fines, penalties or other results adverse to us that could harm our business, financial condition, results of operations and reputation. Even if we are successful in defending ourselves against these actions, the costs of such defense may be significant to us. A significant judgment or regulatory action against us or a material disruption in our business arising from adverse adjudications in proceedings against our Directors, officers or employees would have a material adverse effect on our liquidity, business, financial condition, results of operations, reputation and prospects.

We may not have sufficient insurance coverage.

We purchase and maintain insurance policies that we believe are in line with the industry practice and as required under the relevant laws and regulations. See "Business—Insurance." However, we cannot assure you that our insurance policies will provide adequate coverage for all the risks in connection with our business operations. Consistent with customary industry practice in China, we do not maintain business interruption insurance or key-man life insurance. In addition, we cannot assure you that we will be able to successfully claim for losses under our current insurance policies on a timely basis, or at all. If we incur losses that are not covered by our insurance policies, or if the amount reimbursed is significantly less than our actual losses, we may be required to bear our losses to the extent that our insurance coverage is insufficient, and consequently, our business, financial condition and results of operations could be materially and adversely affected.

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.

Our pricing system enables us to propose fee quotes balancing the needs and benefits among our customers and our truckers, while also optimizing the spread we are able to capture. However, many factors, including the availability of customers and truckers on certain routes, our know-hows on pricing and routes, tax, operating costs and expenses, legal and regulatory requirements, and our current and future competitors' pricing strategies, could significantly affect our pricing models and resulted fee quotes. For example, certain competitors may use marketing strategies that enable them to attract or retain customers and truckers with attractive prices. We may be forced, through competition, regulation or otherwise, to reduce the price we charge our customers for the services we provide, or increase the incentives we provide to truckers on our platform. Furthermore, the price sensitivity of our customers and truckers may vary by geographic location, and as we expand, our pricing methodologies may not enable us to compete effectively in these geographic areas. As the overall profit margin in the road freight transportation industry remains generally thin, if we were forced to significantly and consistently lower the fee quotes to customers and increase the incentive we provide to truckers, we may not be able to maintain our profitability.

We may fail to effectively prevent invalid orders.

We face risks with respect to invalid orders, which are not uncommon in the freight transportation industry. For example, information about orders may be inaccurate, duplicated or stale, causing difficulty or inefficiency for truckers in completing the order. Invalid orders may significantly obstruct the efficient coordination between shippers and truckers as well as negatively impact transparency in the freight transportation industry. Generating an invalid order between shippers and truckers also wastes our resources and efforts and could generate invalid data.

We believe that the authentic and accurate orders placed on our platform are critical for us to gain trust from our truckers, improve the efficiency of our freight transportation and maintain our competitive advantages. Although we have taken measures to secure authentic and accurate orders, we cannot guarantee that these measures could fully prevent inauthentic or inaccurate orders from being placed on our platform. Any inauthentic or inaccurate order could severely damage our brand and reputation, discourage shippers and truckers from using our platform, cast doubt on our ability to provide high-quality services and adversely affect our business.

The wide variety of payment methods that we accept subjects us to third-party payment processing-related risks.

We accept a wide variety of payment methods, including bank transfers and online payments through various third-party online payment platforms such as Alipay, WeChat Pay and UnionPay, in order to ensure smooth user experience. For certain payment methods, we pay varying service fees, which may increase over time and raise our operating costs and lower our profit margins. We may also be subject to fraud, money laundering and other illegal activities in connection with the various payment methods we accept.

RISKS RELATING TO DOING BUSINESS IN CHINA

Adverse changes in China's economic, political and social conditions, as well as the political and economic policies of the PRC government, may materially and adversely affect our business, our prospects, and the sustainability of our growth and expansion strategies.

During the Track Record Period, all of our revenue was generated from customers located in the PRC. Accordingly, our financial condition, results of operations and prospects are, to a material extent, subject to economic, political, and legal developments in the PRC.

The PRC economy differs from the economies of developed countries in many respects, including, among other things, the degree of government involvement, level of economic development, growth rate, control of foreign investment, control of foreign exchange and allocation of resources. The PRC government exercises significant control over China's economic growth through strategically allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

While the PRC economy has experienced significant growth over the past decades, that growth has been uneven across different regions and between economic sectors and may not continue. The growth rate of the Chinese economy has gradually slowed down since 2010, and was adversely impacted by the COVID-19 in 2020. Any prolonged slowdown in the Chinese economy may reduce the demand for our products and services and materially and adversely affect our business and results of operations.

Furthermore, any adverse changes in the policies of the PRC government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and results of operations, lead to reduction in demand for our products and services and adversely affect our competitive position.

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

The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past decades has significantly enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, the interpretation and enforcement of these laws and regulations involve uncertainties. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection available to you and us.

Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in China could materially and adversely affect our business and impede our ability to continue our 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 governmental regulations, policies and controls. Central governmental authorities and provincial and local authorities and agencies regulate many aspects of Chinese industries, including, among others and in addition to specific industry-related regulations, the following aspects: (i) traffic and transport-related services; (ii) provision of internet content; (iii) environmental laws and regulations; (iv) security laws and regulations; and (v) taxes, duties and fees.

The liabilities, costs, obligations and requirements associated with these laws and regulations may cause interruptions to our operations or impact our financial position and results of operations. Failure to comply with the relevant laws and regulations in our operations may result in various penalties, including, among others the suspension of our operations and thus adversely and materially affect our business, prospects, financial condition and results of operations. Additionally, there can be no assurance that the relevant government agencies will not change such laws or regulations or impose additional or more stringent laws or regulations. Compliance with such changes in laws or regulations may cause us to incur higher compliance cost or material capital expenditures or 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 judgements obtained from foreign courts.

We are incorporated under the laws of the PRC and all of our business and operations are located in the PRC. In addition, most of our Directors, supervisors and officers reside in the PRC and most of their assets are located in the PRC. It may be difficult for investors to effect service of process upon those persons residing in the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, Japan and many other countries. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions may be difficult or even impossible.

On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "Arrangement"). Under the Arrangement, a party with an enforceable final court judgment rendered by any designated people's court of the PRC or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant people's court of the PRC or Hong Kong court. A written choice of court agreement is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a Chinese court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in the dispute did not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against certain of our assets or Directors in the PRC in order to seek recognition and enforcement of foreign judgments in the PRC. Although the Arrangement became effective on 1 August 2008, the outcome and effectiveness of any action brought under the Arrangement remains uncertain.

On January 18, 2019, the Supreme People's Court of the PRC and Department of Justice of Hong Kong entered into an agreement regarding the scope of judgments which may be enforced between the PRC and Hong Kong (《關於內地與香港特別行政區法院相互認可和執行民商案件判決的安排》) (the "New Arrangement"). The New Arrangement will broaden the scope of judgments that may be enforced between the PRC and Hong Kong under the Arrangement. Whereas a choice of jurisdiction need to be agreed in writing in the form of an agreement between the parties for the selected jurisdiction to have exclusive jurisdiction over a matter under the Arrangement, the New Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules without the parties' agreement. The New Arrangement will replace the Arrangement when the former becomes effective. However, as at the Latest Practicable Date, the New Arrangement has not become effective and no specific date has been determined as its effective date. We cannot assure you that any action brought in the PRC by holders of our H Shares to enforce a Hong Kong arbitration award or judgment made in favor of holders of our H Shares would succeed.

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

The investment activities of foreign investors in the PRC are subject to certain regulations regarding the industry participated and imposed of additional verification procedures by certain authorities. The Special Management Measures (Negative List) for the Access of Foreign Investment (2021) (《外商投資准入特別管理措施(負面清單)(2021年版)》), the "Negative List") issued by the NDRC and MOFCOM, which set out in a unified manner the restrictive measures for the access of foreign investments such as the requirements for equity and senior management, and the industries that are prohibited for foreign investment. The Negative List covers 12 industries, and any field not covered by the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

As of the Latest Practicable Date, our Digital Freight business, which shall obtain an Value-added Telecommunications Business Operation License in advance, and Trucker Community business is affected by regulations related to the Negative List. With respect to any foreign investor that fails to comply with such Negative List, the competent authorities are entitled to ban its investment activities, require such investor to take measures to correct its non-compliance and impose other penalties. The possible restriction implemented on such investors might hamper their capabilities and willingness in investment, which may also exert influence in our business and financial conditions.

Apart from our Digital Freight business and Trucker Community business, our other business in China does not fall within the Negative List. However, as the Negative List could be updated in the future, there can be no assurance that the PRC government will not change its policies in a manner that would render part of our business in China within the Negative List. If we cannot obtain or maintain approval from relevant approval authorities to engage in a business in China which becomes prohibited or restricted for foreign investors, we may be forced to sell or restructure our business which has become restricted or prohibited for foreign investment. If we are forced to adjust our corporate structure or business line as a result of changes in government policy on foreign investment, our business, financial condition and results of operations may be adversely affected.

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

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. We cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or action that could adversely affect our business, financial condition and results of operations, as well as our reputation. Furthermore, the PRC government from time to time adjusts or changes its tax laws and regulations. For example, under the Individual Income Tax Law of the PRC (the "PRC IIT Law") (《中華人民共和國個人所得稅法》), which was amended on June 30, 2011 and came into effect on September 1, 2011, foreign nationals who have domiciles in the PRC, or have no domicile in China but have resided in the PRC for one year or more, would be subject to PRC individual income tax at progressive rates on their income gained within or outside the PRC. Recently, the Standing Committee of National People's Congress have approved the amendment of the PRC IIT Law, which became effective on January 1, 2019. Under the amended PRC IIT law, foreign nationals have no domicile in China but have resided in the PRC for a total of 183 days or more in a tax year, would be subject to PRC individual income tax on their income gained within or outside the PRC. Should such rule be strictly enforced, our ability to attract and retain foreign talents to work in China may be materially affected, which may in turn have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. Further adjustments or changes to PRC tax laws are regulations, together with any uncertainty resulting therefrom, could also have an adverse effect on our business, financial condition and results of operations.

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

Non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares in accordance with applicable PRC tax laws, rules and regulations.

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

Pursuant to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) and other applicable PRC tax rules and regulations, non-PRC resident enterprises that do not have establishments or premises in the PRC, or have establishments or premises in the PRC but their income is not related to such establishments or premises are subject to a 10% PRC enterprise income tax rate on dividend income received from a PRC company and gains realized upon the sale or other dispositions of equity interest in a PRC company. The 10% tax rate is subject to reduction under any special arrangements or applicable treaties between China and the jurisdiction where the non-resident enterprise domiciles.

There remains substantial uncertainty as to the interpretation and implementation of the applicable PRC tax laws, rules and regulations by the PRC tax authorities, including whether and how non-PRC resident holders of H shares are subject to enterprise income tax rate on gains realized upon the sale or other dispositions of their H shares. In addition, if there is any unfavorable changes in the applicable tax laws, regulations or tax rates stipulated by the PRC tax authorities, the value of your [**REDACTED**] our H Shares may be materially and adversely affected. See "Appendix IV—Taxation and Foreign Exchange."

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

In February 2012, the SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Share Scheme of Overseas Publicly Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), or the Stock Option Rules, which replaced the earlier rules promulgated by the SAFE in March 2007. Under the Stock Option Rules, PRC residents who participate in stock incentive plans in an overseas publicly listed company are required, through a PRC agent or PRC subsidiary of such overseas publicly listed company, to register with the SAFE and complete certain other procedures. Such participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the share scheme if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes.

We and our PRC resident employees 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 may also limit our ability to contribute additional capital into our PRC subsidiaries, limited our PRC subsidiaries' ability to distribute dividends to us, or otherwise materially adversely affect our business.

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

Under the PRC laws, dividends may be paid only out of distributable profit. Distributable profit is our profit as determined under PRC GAAP or IFRS, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years.

In addition, we are required to comply with the dividend distribution rules prescribed by the PRC regulatory authorities when determining our dividend payout ratios. The PRC regulatory authorities may further amend the dividend distribution rules for listed companies in the future, which could significantly affect the amount of capital available to support the development and growth of our business.

Moreover, as the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRS, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flows and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

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 converted into any foreign currency, and the conversion rate and remittance of foreign currencies are subject to PRC foreign exchange regulations. We cannot assure you that we will have sufficient foreign exchange to meet our foreign exchange requirements.

Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the requisite licenses to conduct foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved in advance by SAFE.

Under the existing foreign exchange regulations, following the completion of the [**REDACTED**], we will be able to pay dividends in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, we cannot assure you that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or to satisfy other foreign exchange requirements. If we fail to obtain approval from SAFE to convert the Renminbi into any foreign currency for business purposes, our capital expenditure plans and our business, operating results and financial position may be materially and adversely affected.

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 is subject to changes resulting from the PRC government's policies, and depends, to a large extent, on domestic and international economic and political developments, as well as supply and demand of currencies in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate of the Renminbi against the Hong Kong dollar and other currencies in the future. In addition, the People's Bank of China regularly intervenes in the foreign exchange market to limit fluctuations in the Renminbi's exchange rates, and to achieve policy goals. We are subject to the risk of volatility in future exchange rates and to the PRC government's controls on currency conversion. We cannot assure you that we will not incur material net foreign exchange losses in the future. If we recorded net foreign exchange losses, our results of operations and financial condition may be adversely affected.

The [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the Hong Kong dollar may result in a decrease in the value of our [**REDACTED**] from the [**REDACTED**]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our Shares in a foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Further, we are also currently required to obtain approval from SAFE, before converting significant sums of foreign currencies into Renminbi. All of these factors could materially and adversely affect our business, financial condition, and results of operations and prospects, and could reduce the value of, and dividends payable on, the Shares in foreign currency terms.

RISKS RELATING TO THE [REDACTED]

No [REDACTED] currently exists for our H Shares; an active [REDACTED] market for our H Shares may not develop and the [REDACTED] for our H Shares may decline.

Prior to the [**REDACTED**], there was no [**REDACTED**] for our H Shares. We cannot assure you that a [**REDACTED**] for our H Shares with adequate [**REDACTED**] volume will develop and be sustained following the completion of [**REDACTED**]. In addition, the [**REDACTED**] of our H Shares is expected to be fixed by agreement between the [**REDACTED**] and us, and may not be an indication of the [**REDACTED**] of our H Shares following the completion of the [**REDACTED**]. If an active [**REDACTED**] for our H Shares does not develop following the completion of [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of our H Shares could be materially and adversely affected.

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

The [**REDACTED**] volume of our H Shares may be highly volatile. Several factors, some of which are beyond our control, such as variations in our results of operations, changes in our pricing policy, the emergence of new technologies, strategic alliances or acquisitions, the addition or departure of key personnel, changes in profit forecast or recommendations by financial analysts, changes in ratings by credit rating agencies, litigation or the removal of the restrictions on share transactions, could cause large and sudden changes to the volume and [**REDACTED**] at which our H Shares will [**REDACTED**]. Furthermore, the business, results of operations, financial conditions and the [**REDACTED**] of shares of other companies engaging in similar business may affect the [**REDACTED**] volume of our shares. In addition, Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant price and volume volatility that is not related to the operating performance of any particular company, so it is also possible that our H Shares may be subject to changes in [**REDACTED**] not directly related to our performance.

There will be a time gap of several business days between [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 determined on the [**REDACTED**]. However, our H Shares will not commence [**REDACTED**] on the Hong Kong Stock Exchange until they are delivered, which is expected to be five business days after the expected [**REDACTED**]. As a result, investors may not be able to [**REDACTED**] our H Shares during that period. Accordingly, holders of our H Shares are subject to the risk that the [**REDACTED**] of our H Shares could fall before [**REDACTED**] begins as a result of unfavorable market conditions, or other adverse developments, that could occur between the time of sale and the time [**REDACTED**] begins.

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

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

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

As the [**REDACTED**] of our H Shares is higher than the consolidated net tangible assets per Share immediately prior to the [**REDACTED**], purchasers of our H Shares in the [**REDACTED**] may experience an immediate dilution and substantial dilution in pro forma net tangible asset value of approximately [**REDACTED**] per Share (assuming an [**REDACTED**] of [**REDACTED**] per H Share, being the mid-point of our indicative [**REDACTED**] range between [**REDACTED**] and [**REDACTED**] per H Share). Our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible asset value per Share of their Shares. See "Unaudited Pro Forma Financial Information" in Appendix II to this document. In addition, holders of our H Shares may experience further dilution of their interest if the [**REDACTED**] (on behalf of the [**REDACTED**]) exercise the [**REDACTED**] or we issue additional H Shares in the future to raise additional capital at a price lower than our net tangible asset value per Share at the time of issuance.

We may need additional capital, and the sale or issue of additional H Shares or other equity securities could result in additional dilution to our Shareholders.

Notwithstanding our current cash and cash equivalents and the [**REDACTED**] from the [**REDACTED**], we may require additional cash resources to finance our continued growth or other future developments. We cannot assure you that financing will be available in the amounts or on terms acceptable to us, if at all. If we fail to raise additional funds, we may need to sell additional equity securities, which could result in additional dilution to our Shareholders.

We cannot assure you whether and when we will declare and pay dividends in the future.

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. Distribution of dividends shall be decided by our Board of Directors at their discretion and will be subject to the approval of the general meeting. A decision to declare or to pay dividends and the amount thereof depend on various factors, including but not limited to our results of operations, availability of cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under PRC GAAP or IFRS (whichever is lower), our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable PRC laws and regulations, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory restrictions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy. See "Financial Information—Dividend."

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

Facts, forecasts and statistics in this document relating to our industry are obtained from various sources, including publicly available government and official sources. Certain information and statistics set forth in this document relating to our industry have been extracted from a market research report by CIC, an Independent Third Party which we commissioned. The information from official government sources has not been independently verified by us, the Sole Sponsor, [**REDACTED**], [**REDACTED**], [**REDACTED**], any of the [**REDACTED**], any of our or their respective directors, supervisors, officers, employees, advisors, agents or representatives or any other party involved in the [**REDACTED**] and no representation is given as to its accuracy. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon.

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