This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire Document before you decide to [**REDACTED**] *in the* [**REDACTED**].

There are risks associated with any [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in "Risk Factors". You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

We are a leading technology-empowered, data-driven logistics transaction platform with a global footprint. According to Frost & Sullivan, we are:

- the world's largest logistics transaction platform by closed-loop freight gross transaction value, or closed-loop freight GTV, in the first half of 2022;
- the world's largest intra-city logistics transaction platform by closed-loop freight GTV in the first half of 2022;
- the world's largest logistics transaction platform by average merchant MAUs in 2022; and
- the world's largest logistics transaction platform in terms of number of fulfilled orders in 2022.

In 2022, our platform facilitated over 427.5 million fulfilled orders with a global freight GTV of US$6,715.4 million. During the same period, we connected with approximately 11.4 million average merchant MAUs and 1.0 million average carrier MAUs in over 400 cities across 11 markets globally.

We have achieved robust operational and financial growth since our inception. Our global GTV increased from US$3,732.3 million in 2020 to US$7,307.2 million in 2022, representing a CAGR of 39.9%. Our revenue increased from US$529.0 million in 2020 to US$1,035.8 million in 2022, representing a CAGR of 39.9%. In 2022, we achieved profitability on an adjusted basis for the first time since our inception, and recorded adjusted profit (non-IFRS) of US$53.2 million, in comparison to our adjusted loss (non-IFRS) positions in 2020 and 2021. For a more detailed discussion of the changes in our global GTV and financial performance during the Track Record Period, see "Financial Information — Our Key Operating Metrics" and "Financial Information — Description of Selected Items from the Consolidated Statements of Profit or Loss and Other Comprehensive Income".

WHO WE ARE

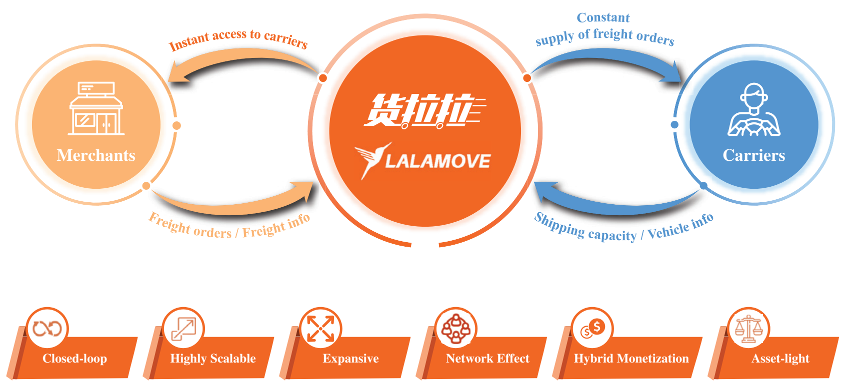
Over the past decade, we have seen how digital mobility platforms have transformed the way people move globally. Despite technological advancements, the transportation of goods, represented by the multi-trillion dollar logistics market, still lacks efficiency and quality. In 2022, around US$10.0 trillion was spent globally on logistics, including US$3.5 trillion spent on road freight, according to Frost & Sullivan. However, millions of merchants around the world, regardless of their sizes, still face a myriad of challenges as they rely heavily on traditional offline approaches — phone calls, agent referrals and acquaintances, to procure transportation services from carriers. Valuable time is lost and unnecessary costs are incurred in locating carriers. For many merchants, it is economically inefficient to own a fleet of vehicles with low utilization rates. On the other hand, carriers are constantly looking for more shipping orders to reduce idle capacity, fill return legs on round trips, and increase income. Today, millions of merchants and carriers underserved by the traditional logistics industry are in dire need of online, digitalized logistics platforms that can drive their businesses forward.

We are an early mover and a major driving force of the digitalization of the road freight industry, especially in the intra-city freight segment, according to Frost & Sullivan. We launched our platform in Hong Kong in 2013, to digitalize the road freight industry where transactions had been conducted largely offline. In 2014, we expanded into the road freight market in Mainland China, a massive, fast-growing market with tremendous potential for digitalization, as well as Southeast Asia. Since 2014, we have expanded to additional cities in Mainland China and Southeast Asia. We also started to enter other overseas markets, such as the LatAm markets, in 2019.

Over the years, we have built a platform addressing all major logistics needs in intra- and inter-city freight transactions, while providing diversified logistics services and value-added services to both merchants and carriers. Through technology, we connect merchants and carriers online, digitalize the transaction process, and optimize efficiency. On our platform, merchants have access to convenient, reliable and cost-effective freight services provided by a large pool of carriers, to fulfill their on-demand or pre-scheduled shipping orders. On the other hand, our platform enables carriers, who are mainly individuals, to meaningfully increase their income by making available a vast reservoir of shipping orders constantly matched with their capacity, work schedules and personal preferences. By delivering compelling value propositions to both merchants and carriers, we are able to rapidly scale our business around the world and strengthen our leading position in Asia.

OUR BUSINESS MODEL

We operate a marketplace model connecting and serving both merchants and carriers. Our platform facilitates closed-loop transactions from online shipping order booking to intelligent order matching, and automated dispatching to after-sale services. Pricing is largely determined upfront with full transparency to both merchants and carriers.



We offer (i) freight platform services, (ii) diversified logistics services to merchants; and (iii) value-added services to carriers. The following table sets forth the details of our service offerings, revenue model and revenue recognition methods:

Service Offerings	Revenue Model and Revenue Recognition
• **Freight platform services**	• Our freight platform services involve digitally matching and fulfilling intra-city and inter-city shipping transactions between merchants and carriers through our online platform. We generate revenues from our freight platform services using a hybrid monetization model, primarily from (i) carrier membership fees and (ii) commissions charged to carriers on the shipping orders they have fulfilled. • Revenues from carrier membership fees are recognized on a gross basis. Revenues from commissions charged to carriers are recognized on a net basis.

Service Offerings	Revenue Model and Revenue Recognition
• **Diversified logistics services**	• Our diversified logistics services include: o integrated enterprise services where we generate revenues from the fees charged to large enterprise merchants for fulfilling their shipment orders and providing certain other ancillary services through our online platform; o LTL services where we generate revenues from the fees charged to individual users or enterprise merchants for fulfilling their LTL shipping orders; and o home-moving services where we generate revenues by charging fees to merchants for such services. • Revenues from integrated enterprise services and LTL services are recognized on a gross basis. Revenue from home-moving services are recognized on a net basis.
• **Value-added services**	• Revenues from our value-added services consist of revenues generated from vehicle sales and leasing services, as well as a range of other value-added aftermarket services that we provide to carriers, such as energy services and credit solutions. • Revenues from vehicle sales and leasing, where we act as a principal, are recognized on a gross basis, and revenues from other value added services are recognized on a net basis.

The following table sets forth a breakdown of our revenue from different segments, in absolute amounts and as percentages of total revenue, for the periods indicated.

	For the Year Ended December 31,					
	2020		2021		2022	
	US$	*%*	*US$*	*%*	*US$*	*%*
	(in thousands, except for percentages)					
Mainland China						
Freight platform services	229,141	43.3	409,338	48.5	565,920	54.7
Diversified logistics services	164,766	31.1	268,126	31.7	300,709	29.0
Value-added services	70,634	13.4	75,496	8.9	69,284	6.7
Subtotal	464,541	87.8	752,960	89.1	935,913	90.4
Overseas	64,464	12.2	91,820	10.9	99,873	9.6
Total	**529,005**	**100.0**	**844,780**	**100.0**	**1,035,786**	**100.0**

For a detailed discussion of the components and historical changes of our revenue, see "Financial Information — Key Components of Results of Operations" and "— Period-to-Period Comparisons of Results of Operations".

OUR STRENGTHS

- Leading logistics transaction platform with tremendous scale and network effects
- The top choice for local and digital freight with significant user mindshare
- Successful track record of service innovations driving a virtuous cycle of growth
- Proprietary and purpose-driven technology
- Relentless focus on capital efficiency and operational excellence
- Founder-led, visionary management team with strong execution capabilities

OUR GROWTH STRATEGIES

- Continue to grow in the massive intra-city freight market
- Expand our service offerings
- Accelerate our global expansion
- Invest in technology and talent

BUSINESS SUSTAINABILITY AND PROVEN PATH TO PROFITABILITY

In 2022, we achieved profitability on an adjusted basis following years of expansion and investment in growth and recorded adjusted profit (non-IFRS) of US$53.2 million. This demonstrates our ability to grow sustainably and profitably as a leading platform of scale.

Our historical loss-making positions in 2020 and 2021 were primarily due to our continued significant investments in scale and geographic expansion, user growth and engagement, and product innovations. As a result of these investments, we have built a vast network of carriers and merchants and established ourselves as the clear market leader and the top choice for digital freight services in intra-city freight markets, providing a solid foundation for our sustainable growth and profitability in the long run. These investments have also enabled us to achieve significant growth in GTV and revenue during the Track Record Period, solidifying our long-term market leadership. Our global GTV increased from US$3,732.3 million in 2020 to US$7,307.2 million in 2022 at a CAGR of 39.9%. Our total revenue increased from US$529.0 million in 2020 to US$1,035.8 million in 2022 at a CAGR of 39.9%.

Our profitability on an adjusted basis in 2022 was mainly driven by our massive network effects, effective monetization strategies, increased revenue streams and improving operating efficiency.

- *Massive network effects*: During the Track Record Period, we experienced continuous growth in user base and level of user engagement on our platform. This was evidenced by our increasing global freight GTV, from US$3.4 billion in 2020 to US$6.7 billion in 2022.

- *Effective monetization strategies*: Our hybrid monetization model, where we generate revenues through a combination of carrier membership fees and commissions, has effectively allowed us to translate the GTV growth into revenue growth. During the Track Record Period, commissions as a percentage of freight platform services revenues in Mainland China increased significantly and now we have a balanced mix of carrier membership fees and commissions generated from freight platform services in Mainland China. This contributed to our growing freight platform services monetization rate in Mainland China from 8.0% in 2020 to 9.7% in 2022.

- *Increased revenue streams with improving gross profit margins*: We are constantly expanding our portfolio of service offerings, such as integrated enterprise services launched in 2017 and home-moving services launched in 2019, to address our users' diverse needs. These efforts have enabled us to diversify and increase our revenue streams with improving gross profit margins and better monetize our massive user base.

- *Improving operating efficiency*: With our leading position and scale achieved by our initial investments in technology, branding and user acquisition and experience, we were able to manage our growth in a more cost-effective manner. As a result, our gross margin increased from 38.5% in 2020 to 53.7% in 2022, and our operating expenses as a percentage of our revenue decreased from 73.9% in 2020 to 57.9% in 2022.

Going forward, we will seek to continue to improve profitability by implementing the following strategies. For details, see "Business — Business Sustainability and Proven Path to Profitability".

- Continue to grow our massive user base and GTV
- Enhance monetization potential through effective hybrid monetization model
- Expand product portfolio and increase revenue streams
- Increase operating efficiency to drive gross margins and operating margins
- Leverage our negative operating working capital and strong cash generating capabilities

OUR KEY OPERATING METRICS

Our business depends on our ability to attract, engage, or generally increase carriers' and merchants' use of our platform which is measured by global total GTV, global freight GTV, average merchant MAUs, average carrier MAUs and number of fulfilled orders. We also use "freight platform services monetization rate" to measure our ability to monetize the freight transactions facilitated through our platform.

We regularly review a number of key operating data to evaluate our core business operations, identify trends, formulate financial projections and make strategic decisions. The following table presents certain of our key operating data for the periods indicated:

	For the Year Ended December 31,		
	2020	2021	2022
Our Platform			
Global Total GTV (US$ in millions)	3,732.3	6,763.4	7,307.2
Global Freight GTV (US$ in millions)	3,444.7	6,157.4	6,715.4
Average merchant MAUs (in millions)	7.3	10.4	11.4
Average carrier MAUs (in thousands)	543.6	868.5	973.2
Fulfilled orders (in millions)	260.1	403.8	427.5
Mainland China			
Freight GTV (US$ in millions)	3,086.9	5,726.7	6,208.1
Freight platform services GTV (US$ in millions)	2,879.8	5,394.4	5,850.9
Diversified logistics services GTV (US$ in millions)	207.0	332.3	357.2
Freight platform services monetization rate	8.0%	7.6%	9.7%
Overseas			
Freight GTV (US$ in millions)	357.8	430.7	507.3
Freight platform services monetization rate	12.4%	13.7%	14.5%

Across the periods presented, these operating metrics generally increased, as the scale of our platform and business operations continued to grow. Our global freight GTV and global total GTV both continued to increase over the periods presented, as a result of increases in freight GTV in both Mainland China and overseas.

In Mainland China, our freight GTV generated from freight platform services increased over the periods presented due to the growth of our user base and increased user engagement in our existing markets as described in more detail below, as well as the continuous expansion of our platform into an increasing number of cities. Our freight GTV generated from diversified logistics services also increased over the periods, which was mainly driven by the continued organic growth of integrated enterprise services and home-moving services. As a result of the above, our freight GTV in Mainland China increased steadily across all periods presented.

Our average merchant MAUs and average carrier MAUs both increased over the periods presented, which was attributable to our continued further penetration in our existing markets and our expansion into more cities. As our user base grew over the periods, the number of our fulfilled orders increased over the same periods.

The freight platform services monetization rate in Mainland China for our freight platform services fluctuated over the years. Between 2020 and 2021 when we were in the early stage of implementing our hybrid monetization model, a substantial majority of our freight platform services revenue was generated through carrier membership fees. The fixed nature of our carrier membership fees relative to the growing GTV led to the decrease in the freight platform services monetization rate in Mainland China from 8.0% in 2020 to 7.6% in 2021. The decrease was also in part due to the lower fee rates that we offered in selected markets to grow our inter-city freight services, and the increasing incentives that we offered to carriers as an expansion and user engagement strategy as we accessed a new market. As our hybrid monetization model matures and as we continue to improve our presence and attract more carriers and merchants across the markets where we operate, we expect our freight platform services monetization rate to increase in the foreseeable future. For a more detailed discussion of the historical changes in our freight platform services monetization rate, see "Business — Business Sustainability and Proven Path to Profitability — Enhance monetization potential through effective hybrid monetization model".

In the overseas markets, our freight GTV increased over the periods presented due to the increased transaction volume. Our freight platform services monetization rate in the overseas markets generally increased across the years, as we strategically focused on customers with higher monetization potential. During the Track Record Period, our freight platform services monetization rate in the overseas markets was generally higher than that in Mainland China, which was primarily attributable to favorable market dynamics in the overseas markets that contributed to better pricing abilities.

WEIGHTED VOTING RIGHTS AND OUR CONTROLLING SHAREHOLDERS

Our Company is proposing to adopt a WVR structure effective immediately upon the completion of the [**REDACTED**]. Under this structure, our Company's share capital will comprise Class A Shares and Class B Shares. Each Class A Share entitles the holder to exercise ten votes, and each Class B Share entitles the holder to exercise one vote, on any resolution tabled at our Company's general meetings, except for any resolution with respect to a limited number of Reserved Matters, in relation to which each Share entitles the holder to one vote.

Immediately upon completion of the [**REDACTED**] assuming the [**REDACTED**] is not exercised, Mr. Chow, the WVR Beneficiary, will be interested in 42,643,348 Class A Shares (through 533,091 Class A Shares beneficially held by himself and 42,110,257 Class A Shares held by Lalatech Underscore, a company wholly-owned by Lalatech One, which is in turn wholly-owned by the Chow's Family Trust that was established by Mr. Chow (as the settlor) for the benefit of Mr. Chow and his family, representing (a) approximately [**REDACTED**]% of our issued Shares; (b) approximately [**REDACTED**]% of the effective voting rights in our Company with respect to Shareholders' resolutions relating to matters other than the Reserved Matters, on the basis that each Class A Share entitles the holder to exercise ten votes and each Class B Share entitles the holder to one vote; and (c) approximately [**REDACTED**]% of the effective voting rights with respect to Shareholders' resolutions relating to Reserved Matters, on the basis that each Share entitles the Shareholder to one vote per share. For details, see "Share Capital — Weighted Voting Rights Structure".

Therefore, immediately after the completion of the [**REDACTED**], Mr. Chow, Lalatech Underscore and Lalatech One will be our Controlling Shareholders. For further details, see "Share Capital — Weighted Voting Rights Structure" and "Relationship with Our Controlling Shareholders".

Our Company is adopting the WVR structure to enable Mr. Chow, the WVR Beneficiary, to exercise voting control over our Company. This will enable our Company to benefit from the continuing vision and leadership of the WVR Beneficiary who will control our Company with a view to our long-term prospects and strategy.

Mr. Chow founded our Company in 2013 and currently serves as the executive Director, Chairman of the Board and the Chief Executive Officer of our Company, spearheading our Company's tremendous growth over the years. After graduating from Stanford University with distinction in 1999, Mr. Chow started his career at Bain & Company from 1999 to 2002, and subsequently engaged in investment and entrepreneurial endeavours.

Mr. Chow has been integral to the success of our Company and has been principally responsible for the founding and growth of our Company's business since our inception until now, and will continue to lead the future development and operations of our Company as a global leading digital logistics platform going forward. Mr. Chow has continuously introduced innovation to our business model and technology through his visionary leadership. Mr. Chow has led the creation of our Company's industry-pioneering "closed-loop" transaction platform, the constant product innovations to address diverse and evolving user needs, and the development of dynamic hybrid monetization model and diversified monetization channels at scale. Mr. Chow has also led our Company's global expansion. In particular:

(i) from the very beginning since our Group's inception, Mr. Chow set a distinct vision for our Group to become the biggest logistics company in the world by using technology to improve logistics efficiency. Under his leadership, our Group first created our platform in Hong Kong in 2013 to digitalize the road freight industry where transactions had been traditionally conducted largely offline;

(ii) under the leadership of Mr. Chow, our Group has continued its global expansion, entering the Southeast Asian markets in 2014, expanding into the inter-city market of the PRC in 2018 and the LatAm markets in 2019. Our footprint spanned across over 400 cities globally in 2022;

(iii) Mr. Chow believes that the advantages of our closed-loop transaction platform are equally compelling in both intra-city and inter-city segments, and steered our Group into expanding our platform to serve the inter-city freight segment in 2017; and

(iv) Mr. Chow has continued to lead our Group in product innovations to address diverse and evolving user needs, examples of which include launching a self-developed integrated decision-making system in 2020 and developing an intelligent transportation IoT system, *Anxinla* (安心拉), in 2021.

Under the leadership of Mr. Chow, we are the largest logistics transaction platform in the world by closed-loop freight GTV in the first half of 2022, the largest intra-city logistics transaction platform globally by closed-loop freight GTV in the first half of 2022 and the largest freight transaction platform globally in terms of number of fulfilled orders in 2022, according to Frost & Sullivan. Mr. Chow has been and will continue to be responsible for our Company's overall business strategies, building of our corporate image, business operations, R&D and financing, as well as setting a distinct vision to drive our Company's long-term sustainable growth.

With the scale and leading position of our Company in the logistics industry globally, our Company must continue to innovate to further enhance our value propositions to all stakeholders, including the Shareholders. Under Mr. Chow's vision and leadership, our Company will continue to innovate, and be at the forefront of providing the best logistics services to our users. Our Company considers the adoption of the WVR Structure to be an important element to our Company's success and ability to continue to innovate in the future.

Prospective [**REDACTED**] are advised to be aware of the potential risks of [**REDACTED**] in companies with WVR structure, in particular that interests of the WVR Beneficiary may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiary will be in a position to exert significant influence over the affairs of our Company and the outcome of Shareholders' resolutions, irrespective of how other Shareholders vote. Prospective [**REDACTED**] should make the decision to [**REDACTED**] in our Company only after due and careful consideration. For further information about the risks associated with the WVR structure adopted by our Company, see "Risk Factors — Risks Related to the WVR Structure".

OUR [REDACTED] INVESTORS

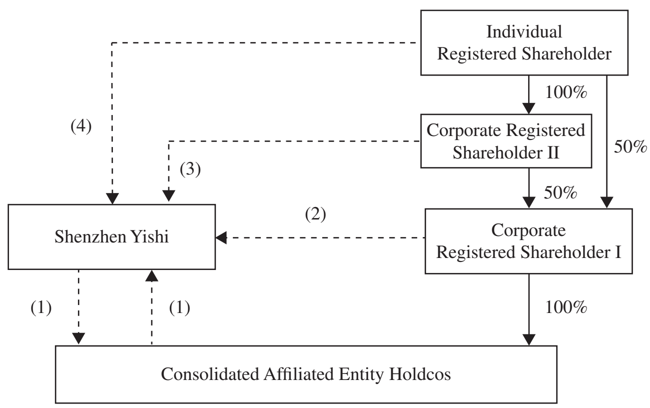
Since the establishment of our Company, we have entered into several rounds of financing agreements with our [**REDACTED**] Investors, which include, among others, Hillhouse, Sequoia Capital, Mindworks, Shunwei and Crystal Stream. For further details of the identity and background of the [**REDACTED**] Investors, and the principal terms of the [**REDACTED**] Investments, see "History, Development and Corporate Structure — [**REDACTED**] Investments".

OUR CONTRACTUAL ARRANGEMENTS

Due to foreign investment restrictions under the relevant PRC and Indonesian laws and regulations, our Company is unable to own or hold any direct equity interest in the Consolidated Affiliated Entities conducting part of our businesses. As such, we operate such businesses in the PRC and Indonesia under the Contractual Arrangements we entered into with Consolidated Affiliated Entities and the Registered Shareholders in the respective jurisdictions.

The following simplified diagrams illustrate the flow of economic benefits from the Consolidated Affiliated Entities to our Group stipulated under the Contractual Arrangements in the PRC and Indonesia respectively:

The PRC



"___" denotes legal and beneficial ownership in the equity interest
"......" denotes the PRC Contractual Arrangements

Notes:

(1) Shenzhen Yishi provides several consultation services in exchange for service fees from the Consolidated Affiliated Entity Holdcos.

(2) In respect of each Consolidated Affiliated Entity Holdco:

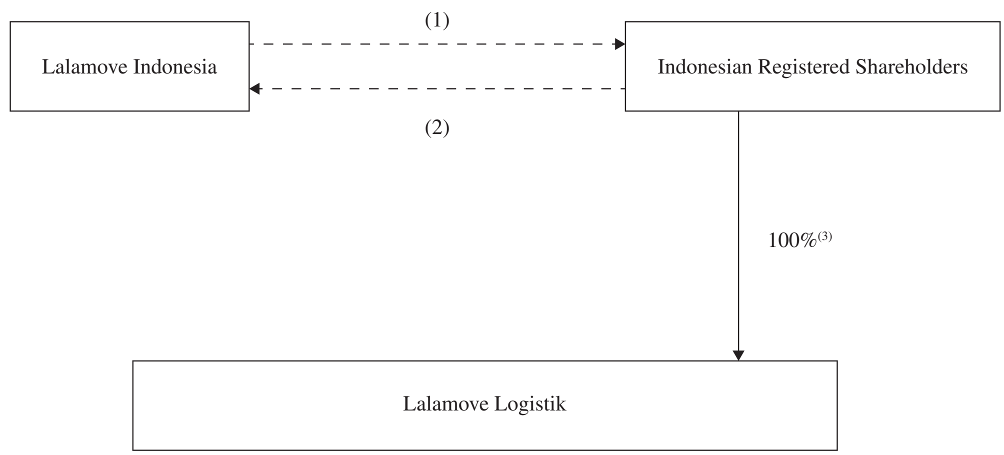
- the Corporate Registered Shareholder I executed the Exclusive Option Agreement in favour of Shenzhen Yishi, for the acquisition of 100% of the equity interests and/or assets in the Consolidated Affiliated Entity Holdco;
- the Corporate Registered Shareholder I pledged as first charge all of its equity interests in the Consolidated Affiliated Entity Holdco to Shenzhen Yishi as collateral security for any or all of its payments due to Shenzhen Yishi and to secure performance of its obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and the Powers of Attorney; and
- the Corporate Registered Shareholder I executed the Powers of Attorney in favour of Shenzhen Yishi.

(3) The Corporate Registered Shareholder II and the Individual Registered Shareholder pledged as first charge all of his/its (as applicable) equity interests in the Corporate Registered Shareholder I to Shenzhen Yishi as collateral security to secure performance of his/its (as applicable) obligations in maintaining the stability of the PRC Contractual Arrangements.

(4) The Individual Registered Shareholder pledged as first charge all of his equity interests in the Corporate Registered Shareholder II to Shenzhen Yishi as collateral security to secure performance of his obligations in maintaining the stability of the PRC Contractual Arrangements. The spouse of the Individual Registered Shareholder has signed spousal consent letters, pursuant to which she unconditionally and irrevocably agrees that she is aware of the contractual arrangements, and have no objection regarding such PRC Contractual Arrangements.

See "Contractual Arrangements — The PRC Contractual Arrangements" for details of the PRC Contractual Arrangements.

Indonesia



"___" denotes legal and beneficial ownership in the equity interest
"......" denotes the Indonesian Contractual Arrangements

Notes:

(1) Pursuant to the loan agreements between Lalamove Indonesia (as lender) entered into loan agreements with the Indonesian Registered Shareholders (as borrowers), Lalamove Indonesia agreed to provide a loan to each of the Indonesian Registered Shareholders to acquire the shares in Lalamove Logistik.

(2) Pursuant to the pledge of shares agreements, each of the Indonesian Registered Shareholders pledged its shares in Lalamove Logistik in favour of Lalamove Indonesia. For the enforcement of Lalamove Indonesia's rights under the pledge of shares agreements, each of the Indonesian Registered Shareholders has granted consent to transfer its shares in Lalamove Logistik. Each of the Indonesian Registered Shareholders granted an irrevocable power of attorney to Lalamove Indonesia, pursuant to which each Indonesian Registered Shareholder appointed Lalamove Indonesia as its attorney to, among others, to sell and/or transfer the shares in Lalamove Logistik, and to do and perform all acts which a shareholder is entitled and empowered to do. The Indonesian Registered Shareholders and Lalamove Indonesia entered into assignment of dividends agreements, pursuant to which the Indonesian Registered Shareholders assigned and transferred all of their rights and interests in all of the dividends or other distributions paid out by Lalamove Logistik to Lalamove Indonesia. Under the call option agreements entered into between the Indonesian Registered Shareholders and Lalamove Indonesia, the Indonesian Registered Shareholders further granted Lalamove Indonesia the option to require each of the Indonesian Registered Shareholders to sell its shares in Lalamove Logistik to Lalamove Indonesia. Further, the Indonesian Registered Shareholders and Lalamove Indonesia entered into an indemnity agreement, pursuant to which Lalamove Indonesia agreed to indemnify, protect and hold harmless each of the Indonesian Registered Shareholders against all losses incurred by the Indonesian Registered Shareholders resulting from or arising in connection with, among others, any loss or damage of Lalamove Logistik due to operational or non-operational activities.

(3) Lalamove Logistik is held by the Indonesian Registered Shareholders, and specifically as to 50% by CUG and 50% by CUTG. CUG is held as to 99% by Marlissa Dessy Setyo Utami and 1% by Endang Susani Listyowati, both of which are Independent Third Parties. CUTG is held as to 99% by PT. Singa Biru Grup and 1% PT. Singa Biru Investama, both of which are companies incorporated in Indonesia and held as to 99% by Marlissa Dessy Setyo Utami and 1% by Endang Susani Listyowati, who are Independent Third Parties.

See "Contractual Arrangements — The Indonesian Contractual Arrangements" for details of the Indonesian Contractual Arrangements.

Development in the PRC legislation on foreign investment

On March 15, 2019, the National People's Congress approved the PRC Foreign Investment Law (中華人民共和國外商投資法) (the "**FIL**"), which came into effect on January 1, 2020. On December 26, 2019, the State Council of the People's Republic of China published Implementation Rules of the PRC Foreign Investment Law (中華人民共和國外商投資法實施條例). The FIL grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as either "restricted" or "prohibited" from foreign investment in the Special Administrative 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**") published by certain departments of the State Council on December 27, 2021. The FIL provides that foreign-invested entities shall not invest in "prohibited" industries and shall meet the investment conditions stipulated under the Negative List for any "restricted" industries.

Our PRC Legal Advisor confirmed that the FIL does not specify contractual arrangements as a form of foreign investment. In that regard, if there are no other promulgated national laws, administrative regulations, administrative rules or regulatory requirements prohibiting or restricting the operation of or affecting the legality of contractual arrangements, the FIL will not have a material adverse impact on the PRC Contractual Arrangements, and each of the agreements under the PRC Contractual Arrangements and the legality and validity of the PRC Contractual Arrangements would not be affected.

For the risks relating to the Contractual Arrangements, see "Risk Factors — Risks Related to Our Corporate Structure and the Contractual Arrangements" for further details.

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in "Risk Factors". Some of the major risks we face include:

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

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

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

- We have incurred in the past, and may incur in the future, losses.

- We recorded net operating cash outflows historically and there can be no assurance that we will not have net operating cash outflow in the future.

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

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

OUR CUSTOMERS AND SUPPLIERS

We consider a customer as a person or entity from whom we generate revenues from the services we provide via our online platform. We have a broad base of customers including businesses of all sizes and individuals. Our top five customers, which primarily comprise enterprise merchants of our integrated enterprise services, accounted for 2.4%, 5.7% and 4.4% of our total revenue for each of the years ended December 31, 2020, 2021 and 2022, respectively. Carriers are the major customers of our freight platform services, and substantially all of our carriers are individuals with low revenue contribution. Our top suppliers primarily include online promotion agents, vehicle suppliers for sales and rental services and IT services providers. Our top five suppliers in the aggregate accounted for 20.5%, 15.2% and 19.9% of our total cost of services for each of the years ended December 31, 2020, 2021 and 2022, respectively. For details, see "Business — Our Customers and Suppliers".

COMPETITIVE LANDSCAPE

We are the largest logistics transaction platform in the world by closed-loop freight GTV in the first half of 2022, and the largest intra-city logistics transaction platform in the world by closed-loop freight GTV in the first half of 2022, according to Frost & Sullivan. We are also the world's largest logistics transaction platform by average merchant MAUs and the largest logistics transaction platform globally in terms of number of fulfilled orders in 2022, according to the same source. We face competition from other logistics transaction and digital freight platforms in China and around the world, as well as players that focus on certain segments of the logistics market. We also compete with other companies, such as home-moving companies and automobile dealers, for value-added services that cater to diverse logistics service needs of merchants and carriers. In addition, we face competition from large established technology companies that are developing their own logistics transaction platforms. We believe we have been competing effectively against other industry players in China and globally due to a number of factors. These factors include scale and network effects, closed-loop transaction capabilities, brand recognition and user mindshare, operational know-how, technology and data capabilities, and diversified service offerings. For a detailed discussion of our industry and competitive landscape, see "Industry Overview".

SUMMARY OF KEY FINANCIAL INFORMATION

This summary of historical financial information set forth below has been derived from, and should be read in conjunction with, our consolidated financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I, as well as the information set forth in "Financial Information". Our financial information was prepared in accordance with IFRSs.

Selected Information from Consolidated Statements of Profit or Loss and Other Comprehensive Income

The table below sets forth selected information from our consolidated statements of profit or loss for the periods indicated, which have been extracted from the Accountants' Report set out in Appendix I:

	For the Year Ended December 31,					
	2020		2021		2022	
	US$	*%*	*US$*	*%*	*US$*	*%*
	(in thousands, except for share and per share data)					
Revenue	529,005	100.0	844,780	100.0	1,035,786	100
Cost of revenue	(325,488)	(61.5)	(511,881)	(60.6)	(479,983)	(46.3)
Gross profit	**203,517**	**38.5**	**332,899**	**39.4**	**555,803**	**53.7**
Other Income	11,931	2.3	38,417	4.5	46,161	4.5
Selling and marketing expenses	(238,708)	(45.1)	(673,441)	(79.7)	(198,199)	(19.1)
Research and development expenses	(75,069)	(14.2)	(176,228)	(20.9)	(196,834)	(19.0)
General and administrative expenses	(77,282)	(14.6)	(182,543)	(21.6)	(204,302)	(19.7)
Operating (loss)/profit	**(175,611)**	**(33.2)**	**(660,896)**	**(78.2)**	**2,629**	**0.3**
Finance income	4,394	0.8	18,816	2.2	26,562	2.6
Finance costs	(495)	(0.1)	(1,042)	(0.1)	(3,718)	(0.4)
Gains/(losses) of financial instruments measured at fair value through profit or loss	666	0.1	(21,644)	(2.6)	(67,280)	(6.5)
Changes in fair value of redeemable convertible preferred shares	(635,520)	(120.1)	(1,420,131)	(168.1)	(5,345)	(0.5)
Loss before taxation	**(806,566)**	**(152.5)**	**(2,084,897)**	**(246.8)**	**(47,152)**	**(4.6)**
Income tax expense	—	—	(1,439)	(0.2)	(1,939)	(0.2)
Loss for the year	**(806,566)**	**(152.5)**	**(2,086,336)**	**(247.0)**	**(49,091)**	**(4.7)**
Other comprehensive (loss)/income for the year						
Item that may be reclassified subsequently to profit or loss:						
Exchange difference on translation of financial statements	(5,516)	(1.0)	648	0.1	(43,880)	(4.2)
Total comprehensive loss for the year	**(812,082)**	**(153.5)**	**(2,085,688)**	**(246.9)**	**(92,971)**	**(9.0)**

Our gross profit increased by 67.0% from US$332.9 million in 2021 to US$555.8 million in 2022, which was primarily attributable to the increased gross profit generated from Mainland China, as a result of (i) our improved freight platform services monetization rate in Mainland China from 7.6% in 2021 to 9.7% in 2022, and (ii) decreased costs incurred for payroll and related expenses due to the reduced size of our on-the-ground operation teams to improve operating efficiency.

Our selling and marketing expenses increased by 182.1% from US$238.7 million in 2020 to US$673.4 million in 2021. The significant increase was due to (i) increased discounts and promotions offered to merchants and enhanced advertising and branding efforts, as evidenced by our increased total marketing and promotional expenses from US$191.8 million in 2020 to US$538.3 million in 2021 and (ii) increased staff costs from US$25.7 million in 2020 to US$59.4 million in 2021, driven by increased headcounts for sales and marketing employees.

For a detailed discussion of the historical changes in certain key items in our consolidated statements of profit or loss and other comprehensive income, see "Financial Information — Key Components of Results of Operations".

Non-IFRS Measure

We use adjusted (loss)/profit for the year (non-IFRS), which is a non-IFRS measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted (loss)/profit for the year (non-IFRS) helps identify underlying trends in our business that could otherwise be distorted by the effect of certain expenses that we include in our profit for the year. We believe that adjusted (loss)/profit for the year (non-IFRS) provides useful information about our results of operations, enhances the overall understanding of our past performance and future prospects and allows for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

Adjusted (loss)/profit for the year (non-IFRS) should not be considered in isolation or construed as an alternative to operating loss, loss for the year/period or any other measure of performance or as an indicator of our operating performance. [**REDACTED**] are encouraged to review adjusted (loss)/profit for the year (non-IFRS) and the reconciliation to its most directly comparable IFRS measure. Adjusted (loss)/profit for the year (non-IFRS) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage [**REDACTED**] and others to review our financial information in its entirety and not rely on a single financial measure.

We define our adjusted (loss)/profit for the year (non-IFRS) by adding back (i) share-based compensation expenses, (ii) changes in fair value of redeemable convertible preferred shares, and (iii) losses of financial instruments measured at fair value through profit or loss related to convertible loans to Xiaola to the loss for the year. We exclude these items because they are not expected to result in future cash payments that are recurring in nature. Specifically, (i) changes in fair value of redeemable convertible preferred shares are non-cash in nature, and also non-recurring in nature because all of the foregoing preferred shares will be automatically converted into ordinary shares upon the completion of the [**REDACTED**]; (ii) share-based compensation relates to the share-based awards that we grant to employees and Directors and is a non-cash expense commonly excluded from similar non-IFRS measures adopted by other companies in the industry in which we operate; and (iii) losses of financial instruments measured at fair value through profit or loss related to convertible loans to Xiaola are non-cash in nature and are related to our one-off transactions.

The following table presents our non-IFRS measure for the years ended December 31, 2020, 2021 and 2022.

	For the Year Ended December 31,		
	2020	2021	2022
	(US$ in thousands)		
Loss for the year	**(806,566)**	**(2,086,336)**	**(49,091)**
Add:			
Share-based compensation expenses	15,654	13,239	28,825
Changes in fair value of redeemable convertible preferred shares	635,520	1,420,131	5,345
Losses of financial instruments measured at fair value through profit or loss related to convertible loans to Xiaola	–	21,707	68,154
Adjusted (loss)/profit for the year (non-IFRS)	**(155,392)**	**(631,259)**	**53,233**

Selected Information from Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from the Accountants' Report set out in Appendix I:

	As of December 31,		
	2020	2021	2022
	(US$ in thousands)		
ASSETS			
Non-current asset			
Property, plant and equipment	27,676	37,405	29,891
Intangible assets	1,051	1,731	1,412
Interest in a joint venture	—	92,154	117,818
Finance lease receivables	4,938	2,973	6,253
Total non-current assets	**33,665**	**134,263**	**155,374**

	As of December 31,		
	2020	**2021**	**2022**
	(US$ in thousands)		
Current assets			
Inventories	8,757	7,543	3,152
Trade and other receivables	40,209	82,705	108,635
Amounts due from related parties	50,976	—	—
Finance lease receivables	4,480	5,263	4,135
Financial assets measured at fair value through profit or loss	46,129	90,973	90,162
Deposits with banks	127,567	103,480	244,327
Restricted cash	—	144,851	203,657
Cash and cash equivalents	596,788	1,564,319	1,400,176
Total current assets	**874,906**	**1,999,134**	**2,054,244**
Total assets	**908,571**	**2,133,397**	**2,209,618**
LIABILITIES			
Current liabilities			
Trade and other payables	335,998	503,132	582,367
Contract liabilities	15,275	14,428	11,874
Amounts due to related parties	369	—	—
Lease liabilities	7,050	11,710	11,233
Financial liabilities measured at fair value through profit or loss	—	6,474	834
Total current liabilities	**358,692**	**535,744**	**606,308**
Non-current liabilities			
Lease liabilities	8,731	15,090	9,653
Redeemable convertible preferred shares	2,050,574	5,188,705	5,274,050
Total non-current liabilities	**2,059,305**	**5,203,795**	**5,283,703**
Total liabilities	**2,417,997**	**5,739,539**	**5,890,011**
CAPITAL AND RESERVES			
Share capital	84	86	86
Share premium	63,976	68,310	68,310
Reserves	25,818	45,434	20,253
Accumulated losses	(1,595,994)	(3,720,036)	(3,768,745)
Total deficit attributable to equity shareholders of the Company	**(1,506,116)**	**(3,606,206)**	**(3,680,096)**
Non-controlling interests	**(3,310)**	**64**	**(297)**
Total Deficit	**(1,509,426)**	**(3,606,142)**	**(3,680,393)**

Our inventories decreased significantly from US$7.5 million as of December 31, 2021 and decreased further to US$3.2 million as of December 31, 2022, as a result of our strategic transition on vehicle sales from a principal basis to an agent basis.

As of December 31, 2020, 2021 and 2022, we recorded net liabilities of US$1,509.4 million, US$3,606.1 million and US$3,680.4 million. The continued increase in our net liabilities throughout the Track Record Period was primarily due to an increase in the fair value of redeemable convertible preferred shares. The redeemable convertible preferred shares will cease to be classified as liability, and will be reclassified as equity upon the completion of the [**REDACTED**], which will result in the change from a net liability position to a net asset position. For the risks related to our historical net liabilities position, see "Risk Factors — We had net liabilities position in the past and may not be able to achieve or maintain net assets and net current assets position in the future".

Net Current Assets and Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of January 31,
	2020	2021	2022	2023
				(unaudited)
	(US$ in thousands)			
Current assets				
Inventories	8,757	7,543	3,152	2,535
Trade and other receivables	40,209	82,705	108,635	127,266
Amounts due from related parties	50,976	—	—	—
Finance lease receivables	4,480	5,263	4,135	4,169
Financial assets measured at fair value through profit or loss	46,129	90,973	90,162	94,591
Deposits with banks	127,567	103,480	244,327	46,556
Restricted cash	–	144,851	203,657	123,243
Cash and cash equivalents	596,788	1,564,319	1,400,176	1,597,712
Total current assets	**874,906**	**1,999,134**	**2,054,244**	**1,996,072**
Current liabilities				
Trade and other payables	335,998	503,132	582,367	527,219
Contract liabilities	15,275	14,428	11,874	10,803
Amounts due to related parties	369	—	—	—
Lease liabilities	7,050	11,710	11,233	11,387
Financial liabilities measured at fair value through profit or loss	—	6,474	834	643
Total current liabilities	**358,692**	**535,744**	**606,308**	**550,052**
Net current assets	**516,214**	**1,463,390**	**1,447,936**	**1,446,020**

For more details regarding changes in certain key items of current assets and current liabilities, see "Financial Information — Net Current Assets and Liabilities".

Selected Information from Consolidated Statements of Cash Flow

The following table sets forth a summary of our cash flows for the periods indicated:

	For the Year Ended December 31,		
	2020	2021	2022
		(US$ in thousands)	
Summary consolidated statements of cash flow data			
Loss before taxation	(806,566)	(2,084,897)	(47,152)
Adjustments for non-cash items	650,150	1,449,950	130,304
Changes in working capital	125,469	30,809	4,630
Income tax paid	—	(436)	(2,706)
Net cash (used in)/generated from operating activities	(30,947)	(604,574)	85,076
Net cash used in investing activities	(151,810)	(117,950)	(220,896)
Net cash generated from financing activities	471,146	1,678,355	51,650
Net increase/(decrease) in cash and cash equivalents	**288,389**	**955,831**	**(84,170)**
Cash and cash equivalents at the beginning of the year	299,447	596,788	1,564,319
Effect of movements in exchange rates	8,952	11,700	(79,973)
Cash and cash equivalents at the end of the year	**596,788**	**1,564,319**	**1,400,176**

For more details of our liquidity, see "Financial Information — Liquidity and Capital Resources".

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates and for the periods indicated.

	Year ended/As of December 31,		
	2020	2021	2022
Gross profit margin (%)(1)	38.5	39.4	53.7
Current ratio (%)(2)	243.9	373.2	338.8
Adjusted profit/(loss) margin (non-IFRS) (%)(3)	(29.4)	(74.7)	5.1

Notes:

(1) Calculated by dividing gross profit for the year by total revenue for the year and multiplied by 100%.

(2) Calculated by dividing total current assets by total current liabilities at the end of the year and multiplied by 100%.

(3) Calculated by dividing adjusted profit/(loss) (non-IFRS) by total revenue for the year and multiplied by 100%.

For a detailed discussion on the historical changes of these key financial ratios, see "— Period-to-Period Comparisons of Results of Operations", "— Net Current Assets and Liabilities", "Business — Business Sustainability and Proven Path to Profitability".

[**REDACTED**] EXPENSES

Our [**REDACTED**] expenses mainly include [**REDACTED**] fees and [**REDACTED**] and professional fees paid to legal, accounting and other advisors for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**]. Assuming full payment of the [**REDACTED**], the estimated total [**REDACTED**] expenses (based on the mid-point of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately HK$[**REDACTED**] million, of which an estimated amount of HK$[**REDACTED**] million is expected to be expensed through the statement of profit or loss and the remaining amount of HK$[**REDACTED**] million is expected to be recognized directly as a deduction from equity upon the [**REDACTED**]. The table below sets forth the breakdown of our [**REDACTED**] expenses.

[**REDACTED**] expenses (excluding Joint Sponsors' fee)	HK$[**REDACTED**]
[**REDACTED**]	HK$[**REDACTED**]
Total	HK$[**REDACTED**]

[**REDACTED**]

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We are applying for [**REDACTED**] with a WVR structure under Chapter 8A of the Listing Rules and satisfy the market capitalization/revenue tests under Rule 8A.06(2) and Rule 8.05(3) of the Listing Rules such that (i) our revenue for the year ended December 31, 2022 exceeded HK$1 billion and amounted to US$1,035.8 million (equivalent to approximately HK$8,128.5 million) for such period; and (ii) our expected market capitalization at the time of [**REDACTED**], which, based on the low-end of the indicative [**REDACTED**], exceeds [**REDACTED**].

We have applied to the Listing Committee for the [**REDACTED**] of, and permission to deal in, (i) the Class B Shares in issue, (ii) the Class B Shares to be issued pursuant to the [**REDACTED**] (including any Class B Shares which may be issued pursuant to the exercise of the [**REDACTED**]), and (iii) the Class B Shares that may be issued upon conversion of the Class A Shares on a one to one basis. Our Class A Shares will remain [**REDACTED**] upon our Company's [**REDACTED**] as required under Rule 8A.08 of the Listing Rules.

NON-COMPLIANCE INCIDENTS

During the Track Record Period, we had certain non-compliance incident with respect to carriers' use of passenger vehicles in freight services. We do not believe any of such incident will, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. For details, see "Business — Compliance with Laws and Regulations".

[**REDACTED**]

DIVIDEND

As advised by our Cayman Islands legal advisor, under Cayman Islands law, a position of accumulated losses and net liabilities does not necessarily restrict our Company from declaring and paying dividends to our Shareholders out of either our profit or our share premium account, provided this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business. As we are a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by our Board. No dividends have been paid or declared by our Company since its incorporation. Currently, we do not have a formal dividend policy or a fixed dividend distribution ratio.

FUTURE PLANS AND USE OF [REDACTED]

See "Business — Our Growth Strategies" for a detailed description of our future plans.

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the stated range of the [**REDACTED**] of between HK$[**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**]) and assuming the [**REDACTED**] is not exercised, we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated [**REDACTED**] in connection with the [**REDACTED**]. We intend to use the net [**REDACTED**] from the [**REDACTED**] for the following purposes and in the amounts set out below, subject to changes in light of our evolving business needs and changing market conditions:

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used over the next three to five years to drive growth in our core business and expand service offerings in Mainland China;

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used over the next three to five years to further accelerate our global expansion to capture the massive opportunity in the global logistics market;

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used over the next three to five years to further invest in research and development to continue developing and enhancing our technology infrastructure, as technology is at the core of our Company and drives elements essential for the transportation of freight;

- approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for working capital and general corporate purposes.

RECENT PRC REGULATORY DEVELOPMENTS

Cybersecurity, Data Privacy and Personal Information Protection

Recently, the PRC Governmental Authorities promulgated, among others, the PRC Personal Information Protection Law (the "**Personal Information Protection Law**") (《中華人民共和國個人信息保護法》) and the PRC Data Security Law (the "**Data Security Law**") (《中華人民共和國數據安全法》) to ensure cybersecurity, data and personal information protection, which demonstrates that relevant laws and regulations governing such areas have been developing along with the heightened regulatory supervision.

The Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Review Measures**"), published on December 28, 2021 and effective from February 15, 2022, set forth the cybersecurity review mechanism for critical information infrastructure operators, and provide that critical information infrastructure operators who procure internet products and services that affect or may affect national security shall be subject to a cybersecurity review. The Article 7 of the Review Measures stipulates that a network platform operator that holds personal information of more than one million users, prior to applying for [**REDACTED**] abroad (國外), must apply to the Cybersecurity Review Office (網絡安全審查辦公室) for a cybersecurity review. On February 16, 2023, the Joint Sponsors, our PRC Legal Advisor and the PRC legal advisor of the Joint Sponsors made a telephone consultation with the China Cybersecurity Review Technology and Certification Center (中國網絡安全審查技術與認證中心) (the "**CCRC**"), which is delegated by the CAC to accept applications for cybersecurity review. During the consultation, the CCRC confirmed that a [**REDACTED**] in Hong Kong does not fall within the scope of the term "[**REDACTED**] abroad" (赴國外[**REDACTED**]) under Article 7 of the Review Measures. Therefore, our PRC Legal Advisor is of the view that such mandatory requirements of cybersecurity review are only applicable to companies which are seeking a [**REDACTED**] abroad, and we are not required to submit an application for a cybersecurity review in connection with the [**REDACTED**] under the Article 7 of the Review Measures, because the [**REDACTED**] which will be in Hong Kong is not a "[**REDACTED**] abroad".

The Administration Governing the Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the "**Draft Data Security Regulations**"), published on November 14, 2021, which provides cross-border data transmission security and cybersecurity review standards for [**REDACTED**] abroad and in Hong Kong and the protection of important data and personal information rights. If the [**REDACTED**] in Hong Kong of a data processor affects or may affect national security, or any other data processing activities of a data processor affect or may affect national security, the data processor shall, in accordance with relevant state provisions, apply for a cybersecurity review. However, the Draft Cyber Data Security Regulations does not provide the standard to determine the circumstances that would be determined to "affect or may affect national security". As of the Latest Practicable Date, the Draft Data Security Regulations were released for public comments only and its final version and effective date are subject to further changes. We cannot predict the impact of the Draft Data Security Regulations, if any, at this stage, and we will closely monitor and assess any development in the rulemaking process. Our Directors are of the view that we will be able to comply with the Draft Data Security Regulations, if implemented in their current proposed form, in all material aspects, on the basis that (i) we have implemented comprehensive measures to ensure privacy protection and data security and to comply with applicable cybersecurity and data privacy laws and regulations as disclosed in "Business — Cybersecurity and Data Privacy", (ii) as of the Latest Practicable Date, we had not been subject to any material investigation, inquiry, notice, warning, or sanction in relation to cybersecurity or data privacy or any cybersecurity review from the CAC or any other relevant PRC Governmental Authority, (iii) during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material fines or other material penalties due to non-compliance with cybersecurity or data privacy laws or regulations; and (iv) we have been closely monitoring and assessing applicable regulatory developments regarding cybersecurity and data privacy laws and continue to seek to enhance our data processing practices to ensure our compliance with the Draft Data Security Regulations and any similar new laws and regulations once they come into effect. For details, see "Regulations — Regulations Related to Internet Information Security and Privacy Protection".

As of the Latest Practicable Date, we had not been involved in any investigations on cybersecurity review by the relevant regulatory authorities or had received any inquiry, notice, warning or sanctions in such respect.

Overseas [REDACTED]

On July 6, 2021, the General Office of Central Committee of the Chinese Communist Party, or the CPC Central Committee and the General Office of the State Council jointly promulgated the Opinions on Strictly Combating Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》), or the July 6 Opinion, which called for the enhanced cross-border regulatory cooperation and administration and supervision of overseas-[**REDACTED**] China-based companies. Along with the promulgation of the July 6 Opinion, laws and regulations regarding data security, cross-border data flow and management of confidential information are expected to undergo further changes, which may require increased information security responsibilities and stronger cross-border information management mechanism and process. As there are still uncertainties regarding the interpretation and implementation of such regulatory guidance, we cannot assure you that we would be able to comply with such regulatory guidance or other new regulatory requirements relating to our future overseas capital raising activities.

On February 17, 2023, the CSRC promulgated the new regulations for the filling-based administration of overseas [**REDACTED**] and [**REDACTED**] directly or indirectly by domestic companies, which will become effective on March 31, 2023. The newly released set of regulations consists of the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and relevant five guidelines, along with the Notice of the Administrative Arrangements for the Filing of Overseas Securities Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》) (the "**Filing Arrangements Notice**"). The new set of regulations will comprehensively improve and reform the existing regulatory regime for overseas [**REDACTED**] and [**REDACTED**] of PRC domestic companies' securities and will regulate both direct and indirect overseas [**REDACTED**] and [**REDACTED**] of PRC domestic companies' securities by adopting a filing-based regulatory regime. According to the Overseas Listing Trial Measures, PRC domestic companies that seek to [**REDACTED**] and [**REDACTED**] securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provides that an overseas [**REDACTED**] or [**REDACTED**] is explicitly prohibited under any of the following circumstances: (i) such securities [**REDACTED**] and [**REDACTED**] is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities [**REDACTED**] and [**REDACTED**] may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) the PRC domestic company intending to make the securities [**REDACTED**] and [**REDACTED**], its controlling shareholder(s) or the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the PRC domestic company intending to make the securities [**REDACTED**] and [**REDACTED**] is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller. The Overseas Listing Trial Measures also provides that if an issuer satisfies both of the following conditions, the overseas securities [**REDACTED**] and [**REDACTED**] conducted by such issuer will be deemed as indirect overseas [**REDACTED**] by PRC domestic companies: (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by PRC domestic companies; and (ii) the main parts of the issuer's business activities are conducted in the PRC, or its main place(s) of business are located in the PRC, or the majority of senior management staff in charge of its business operations and management are PRC citizens or are domiciled in the PRC. The determination as to whether or not an overseas [**REDACTED**] and [**REDACTED**] by PRC domestic companies is indirect shall be made on a 'substance over form' basis. According to the Overseas Listing Trial Measures, PRC domestic companies that seek to publicly [**REDACTED**] or [**REDACTED**] securities in overseas markets, either directly or indirectly, are required to fulfill the filing procedures with the CSRC within three working days after their applications for overseas [**REDACTED**] or [**REDACTED**] are submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced [**REDACTED**] of the issuer(s) who have completed overseas [**REDACTED**] and [**REDACTED**]. According to the Filing Arrangements Notice, PRC domestic companies that have submitted valid applications for overseas [**REDACTED**] and [**REDACTED**] but have not yet received approvals from the overseas regulators or stock exchanges by or before March 31, 2023 may reasonably determine the timing to submit the filings and shall complete the filing procedures prior to their overseas [**REDACTED**] and [**REDACTED**]. Furthermore, with respect to the issuers with Contractual Arrangements, at a press conference held for these new regulations, officials from the CSRC clarified that the CSRC will seek opinions from relevant government authorities on the Contractual Arrangements and allow those issuers with Contractual Arrangements as well as being in compliance with relevant requirements to file its overseas [**REDACTED**] and [**REDACTED**] with the CSRC. For details, see "Regulations — Regulations on M&A and Overseas [**REDACTED**]".

Our Directors, after having consulted with the PRC Legal Advisor, believe that the Company does not fall within any of the circumstances in which an issuer is expressly prohibited from seeking [**REDACTED**] or conducting securities [**REDACTED**] overseas under the Overseas Listing Trial Measures. We will take comprehensive steps to ensure our compliance with the requirements of the Overseas Listing Trial Measures (including making the filings required under the Overseas Listing Trial Measures with respect to the [**REDACTED**]) and will continue to monitor the developments in the interpretation and implementation of the Overseas Listing Trial Measures as well as any other legislative and regulatory developments in respect of overseas [**REDACTED**] of domestic companies. However, we cannot assure you that we will be able to obtain necessary approval from, or complete required filing from, the CSRC in a timely manner, or at all. Any failure to do so may limit our ability to complete the [**REDACTED**], which could have a material adverse effect on our business and financial conditions.

Labor Protection

On July 16, 2021, the Ministry of Human Resources and Social Security, the NDRC, the Ministry of Transport of the PRC, or the MOT, together with other government authorities jointly promulgated Guiding Opinions on Safeguarding the Rights and Interests of Labors in New Forms of Employment (《關於維護新就業形態勞動者勞動保障權益的指導意見》) (the "**Labor Protection Opinions**"), which require platform enterprises that adopt labor outsourcing and other cooperative labor methods to undertake corresponding responsibilities in accordance with laws and regulations when workers' rights and interests are harmed.

On October 11, 2021, several government authorities jointly issued the Opinion on Strengthening the Protection of the Rights and Interests of Freight Drivers (《關於加強貨車司機權益保障工作的意見》) (the "**Freight Drivers Opinion**"), which provides, among others, that the authorities will strengthen the regulation of online freight platforms and urge online platforms to listen to the opinions of platform drivers, reasonably determine and adjust platform rules, and disclose such rules publicly, and further encourages freight drivers to participate in social insurance schemes and supports intra-city freight platforms to join occupational injury insurance pilot schemes.

On November 17, 2021, the MOT together with certain other PRC government authorities jointly promulgated the Opinion on Strengthening the Protection of the Rights and Interests of New Forms of Transportation (《關於加強交通運輸新業態從業人員權益保障工作的意見》) (the "**New Forms of Transportation Opinion**"). The New Forms of Transportation Opinion encourages enterprises of new forms of transportation to strengthen humanistic care for workers and establish a reward system for excellent workers and to clearly inform workers of relevant rights and obligations and relevant laws and policies on labor security. In addition, the New Forms of Transportation Opinion provides that illegal practices such as dumping at low prices, "big data-enabled price discrimination against existing customers" and induced fraud shall be subject to vigorous investigation. For details, see "Regulations — Regulations Related to Labor Protection".

As of the Latest Practicable Date, we have not engaged in any activity which is prohibited by the Labor Protection Opinions, the Freight Drivers Opinion or the New Forms of Transportation Opinion. For details of the measures we have taken or plan to take to protect the rights and interests of our carriers, see "Business — Environmental, Social and Governance — Carrier Welfare".

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this Document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2022, the end of the period reported on as set out in the Accountants' Report included in Appendix I.