

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” in this document for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the [REDACTED] range of between HK\$[REDACTED] and HK\$[REDACTED] per H Share), after deducting the [REDACTED] and estimated expenses paid or payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to apply the net [REDACTED] from the [REDACTED] for the following purposes:

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to expand and upgrade our domestic and international supply chain service network. In particular:
 - Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to upgrade and expand our regional operational centers and supporting facilities in China and overseas markets over the next five years. Specifically, we plan to: (i) expand and establish clinical depots in Beijing, Shanghai and Guangzhou to increase our temperature-control storage capacity, and upgrade and expand other regional operational centers and sites in China, with a total additional gross floor area of approximately 20,000 sq.m.; and (ii) enhance temperature-control storage capacity in overseas markets, such as Europe and Australia, with a total additional gross floor area of approximately 3,600 sq.m.

The following table provides a detailed breakdown of the expansion plan for our clinical depot facilities, both domestically and overseas, by facility type over the next five years.

Facility	Geographical market	Designed Capacity (m ²)
Clinical drug depot	China – Shanghai	12,000
	Overseas markets ⁽¹⁾	2,100
Operations center	China – nationwide	8,000
	Overseas markets ⁽¹⁾	1,500

Notes:

(1) Including Australia, North America, Europe, Southeast Asia and other overseas market.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to further strengthen our self-owned transportation capacity, including the purchase of refrigerated trucks and other transportation vehicles to enhance the scale and flexibility of our logistics fleet.

The following table provides a detailed breakdown of our plan for the use of [REDACTED] allocated to vehicle procurement over the next five years.

Vehicle type	Geographical market	Approximate number of Vehicles to be purchased with the net [REDACTED]
Refrigerated trucks	China	100
Other transportation vehicles . .	China	100

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to procure equipment and materials necessary for temperature-control supply chain services, including insulated containers and temperature-monitoring devices of various specifications.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to enhance our temperature-control technologies and digital intelligence capabilities. To support this objective, we plan to recruit a team of 89 researchers and technicians in the next five years. In particular:
 - Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to develop our digital intelligence capabilities. We plan to recruit engineers with relevant academic backgrounds and industry experience, particularly in the areas of (i) software or hardware development; (ii) artificial intelligence and big data analytics; and (iii) product management, design and testing.

The following table sets forth our plan for engineer team expansion over the next five years to enhance our temperature-control technologies and digital intelligence capabilities:

Objective	Position	Estimated total number of personnel to be recruited	Qualification
Enhance temperature-control technologies	Materials research engineers	12	Over 3 years of materials laboratory research experience
	Packaging technology engineers	13	Over 1 year of packaging technology research experience

FUTURE PLANS AND USE OF [REDACTED]

Objective	Position	Estimated total number of personnel to be recruited	Qualification
Enhance digital intelligence capabilities	Software and hardware engineers	42	Over 1 year of programming experience in Java/PHP/Python
	AI and big data engineers	11	Over 3 years of programming experience in Python/Go
	Product, design and testing engineers	11	Over 3 years of product testing experience

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the R&D and optimization of temperature-control technologies. Specifically, we plan to (i) construct and furnish laboratories dedicated to the development of temperature-control technologies and materials; (ii) procure equipment, software and materials necessary for temperature-control material testing and validation; and (iii) recruit experienced researchers and technicians with relevant technical expertise to support our ongoing technology enhancement efforts.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund potential strategic investment and acquisitions globally that would allow us to expand our supply chain service network, enhance our service capabilities, improve service quality and product performance, and broaden the application scenarios of our businesses. In particular, we intend to seek potential targets that can strengthen: (i) our e-clinical service capabilities, including companies with technological know-how and operational experience in eClinical systems, which would enhance the digitalization and integration of our clinical supply chain management capabilities in several ways: (a) enabling us to better understand customer needs and more precisely market temperature-control supply chain services, (b) strengthening our integrated service offering, creating a more comprehensive solution and enhancing customer stickiness, and (c) broadening revenue streams and improve overall profitability with a higher-margin SaaS business; and (ii) our international supply chain infrastructure, by acquiring companies with existing service infrastructure or operational networks overseas, in particular Europe, Australia and Southeast Asia, to further extend our global footprint. We will also prudently evaluate and consider a wide range of factors when assessing target companies, including, among others: (a) their potential to generate synergy with our existing platform; (b) their technological capabilities and domain expertise; (c) their operating history and track record; (d) their ability to bring incremental business opportunities; and (e) their track record financial performance. According to Frost

FUTURE PLANS AND USE OF [REDACTED]

& Sullivan, as of the Latest Practicable Date, there were a sufficient number of suitable acquisition and investment targets with moderate sizes in the temperature-control supply chain industry and its upstream and downstream industries in China and globally, which may serve as potential candidates for our future acquisitions and investments. We will leverage our industry resources and network and continue to monitor the market conditions and engage financial and legal advisors to explore and evaluate, from time to time, potential acquisition opportunities when they arise. As of the Latest Practicable Date, we did not identify any investment or acquisition target or enter into any definitive investment or acquisition agreement.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to further strengthen our sales network and capabilities. Specifically, we plan to: (i) recruit experienced sales professionals with relevant industry and managerial expertise for domestic and international markets, with a recruitment plan of approximately 80 sales personnel for the PRC market and 43 sales personnel for North America, Australia, Southeast Asia, and Europe markets over the next five years; and (ii) engage in promotional activities, including participating in domestic and international industry exhibitions and other marketing initiatives.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for our working capital and other general corporate purposes.

The above allocation of the net [REDACTED] from the [REDACTED] will be adjusted on a *pro rata* basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the indicative [REDACTED] range stated in this document.

If the [REDACTED] is exercised in full, we will receive additional net [REDACTED] of approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the [REDACTED] range stated in this document). In the event that the [REDACTED] is exercised, we intend to apply the additional net [REDACTED] to the above purposes on a *pro rata* basis.

To the extent that the net [REDACTED] from the [REDACTED] are not immediately required for the above purposes and to the extent permitted by applicable laws and regulations or if we are unable to put into effect any part of our development plan as intended, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under SFO or applicable laws and regulations in the other jurisdictions) so long as it is deemed to be in the best interests of our Company.

If any part of our plans does not proceed as planned for reasons such as changes in government policies that would render any of our plans not viable, or the occurrence of force majeure events, our Directors will carefully evaluate the situation and may reallocate the net [REDACTED] from the [REDACTED]. We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].