
FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See “Business—Our strategies” for a detailed description of our future plans.

[REDACTED]

We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED], after deducting the estimated [REDACTED] commissions and other estimated [REDACTED] expenses payable by us in connection with the [REDACTED], assuming that an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] range stated in this document) and assuming that the [REDACTED] is not exercised.

We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for setting up logistics facilities, including warehouses and container yards, purchasing trucks and investing in software systems for warehouse, order and transportation management in the next two years to enhance our integrated cross-border logistics services, particularly targeting cross-border e-commerce merchants, and to meet the needs of our expanding business operation, in accordance to the allocation below. We plan to set up logistics facilities in these countries as they are key destinations of our service network with high service volumes.
 - i. approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to set up warehouses to promote our diversified services portfolio and meet our customers’ demands efficiently, including (i) HK\$[REDACTED] million in Los Angeles and New York area, the United States; (ii) HK\$[REDACTED] million in Shanghai, China. These new warehouses will further enhance our warehousing capacity to store cargo before shipment and after arrival.
 - ii. approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to set up container yards to facilitate container stevedoring services, stacking, picking-up and returning, as well as to provide storing site for truck frames in Los Angeles and New York, the United States.
 - iii. approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to purchase and operate trucks to better connect the supply chain and further guarantee our high performance rate in Los Angeles and New York, the United States. These new trucks will allow us to provide ground transportation services in overseas destinations by ourselves, and to complete last-mile deliveries on time.

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- iv. approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used in connection with software systems, including (i) warehouse management system, through which we target to realize digitalized and intelligent warehouse management and enhance operational efficiency and risk control ability; (ii) order management system, through which we target to manage and track the orders dynamically and provide timely update; and (iii) transportation management system, through which we target to refine the allocation of trucks through the visualization of status, dynamics and trajectory.

We will use the additional logistics facilities in such locations to serve our customers with enhanced efficiency and timely delivery. The allocation was made considering revenue contribution during the Track Record Period and future growth expectation in cross-border logistics service markets in these countries. The China-Americas route was our major source of revenue during the Track Record Period, and will remain as the major source in the foreseeable future. In 2021 and 2022, revenue from our self-operated China-Americas routes accounted for 85.9% and 78.5% of revenue from self-operated seaborne transportation in 2021 and 2022, respectively. As such, we allocated a large portion of the [REDACTED] from the [REDACTED] to enhance our warehousing, container yard and ground transportation resources in the Americas.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for expanding our business coverage and global network. We plan to expand our integrated cross-border logistics service network by establishing branches and joint venture companies in key port cities and inland cities with active e-commerce business operation in other countries or regions we deem to have high growth potential by renting offices and recruiting employees, including the functions of operations and customer services, sales and marketing and finance and administration. In particular, in the next two years, we plan to expand the business operations of our subsidiaries in Los Angeles, the United States, Melbourne, Australia, Singapore and Ho Chi Minh City, Vietnam, and establish a joint venture company in Manzanillo, Mexico. We plan to expand our business coverage and global network in these countries to provide the necessary logistics support functions and facilitate the business development with potential customers. The allocation was made considering the future growth in cross-border logistics service markets in these countries and the necessity of additional efforts in further strengthening our subsidiaries.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for adopting digital technologies and upgrading internet service systems in providing integrated cross-border logistics services. The allocation for the existing websites and technology systems was made considering the rapid growth of our business and digitalization process of the cross-border logistics industry for efficiency improvement. Our detailed objectives in adopting digital technologies and upgrading internet service systems are set forth below:

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- i. approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to upgrade our existing websites, including Lcang.com (樂艙網) and the website of Sijin International (絲金國際). We aim to optimize the online account system, customer interaction interface and online tracking experience of Lcang.com (樂艙網). We also plan to expand functions of our sales portal on Lcang.com (樂艙網), in particular to meet the specific needs for punctual and safety delivery of e-commerce customers. We aim to expand our scope of services offered on the website of Sijin International (絲金國際). For example, we plan to allow customers to make real time online orders for ground transportation, warehousing and customs declaration. We also plan to set up a featured system for membership points, through which our customers may claim rewards and discount.
 - ii. approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used to upgrade and maintain our existing technology systems, including our ERP systems and mobile applications to improve our working efficiency and service quality. To support the expansion of our e-commerce customers, we plan to establish an ERP system for e-commerce related cross-border logistics services. We also plan to integrate the business, finance and OA systems within the Group, so that data can be shared smoothly among different departments. In addition, we will set up a document sharing and management system for vessel certificates and related documents, so that we can track all such documents efficiently and manage them in a unified manner.
- Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for strategic investments and/or acquisitions in businesses or assets that complement our business, although as of the Latest Practicable Date, we had no commitments or agreements to enter into any acquisitions or investments.

We have identified the following criteria of potential acquisition targets: (i) the target should have established global operational network; (ii) its business should generate strong synergies with our business operations, such as logistics companies; and (iii) the acquisition should help us improve competitiveness and profitability in cross-border logistics service market. The industry of our potential acquisition targets is fragmented and the number of possible targets could range from hundreds to thousands depending on size of the countries or regions. According to Frost & Sullivan, there are available targets that meet the selection criteria in the market, and it is estimated that there could be over 5,000 of potential targets. We believe there are sufficient number of potential targets that meet the above criteria in the market.

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Although the acquisition target should have established a global network, we may choose to acquire its regional business or asset, rather than the entire global presence, to generate synergies with our business operation. If the portion of [REDACTED] from the [REDACTED] is not sufficient to cover a proposed investment or acquisition, we will use our own funding generated from operation to cover the shortfall.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for establishing a trucking service matching platform in China, which connects customers in need of truck transportation service provider to truck owners with such transportation capacity. We plan to establish the trucking service matching platform to support our existing cross-border logistics service business line and enhance our competitiveness in the cross-border logistics service market. Through this platform, we seek to quickly integrate available truck resources in the market and analyze their respective transportation capacity. The trucking service matching platform will monitor customer inquiries and truck availability to enhance the utilization rates of the trucks. It will dispatch trucks to the nearest customer with needs to ensure stable ground transportation capacity. Relying on the intelligence feature of the trucking service matching platform, we aim to offer truck options with better price and earlier availability than other platforms to attract new customers.

As advised by our PRC Legal Advisors, the operation of the trucking service matching platform requires us to obtain the Operation License for Road Transportation through Internet Platforms. We are also required to comply with the Measures for the Administration of Internet Information Services (互聯網信息服務管理辦法) and possess the capabilities to keep the entire tracking record and perform information interaction processing to support the relevant online services. As confirmed by our PRC Legal Advisors, we have obtained the Operation License for Road Transportation through Internet Platforms and the Electronic Data Interchange License for carrying out the trucking service matching business. Our Directors confirm, and the PRC Legal Advisors is of the view that, based on the current legal framework, we have obtained the requisite licenses to carry out the trucking service matching platform so long as there is no change to the current legal framework. We also possess the capabilities to keep the entire tracking record and perform information interaction processing.

- Approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for general corporate purposes and working capital needs.

The above allocation of the [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 [REDACTED] of the estimated [REDACTED] range.

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

If the [REDACTED] of the [REDACTED] are not immediately applied to the above purposes, we will only deposit those [REDACTED] into short-term interest-bearing accounts at (i) licensed commercial banks in Hong Kong or the PRC, and/or (ii) other authorized financial institutions (as defined under the SFO) in Hong Kong or financial institutions that are subject to similar regulations and supervision in the PRC.