SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this document. You should read the entire document before you decide to **[REDACTED]** *in the* **[REDACTED]**.

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

BUSINESS OVERVIEW

We are a one-stop end-to-end supply chain solutions provider for e-commerce vendors, empowering the fast-growing B2C export e-commerce industry in the PRC. With an unwavering commitment to delivering customer-centric, technology-driven and reliable solutions to our customers, we offer supply chain solutions which encompass cross-border logistics, overseas warehousing and fulfillment delivery services that are seamlessly integrated into EDA Cloud, our self-developed cloud platform which houses a comprehensive range of digital supply management tools. During the Track Record Period, majority of our customers procured from us one-stop end-to-end supply chain solutions comprising of "first-mile" international freight services and "last-mile" fulfillment services.

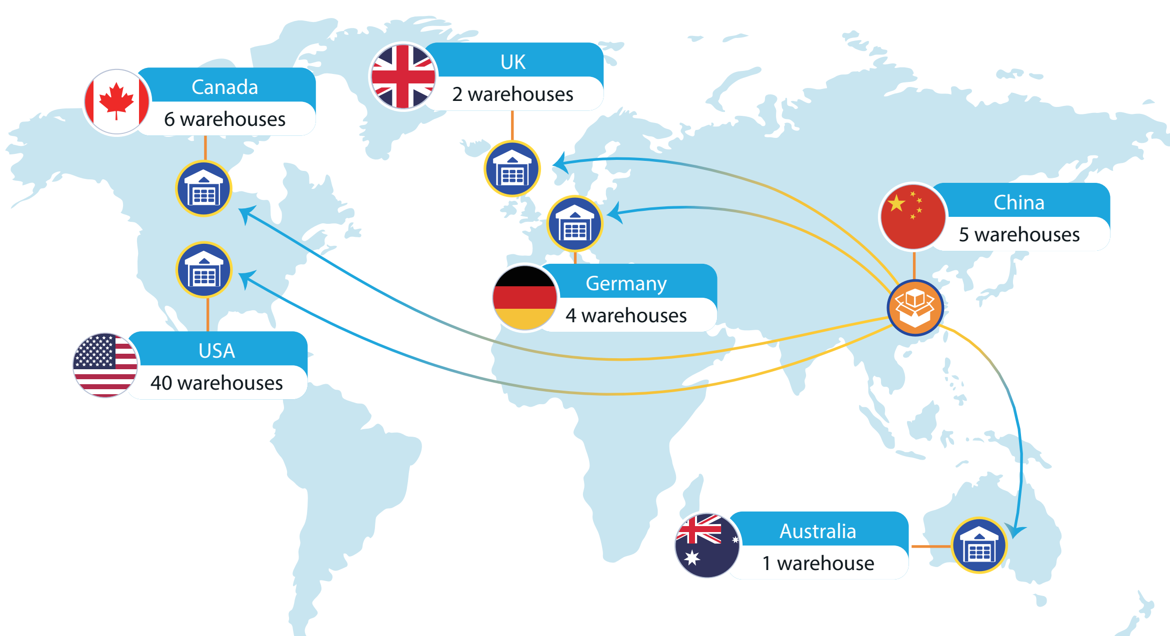
One-stop, end-to-end solutions. Our B2C export e-commerce supply chain solutions encompass every aspect and each stage of the product logistics and fulfillment life cycle in China's B2C export e-commerce industry. Through the engagement of B2C export e-commerce supply chain solutions providers like us, e-commerce vendors are able to (i) capture opportunities in the global market without substantial commitment to their own supply chain infrastructure and logistics network or any prior experience in supply chain management and (ii) experience a hassle-free and time-saving process. The chart below show cases our solutions and operational model:

Note: During the Track Record Period and up to the Latest Practicable Date, save for some of the overseas storage services which were handled by our own staff at our self-operated warehouses, all components of our supply chain solutions were provided by third-party services providers.

Leveraging our technology and experience with a customer-centric mindset, we handle the logistical challenges faced by our customers and cater to our customers' needs by rendering a "hassle-free" experience for our customers. Our "hassle-free" experience for customers is achieved by having us act as the single contact point, covering all aspects of the supply chain process and efficiently allocating resources and managing various stakeholders through the consolidation of fragmented information on our EDA Cloud platform. Our one-stop, end-to-end solutions cover "first-mile" international freight services and "last-mile" fulfillment services that are fully-integrated into each stage and can be traced, monitored and managed through our technology infrastructure. Our "first-mile" international freight services consist of domestic collection and transportation, domestic warehousing storage, domestic customs declaration, international freight services and international customs clearance; meanwhile, our "last-mile" fulfilling services consist of overseas warehousing storage and local fulfillment delivery. We primarily utilize a pre-sale stocking model, which is a relatively new model in the industry applied in the B2C export e-commerce supply chain solutions market in the PRC by which e-commerce vendors first transport their goods to the overseas warehouses in the destination regions for stocking, such that they can deliver the goods directly from the overseas warehouses to the end-consumers when such end-consumers place orders on e-commerce platforms such as Amazon and eBay. In contrast to solutions which apply the direct shipping model, by which goods are shipped to end-consumers directly from the domestic warehouses of the e-commerce vendors upon the orders being placed, solutions which apply the pre-sale stocking model bring our customers' merchandise much closer to its end-consumers through storing their goods in our overseas warehouses ready for onward fulfillment, thereby removing uncertainties in "first-mile" delivery and price volatility and enabling efficient and timely fulfillment. As part of our supply chain solutions, we provide value-added services, such as products return processing and stock disposal, to reduce the amount of processing work that needs to be done by our customers. Our comprehensive range of capabilities also enable us to provide customized solutions to our customers.

Industry opportunity. We address a massive market opportunity as B2C e-commerce becomes part of our daily lives. According to Frost & Sullivan, the B2C export e-commerce market in the PRC is expected to grow at a CAGR of 13.4% from 2022 to 2027 and correspondingly, the market size of the B2C export e-commerce supply chain solutions with pre-sale stocking model is expected to grow at a CAGR of 14.5% from 2022 to 2027, reaching RMB348.6 billion in 2027. We believe that opportunities for supply chain solutions providers serving e-commerce vendors in the PRC are driven by not only the sheer size of the market, but also by their ability to consolidate information through digitalization of their operations so as to reliably and efficiently provide one-stop end-to-end solutions. We aspire to become a leading provider of supply chain solutions through creating values for all participants along the B2C export e-commerce value chain. According to Frost & Sullivan, in terms of revenue in 2022, we ranked seventh among all B2C export e-commerce supply chain solutions providers primarily utilizing pre-sale stocking model in the PRC.

Global logistics network. At the heart of our offering is our global logistics network. We strategically adopt an asset-light model through leveraging third-party logistics service providers, which keeps us nimble in decision making. Our logistics network covers various major trade lanes originating from the PRC reaching popular B2C e-commerce destinations around the world, including North America, Europe and Australia. During the Track Record Period, we had a large portfolio of carefully selected third-party logistics service providers, comprising over 60 third-party warehouse providers, 300 international freight forwarding service providers, ocean carriers and air carriers and 80 local "last mile" fulfillment service providers. As of the Latest Practicable Date, we managed/contracted 53 overseas warehouses in the United States, Canada, the United Kingdom, Germany and Australia, spanning three continents and over 20 cities in the world. Among our 53 overseas warehouses, 44 are partnered warehouses, making our network of partnered overseas warehouses one of the largest among our peers. In addition to our overseas warehouses (which serve as storage and fulfillment centers), as of the Latest Practicable Date, we also contracted five storage facilities in Guangzhou, Shenzhen, Shanghai, Qingdao and Zhaoqing in the PRC (which serve as temporary stock storage before their "first-mile" international freight). The following map shows our global presence:



EDA Cloud platform. We have placed heavy emphasis on our endeavors relating to our technologies, in particular, the EDA Cloud platform. Digital technology is applied for various operational and functional needs in our provision of B2C export e-commerce supply chain solutions. The EDA Cloud platform (and the modular systems which it hosts) plays a critical role in providing our customers with a seamless supply chain experience and in allowing us to reach optimal levels of operation efficiency.

Through the integration of all modular systems, in essence, the EDA Cloud platform helps fulfill our customers' orders online and enable real-time communication, tracking and financial management. The dashboard of the EDA Cloud platform provides visualization and customer alerts to help customers plan their operations and freight expenses through predictive analytics and online quotations, thereby improving customer decision-making efficiency and enhancing the predictability of supply chain solutions. During the Track Record Period, we invested in our R&D activities and the aggregated cumulative R&D expenses of our Group and Shenzhen EDA Group amounted to RMB72.1 million, which accounting for 2.8% of the aggregated revenue of our Group and Shenzhen EDA Group, respectively.

Financial and operational performance. The table below sets forth different data indicating our financial and operational performance during the Track Record Period:

	Shenzhen EDA Group		Our Group			
	FY2021		FY2022		FY2023	
	Revenue		Revenue		Revenue	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
"First-mile" international freight services	170,109	26.9	187,798	26.5	259,505	21.5
"Last-mile" fulfillment services	252,359	73.1	520,867	73.5	949,799	78.5
Total revenue	631,882	100.0	708,665	100.0	1,209,304	100.0
Ocean freight volume		2,052 FEUs		2,663 FEUs		4,589 FEUs
Number of orders delivered to end-consumers		3.0 million orders		3.1 million orders		6.0 million orders

	Shenzhen EDA Group		Our Group			
	FY2021		FY2022		FY2023	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
"First-mile" international freight services	6,280	3.7	4,003	2.1	5,892	2.3
"Last-mile" fulfillment services	100,575	21.8	102,491	19.7	191,212	20.1
	106,855	16.9	106,494	15.0	197,104	16.3

According to Frost & Sullivan, the "first-mile" international freight services in the PRC is competitive and may entail relatively lower profitability. Going forward, our Group is going to manage the potential increase in freight rates through more frequently updating its fee schedule to customers, expanding its supplier base and negotiating with our suppliers for more competitive rates given our significant service volume.

COMPETITIVE STRENGTHS

We believe the following strengths contribute to our success and differentiate us from competitors:

- Established B2C export e-commerce supply chain solutions provider in the PRC well positioned to capture industry growth;
- Capability to provide one-stop end-to-end supply chain solutions at a global scale with local expertise;
- Highly effective and nimble execution capabilities enabled by our refined business management processes;
- Advanced technological capabilities supported by our R&D commitment;
- A broad and high-quality customer base with long-term relationships; and
- A capable management team led by our visionary founder.

BUSINESS STRATEGIES

- Enhancing our global logistics network through unique asset-light model;
- Optimizing operational efficiency through improving intelligent systems; and
- Attracting new customers and maintaining relationships with core customers.

VALUE PROPOSITIONS

We deliver the following compelling value propositions to our customers and business partners:

- *One-stop end-to-end supply chain solutions.* The combination of our "first-mile" international freight services and "last-mile" fulfillment services provides customers with one-stop end-to-end solutions, decreasing the time and resources required to deal with the multi-layer and multi-party nature of B2C export e-commerce transactions.

- *Efficient and convenient services guaranteed by a technology-driven business.* Customers can freely enjoy efficient and convenient services through the EDA Cloud platform developed by us, which can be integrated with various parties' ERP systems.

- *Reliable and quality solutions.* We are committed to providing our customers with reliable and quality solutions. To ensure reliable and quality solutions, we have applied industry-specific business management processes, which are applied in all key aspects of our operations to ensure control over every aspect of the execution of our solutions.

- *Access to a broad customer base.* We have gained a broad customer base of e-commerce vendors since the commencement of our business. Through us, our service providers have access to a broad customer base with a stable forecast of orders which may not normally be available to our service providers.

CUSTOMERS

We serve a broad base of customers who are primarily PRC-based B2C export e-commerce vendors which are brand-owners and manufacturers. We have maintained long-standing and stable business relationships of on average around four years of business relationships with our five largest customers in each year during the Track Record Period. At the request of our customers, we provide supply chain solutions involving the delivery, warehousing and fulfillment of various products such as electrical appliances, home furniture, auto-parts, outdoor furniture and mechanical hardware. For FY2023, 20.4% and 22.3% of our customers that placed orders with us through the EDA Cloud platform were e-commerce vendors of home furniture and electrical appliances, respectively. During the Track Record Period, we served over 850 customers, many of these being brand-owners and manufacturers. For FY2021, FY2022 and FY2023, the total revenue attributable to our five largest customers amounted to RMB228.5 million, RMB242.1 million and RMB447.5 million, respectively, representing 36.2%, 34.2% and 37.0% of our total revenue, respectively. For FY2021, FY2022 and FY2023, revenue attributed to our largest customer amounted to RMB76.6 million, RMB87.5 million and RMB151.1 million, respectively, which accounted for 12.1%, 12.4% and 12.5% of our total revenue, respectively.

SUPPLIERS

Our global logistics network covering popular B2C e-commerce delivery destinations are maintained through the engagement of and collaboration with third-party logistics service providers. During the Track Record Period, our suppliers primarily include third-party warehouse service providers, international freight forwarding service providers, air carriers, ocean carriers and local "last-mile" fulfilment logistics service providers. For FY2021, FY2022 and FY2023, the total purchase attributable to our five largest suppliers amounted to RMB289.8 million, RMB271.9

million and RMB531.9 million, respectively, representing 57.9%, 48.1% and 53.5% of our total purchase, respectively. In FY2021, FY2022 and FY2023, our total purchase attributable to the largest supplier was RMB178.8 million, RMB198.0 million and RMB372.4 million, respectively, which accounted for 35.7%, 35.0% and 37.4% of our total purchase, respectively.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This document includes two Accountants' Reports set forth as Appendices IA and IB, respectively. During FY2021, our main operations were conducted through Shenzhen EDA Group and its financial results of the business of FY2021 were as disclosed in Accountants' Report in Appendix 1B. In 2021, Lesso carried out steps as sets forth in the "History and Corporate Structure" to acquire control over Shenzhen EDA Group and pursuant to which, our Company became the holding company of our Group on December 24, 2021. Since there was a change in controlling shareholders of Shenzhen EDA Group on December 24, 2021, the consolidated profit and loss account together with the cash flow information of Shenzhen EDA Group have not been included as operating subsidiaries in the same accountants' report of our Group for FY2021; and the consolidated statements of financial positions of our Group has included Shenzhen EDA Group as operating subsidiaries as of December 31, 2021, 2022 and 2023. Details of the change of controlling shareholders of Shenzhen EDA Group on December 24, 2021 are set out in the section "History and Corporate Structure" in this document.

Highlight of our results of operations

The following is a summary of the consolidated statements of profit or loss and other financial information during the Track Record Period as derived from the Accountants' Reports, the full text of which is set out in Appendices IA and IB to this document. This summary should be read in conjunction with the aforesaid Accountants' Reports and "Financial Information" in this document.

Highlight of our consolidated statements of profit or loss and other comprehensive income

	Shenzhen EDA Group	Our Group	
	FY2021	**FY2022**	**FY2023**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	631,882	708,665	1,209,304
Cost of sales	(525,027)	(602,171)	(1,012,200)
Gross profit	106,855	106,494	197,104
Profit for the year	46,411	36,292	69,403
Adjusted net profit (Non-HKFRS measure)	46,411	36,827	91,896
Adjusted EBIT (Non-HKFRS measure)	61,567	51,549	112,352

Our profit for the year decreased from RMB46.4 million for FY2021 to RMB36.3 million for FY2022, primarily due to (i) amortization of other intangible assets arising from business combination was recorded in the same year and (ii) slight decrease in gross profit margin because of the lead time between our investment for the warehouse expansion in FY2021 and the realization of profit, despite there was increase in revenue in FY2022. Our profit for the period increased to RMB69.4 million for FY2023, primarily driven by improvement in our gross profit margin due of the economies of scale achieved; in particular, our number of orders delivered to end consumers increased from 3.1 million to 6.0 million and more favourable pricing provided by our logistics suppliers.

Non-HKFRS measure

To supplement our consolidated statements of profit or loss which are presented in accordance with HKFRS, we also use adjusted net profit as a non-HKFRS measure, which is not required by, or presented in accordance with, HKFRS. We believe that the presentation of non-HKFRS measures when shown in conjunction with the corresponding HKFRS measures provides useful information to investors and management in facilitating a comparison of our operating performance from period to period. Such non-HKFRS measures allow investors to consider metrics used by our management in evaluating our performance.

We define adjusted net profit (non-HKFRS measure) as profit for the year adjusted by adding back **[REDACTED]**. We define adjusted EBIT (non-HKFRS measure) as profit for the year adjusted by adding back (i) **[REDACTED]**, (ii) net finance costs, which represents finance costs less total interest income of the same year, and (iii) income tax expenses. The following table reconciles our adjusted net profit (non-HKFRS measure) presented to the most directly comparable financial measure calculated and presented in accordance with HKFRSs.

	Shenzhen EDA Group	Our Group	
	FY2021	FY2022	FY2023
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	46,411	36,292	69,403
Add:			
[REDACTED][1]	—	**[REDACTED]**	**[REDACTED]**
Adjusted net profit (non-HKFRS measure)	46,411	36,827	91,896
Add:			
Net finance costs	9,958	10,423	9,435
Income tax expenses	5,198	4,299	11,021
Adjusted EBIT (non-HKFRS measure)	61,567	51,549	112,352

Note:

1. **[REDACTED]**.

Highlight of consolidated statements of financial position

	Shenzhen EDA Group	Our Group	
	As of December 31,		
	2021	2021	2023
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets	181,099	330,842	256,221
Current assets	203,974	204,071	422,778
Current liabilities	155,782	253,338	256,386
Net current (liabilities)/assets	48,192	(49,267)	166,392
Non-current liabilities	143,761	154,756	98,569
Total equity	85,530	126,819	324,044

The major difference between consolidated statements of financial position of Shenzhen EDA Group as of December 31, 2021 and our Group as of December 31, 2021 are (i) other payables and accruals of RMB97.5 million, which primarily consists of (a) the acquisition consideration payable to the immediate holding company as it has settled in advance of RMB70.0 million, which has been capitalized as part of our capital reserve in FY2022; for details, see "History and corporate structure — Acquisition by Lesso", (b) the initial investment consideration payable to a shareholder, of RMB25.0 million arising from initial investment in Shenzhen EDA Group by Lesso and for details, see "History and corporate structure — Initial investment by Lesso", (ii) goodwill of RMB76.4 million and other intangible assets of RMB73.3 million arising from the acquisition of Shenzhen EDA Group and (iii) deferred tax liabilities of RMB11.0 million arising from acquisition of Shenzhen EDA Group.

Our Group had also recorded net current liabilities of RMB49.3 million as of December 31, 2021, primarily due to the balances of amounts due to the immediate holding company and a shareholder, in aggregate of RMB95.0 million arising from initial investment in and acquisition of Shenzhen EDA Group; which is one-off in nature and not expected to occur again in the future. For more details, see "Risk Factors — We incurred net current liabilities as of December 31, 2021" and "Financial Information — Description of Certain Items of Consolidated Statements of Financial Position" in this document. Our Group had net current assets of RMB55.7 million as of December 31, 2022, primarily because RMB70.0 million of our amount due to immediate holding company has been capitalized as deemed capital contribution by way of discharge the liability due to the immediate holding company in FY2022. Our Group recorded net current assets of RMB166.4 million as of December 31, 2023, primarily attributable to (i) the increase in trade receivables of RMB72.0 million, which was in line with our improved revenue performance for the same period, (ii) the increase in cash and cash equivalents of RMB108.7 million, (iii) the decrease in other payables and accruals of RMB21.6 million, since the amount due to a shareholder as of December 31, 2022 of RMB25.0 million has been capitalized during FY2023; for details, see Note 30(b) in the Accountants' Report in Appendix IA to this document, which was partially offset by (iv) the decrease in prepayments, deposits and other receivables of RMB10.3 million; and (v) the increase in trade payables of RMB66.1 million, which were in line with the expansion of our business scale.

As of December 31, 2021, our Group had net assets of RMB126.8 million, which mainly consisted of capital reserve arising from business combination in FY2021. Our Group's net assets increased to RMB232.4 million as of December 31, 2022, mainly because of profit for the year of RMB36.3 million and deemed capital contribution by way of discharge of liability due to the immediate holding company of RMB70.0 million in FY2022. Our Group's net assets further increased to RMB324.0 million as of December 31, 2023, primarily due to profit for the year of RMB69.4 million, deemed capital contributions by way of discharge of liability due to the immediate holding company of RMB25.0 million; for details, see Note 30(b) in the Accountants' Report in Appendix IA to this document, capital injection of RMB20.0 million, being partially offset by dividend distributed of RMB23.0 million.

Highlight of consolidated statements of cash flow

	Shenzhen EDA Group	Our Group	
	FY2021	**FY2022**	**FY2023**
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from operating activities	71,335	80,123	105,789
Net cash (used in)/from investing activities	(37,471)	(8,442)	39,639
Net cash from/(used in) financing activities	6,827	(9,014)	(37,463)
Net increase in cash and cash equivalents	40,691	62,667	107,965
Cash and cash equivalents at beginning of year	8,093	48,741	112,056
Effect of foreign exchange rate changes	(134)	648	988
Cash and cash equivalents at end of year	48,650	112,056	221,009
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	44,549	102,745	211,427
Time deposit	10,000	10,000	10,000
Cash and cash equivalents as stated in the consolidated statements of financial position	54,549	112,745	221,427
Bank overdrafts	(5,899)	(689)	(418)
Cash and cash equivalents as stated in the consolidated statements of cash flows	48,650	112,056	221,009

KEY FINANCIAL RATIOS

	Shenzhen EDA Group	Our Group	
	FY2021	**FY2022**	**FY2023**
Gross profit margin *(%)*[(1)]	16.9	15.0	16.3
Net profit margin *(%)*[(2)]	7.3	5.1	5.7
Adjusted net profit margin (Non-HKFRS measure) (%)[(3)]	7.3	5.2	7.6
Adjusted EBIT margin (Non-HKFRS measure) (%)[(4)]	9.7	7.3	9.3

Notes:

(1) Gross profit margin was calculated on gross profit divided by revenue for the respective year. See "Financial Information — Review of Historical Results of Operation" in this section for further details on our gross profit margins.

(2) Net profit margin was calculated on profit for the year divided by revenue for the respective year. See the section headed "Financial Information — Review of Historical Results of Operation" for further details on our net profit margins.

(3) Adjusted net profit margin (non-HKFRS measure) was calculated based on adjusted net profit (non-HKFRS measure) divided by revenue for the respective year and multiplied by 100%. See "Financial information — Non-HKFRS measure" for more details on our adjusted net profit (non-HKFRS measure).

(4) Adjusted EBIT margin (non-HKFRS measure) was calculated based on adjusted EBIT (non-HKFRS measure) divided by revenue for the respective year and multiplied by 100%. See "Financial information — Non-HKFRS measure" for more details on our adjusted EBIT (non-HKFRS measure).

See "Financial information — Key financial ratios" for further details of the formula of the financial ratios.

CONTROLLING SHAREHOLDERS

Immediately upon completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and without taking into account any Shares to be **[REDACTED]** upon the exercise of any options granted under the **[REDACTED]** Share Option Scheme and **[REDACTED]** Share Option Scheme, and vesting of RSUs granted under the **[REDACTED]** RSU Plan and **[REDACTED]** RSU Plan):

1. each of EDA Shine International Limited, Edaurora Holdings Limited and Mr. Liu Yong, our executive Director and the chairman of our Board will be regarded as our Controlling Shareholders under the Listing Rules, and will be interested in approximately **[REDACTED]** of our total number of issued Shares; and

2. the members of the Lesso Consortium will be interested in approximately **[REDACTED]** of our total number of issued Shares. Because each member of the Lesso Consortium is acting in concert with each other, they will together be entitled to exercise and control the voting power in the general meetings of our Company attached to these Shares, and will collectively be regarded as our Controlling Shareholders under the Listing Rules. For further details of the identities of, and relationship among, each member of the Lesso Consortium as well as their respective shareholdings in our Company, see "Relationship with our Controlling Shareholders" in this document.

Apart from our business in the provision of one-stop end-to-end B2C export e-commerce supply chain solutions, Lesso is currently operating a business to provide logistics services to deliver goods from the PRC to South East Asia (the "**Excluded Business**"). Our Directors are of the view that the Excluded Business is clearly delineated from and are not directly or indirectly in competition with those carried on by our Group. To ensure that competition will not exist in the future, each of our Controlling Shareholders [has entered] into the Deed of Non-competition in favor of our Company to the effect that each of them will not, and will procure each of their respective close associates (other than members of our Group) not to, directly or indirectly, participate in, or hold any right or interest, or otherwise be involved in or undertake any business that directly or indirectly competes, or may compete, with our Group's business. For further details, see "Relationship with our Controlling Shareholders — Deed of Non-competition" in this document.

[REDACTED] STATISTICS

All statistics in this table are based on the assumption that the **[REDACTED]** is not exercised.

	Based on minimum indicative [REDACTED] of HK$[REDACTED]	**Based on maximum indicative [REDACTED] of HK$[REDACTED]**
[REDACTED] of our Shares[1]	HK$ **[REDACTED]**	HK$ **[REDACTED]**
Unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share[2]	HK$ **[REDACTED]**	HK$ **[REDACTED]**

Notes:-

(1) The calculation of **[REDACTED]** is based on the **[REDACTED]** Shares expected to be in issue immediately upon completion of the **[REDACTED]** and the **[REDACTED]**.

(2) The unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share is arrived at after adjustments referred to in notes (1) and (2) of "Appendix II — Unaudited **[REDACTED]** Financial Information — Unaudited **[REDACTED]** Statement of Adjusted Consolidated Net Tangible Assets" and on the basis that **[REDACTED]** Shares are in issue assuming the **[REDACTED]** has been completed on **[REDACTED]**. The unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share are converted into Hong Kong dollars of an exchange rate of RMB0.88206 to HK$1.00 as at **[REDACTED]**.

[REDACTED]

Based on the mid-point **[REDACTED]** of HK$**[REDACTED]** per share, the total estimated **[REDACTED]** in relation to the **[REDACTED]** is approximately HK$**[REDACTED]** (equivalent to RMB**[REDACTED]**), assuming the **[REDACTED]** is not exercised. Excluding the **[REDACTED]** of HK$**[REDACTED]** (equivalent to RMB**[REDACTED]**) and HK$**[REDACTED]** (equivalent to RMB**[REDACTED]**) already expensed in FY2022 and FY2023, respectively, the total **[REDACTED]** of HK$**[REDACTED]** (equivalent to RMB**[REDACTED]**) is to be deducted from **[REDACTED]** from **[REDACTED]** of approximately HK$**[REDACTED]** (equivalent to RMB**[REDACTED]**), accounting for approximately **[REDACTED]** of our **[REDACTED]** from the **[REDACTED]**. Out of the **[REDACTED]** to be charged in 2024, we estimate approximately HK$**[REDACTED]** (equivalent to RMB**[REDACTED]**) will be charged to our consolidated statement of profit or loss for full year of 2024. The remaining balance of approximately HK$**[REDACTED]** (equivalent to RMB **[REDACTED]**) is expected to be accounted for as a deduction from equity upon the completion of the **[REDACTED]**.

[REDACTED]

We estimate that the **[REDACTED]** we will receive from the **[REDACTED]** (after deducting **[REDACTED]**, fees and anticipated expenses payable by us in connection with the **[REDACTED]**) will be approximately HK$**[REDACTED]** (equivalent to approximately RMB**[REDACTED]**), assuming the **[REDACTED]** is not exercised and an **[REDACTED]** of HK$**[REDACTED]** per Share, being the mid-point of the **[REDACTED]** of HK$**[REDACTED]** to HK$**[REDACTED]** per Share as stated in this document. In line with our business strategies, we intend to use our **[REDACTED]** for the following purposes:

- approximately HK$**[REDACTED]**, representing approximately **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]**, will be used to enhance our global logistics network though our asset-light model;

- approximately HK$**[REDACTED]**, representing approximately **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]**, will be used to revamp our EDA Cloud platform;

- approximately HK$**[REDACTED]**, representing approximately **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]**, will be used to strengthen our market presence; and

- approximately HK$**[REDACTED]**, representing approximately **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]**, will be used to our general working capital.

[REDACTED]

The **[REDACTED]** of the **[REDACTED]** will be a spin-off from Lesso, the shares of which are listed on the Stock Exchange (stock code: 2128), within the meaning of Practice Note 15 of the Listing Rules.

The board of directors of Lesso considers that the Spin-Off is commercially beneficial and in the interests of Lesso and its shareholders as a whole as the Spin-Off is expected to create greater value for them for the following reasons: (i) providing Lesso and its shareholders an opportunity to realize the value of the investment in our Group; (ii) enabling our Group to build our identity as a separately **[REDACTED]**, have a separate fund-raising platform and broaden our investor base through the **[REDACTED]**, as well as allowing our Group to gain direct access to the capital market for equity and/or debt financing to fund our existing operations and future expansion without reliance on Lesso; (iii) enabling our Group to enhance our corporate profile, thereby increasing our ability to attract strategic investors which could provide synergy for our Group, for investment in and forming strategic partnerships directly with our Group; (iv) enabling a more focused development, strategic planning and better allocation of resources for the Lesso Group and our Group; and (v) the Spin-off will strengthen our Group's reputation, thus leading to potentially better operational performance and better realization of our value. For further details, see "**[REDACTED]**" in this document.

[REDACTED]

DIVIDENDS AND DIVIDEND POLICY

In March 2023, we declared a dividend in the aggregate amount of RMB23.0 million, all of which was settled by cash in April 2023.

Declaration of dividends is subject to the discretion of our Directors, depending on our results of operations, cash flows, financial position, statutory and regulatory restrictions on the dividends paid by us, future prospects, as well as any other factors which our Directors may consider relevant. We have no policy for future dividend payments. Our Board has absolute discretion as to whether to declare any dividend for any year, and in what amount. We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries.

The amounts of distributions that we have declared and made in the past do not indicate the dividends that we may pay in the future. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and applicable laws and regulations.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

During the Track Record Period and as of the Latest Practicable Date, no member of our Group was engaged in any litigation, claim or arbitration of material importance and no litigation, claim or arbitration is known to our Directors to pending or threatened against any member of our Group which would have material adverse effect on our financial position or results of operations.

During the Track Record Period and as of the Latest Practicable Date, members of our Group had not been and were not involved in any non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our financial condition and results of operations.

RISK FACTORS

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. These risks can be broadly categorized as (i) risks relating to our business and industry; (ii) risks relating to conducting our business in the PRC; and (iii) risks relating to the Spin-off and the **[REDACTED]**. As different investors may have different interpretations and standards for determining the materiality of a risk, potential investors should read the entire "Risk Factors" section of this document carefully before making a decision to invest in the **[REDACTED]**. Some of the major risks we face include:-

- Economic downturns, reductions in international business or disruptions in global trade may adversely impact our business and results of operations. Any downturn or adverse development in regional and global economy may adversely affect the demand for our solutions and our business in general.

- The success of our business depends on the business performance of our customers and the e-commerce platforms on which they operate, and our ability to cost-effectively attract new customers and retain existing customers.

- Our success is tied to our customers' expenditure on B2C export e-commerce supply chain solutions providers.

- We operate in a fragmented and competitive industry and we cannot assure you we will continue to maintain or increase our market share and compete successfully.

- Any disruption to the operation of and failure to effectively utilize our warehouses could adversely affect our results of operations.

- We may incur impairment loss on our intangible assets and goodwill, which could negatively affect our results of operations and financial condition.

- Our provision of B2C export e-commerce supply chain solutions heavily relies on third-party service providers. Any disruption of our relationships with our suppliers and increases in their operating costs due to fluctuations in the costs and available of energy prices such as fuel supplies could adversely influence our operations and growth prospects.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our business operation remained stable after the Track Record Period and up to the date of this document, there was no material change to our general business model and the economic environment remained generally stable up to the date of this document.

Recent PRC regulatory developments

On February 17, 2023, the CSRC released the Overseas Listing Trial Measures and five supporting guidelines, which came into effect on March 31, 2023. Pursuant to the Overseas Listing Trial Measures, Domestic Enterprises (as defined in the Overseas Listing Trial Measures) that seek to offer and list securities overseas, directly or indirectly, should fulfill the filing procedure and report relevant information to the CSRC. See "Regulatory Overview — PRC — Overseas Offering and Listings." We are required to file with the CSRC in accordance with the Overseas Listing Trial Measures after our **[REDACTED]** is initially submitted. **[REDACTED]**

No material adverse change

Our Directors have confirmed that, since December 31, 2023 and up to the date of this document, there has been no material adverse change in our financial or trading position or prospects and no event has occurred that would materially affect the information shown in our combined financial statements set out in the Accountants' Report included in Appendix IA and Appendix IB to this document.

The entire document should be read carefully and we strongly caution potential investors not to place any reliance on any information contained in press articles or disseminated through our media relating to us, the Spin-off and/or the **[REDACTED]**, certain of which may not be consistent with the information contained in this document.