
FUTURE PLANS AND USE OF PROCEEDS

Unless the context otherwise requires, all references in this section to “we,” “us” or “our” refer to the Successor Company and its subsidiaries (together, the “Successor Group”).

FUTURE PLANS

See “Business of the Target Group — Our Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

After deducting commissions and expenses payable by the Company and the Target Company in connection with the De-SPAC Transaction, and assuming 100% of SPAC Shareholders exercise redemption rights with respect to their SPAC Shares, the net proceeds which the Successor Company will receive from the De-SPAC Transaction are estimated to be approximately S\$65.6 million.

In line with our strategies, we intend to apply the net proceeds from the De-SPAC Transaction, in the next three years, for the following purposes and in the amounts set forth below, subject to changes in light of our evolving business needs and changing market conditions:

- approximately 29.7% of the net proceeds, or S\$19.5 million, will be used to continuously expand our brand partner network and develop new commerce channels over the next three years, including:
- approximately 10.5% of the net proceeds, or S\$6.9 million, will be used to further grow our brand partner base and expand our footprints in Southeast Asia and Europe, and explore the evolving needs of our existing brands through which we expect to deepen our relationships and increase “stickiness” with our existing brand partners. Such plan is expected to further grow our revenue and achieve economies of scale.

In particular, firstly, we plan to allocate 5.8% of the net proceeds, or S\$3.8 million to cooperate with more industry leading marketing agencies to produce better marketing campaigns to increase our and our brand partners’ presence in the relevant market. Secondly, we plan to allocate 2.1% of the net proceeds, or S\$1.4 million to invest in upgrading our Synagie Platform to integrate our brand partners’ technology tools and data into our Synagie Platform based on their specific requests and needs to streamline collaborative processes and deliver more tailored and effective solutions. Lastly, we also plan to allocate 2.6% of the net proceeds, or S\$1.7 million to recruit approximately 4, 4 and 3 sales and accounts

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management staff in 2025, 2026 and 2027, respectively, to expand our service capacity. Qualified candidates are expected to have solid industry backgrounds, ample experience in the relevant fields, and extensive industry and local expertise.

- approximately 8.4% of the net proceeds, or S\$5.5 million, will be used to acquire new brand partners in new geographies, in particular Chinese brands, who are looking to expand their cross-border sales or overseas presence in Southeast Asia, by leveraging our track record, local experience and expertise, and network resources. In particular, we plan to build a dedicated sales team for the Chinese market, seek referrals from existing brand partners, digital supply chain partners and e-commerce channels, and participate in industry trade shows, exhibitions and other events in China. Such plan is expected to result in increases in sales and distribution expense, as we will need to conduct more sales and promotional activities to attract new brand partners and to make efforts to establish relationships with local service providers.

In particular, we plan to allocate 2.2% of the net proceeds, or S\$1.5 million to recruit approximately 4, 3 and 2 sales and marketing staff based in Hong Kong in 2025, 2026 and 2027, respectively, to acquire new brand partners and provide improved solutions to those brands looking to enter Southeast Asia market. We also plan to allocate 6.1% of the net proceeds, or S\$4.0 million to expand our warehousing and logistics network to improve our fulfillment capacity from China to Southeast Asia, by cooperating with third-party warehousing and shipment service providers located in Hong Kong.

- approximately 10.7% of the net proceeds, or S\$7.1 million, will be used to keep pace with the evolving trends in the digital solutions industry and strategically develop relationship with new e-commerce channels, which will allow us to continue to expand our market reach, engage with a broader spectrum of consumers, and further grow our business under both our D2B and D2C business models. Such plan is expected to result in increases in our cost of sales as a result of additional content costs and channel costs.

In particular, we plan to allocate 1.8% of the net proceeds, or S\$1.2 million to recruit approximately 4, 3 and 2 content creation staff in 2025, 2026 and 2027, respectively, to enhance our digital marketing and content creation capabilities to provide targeted marketing services with better performance and customized marketing services based on our brand partners’ specific needs. In addition, we plan to allocate 8.9% of the net proceeds, or S\$5.8 million to expand our solutions and products offerings on popular live streaming and live selling platforms. We

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plan to invest more resources in enhancing existing and developing new relationships with and acquiring more traffic from leading e-commerce channels, such as popular live streaming and live selling platforms, to have more exposure to consumers, better showcase our brand partners’ products and engage with more consumers who may purchase products.

- approximately 28.2% of the net proceeds, or S\$18.5 million, will be used for our growth through mergers and acquisitions, joint ventures, and strategic investments and alliance over the next three years. We expect that by acquiring target companies within our ecosystem we will be able to form economies of scale and achieve synergies to increase our revenue and improve our operational efficiency.

We plan to selectively pursue investments in, or merging with, and acquisitions of companies operating in our ecosystem, which are complementary to or synergistic with our businesses to enable us to maintain our market leadership in the digital solutions industry in Southeast Asia, including (i) digital solutions companies, which could potentially allow us to expand our market share, brand and geographical coverage, (ii) supply chain solution providers, which could bring strategic advantages and add value to our digital supply chain network processes, and (iii) technology or media companies, which could provide us with access to new technologies, broaden our consumer reach, and bring financial returns. When evaluating target companies, we will take into consideration their (i) expected synergy with our business, (ii) technology and expertise, (iii) operating history, (iv) ability to bring in new brand partners and other business opportunities, and (v) financial performance. We expect to acquire or invest in no more than five companies in the next three years and the target companies are planned to be located in our target markets in (i) Southeast Asia with focus on Philippines, Indonesia and Vietnam or (ii) the greater China region with focus on Hong Kong. Target companies to be acquired are expected to have been established for at least three years and to have demonstrated positive revenue growth over the past two years, with valuations ranging from S\$4.9 million to S\$49.5 million. We will select no more than 10% of these companies as potential targets. Based on our industry intelligence and concurred by CIC, our directors believe that we will be able to identify suitable acquisition targets that satisfy our selection criteria. As advised by CIC, there are sufficient number of potential targets that match our selection criteria in the market.

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- approximately 19.4% of the net proceeds, or S\$12.7 million, will be used for the full repayment of convertible loan notes and a bank loan, which will reduce our indebtedness, including:
- approximately 18.1% of the net proceeds, or S\$11.9 million, to be used for repayment of our convertible loan notes. See “History and Corporate Structure of the Target Group — Lazada Convertible Loan” for details regarding our convertible loan notes.
- approximately 1.2% of the net proceeds, or S\$0.8 million, to be used for repayment of the remaining balance of a bank loan with principal of S\$2.0 million provided by a commercial bank, carrying an interest rate of 3.75% per annum, to support our business operations.

Directors considers that it is in the best interests of the Target Group to make the prepayment in advance with the net proceeds from the De-SPAC Transaction to reduce the interest expenses.

- approximately 12.8% of the net proceeds, or S\$8.4 million, will be used to invest in and continue to adopt advanced technology and AI over the next three years. The development and upgrade of our technologies and platform are expected to improve our operational efficiency, thereby increasing our profit margin.

We plan to allocate 2.5% of the net proceeds, or S\$1.6 million to (i) upgrade our IT systems, including in the areas of machine learning, AI process automation, and demand forecasting, which we believe will allow us to further automate and standardize key processes in our daily business operations, and (ii) upgrade and maintenance of our technology platforms and systems and to the purchases of cloud resources to maintain our competitive advantages in big data analytics. We also plan to allocate 7.9% of the net proceeds, or S\$5.2 million to further enhance our core competencies in technology and innovation, by investing to maintain our Synagie Platform and related technologies, improve the functionality and compatibility of our technology infrastructure, and cooperate with leading cloud computing companies for better cloud resources and computing capabilities. In addition, we plan to allocate 2.4% of the net proceeds, or S\$1.6 million to recruit approximately 3, 2 and 1 technical staff in 2025, 2026 and 2027, respectively, with superior expertise in technology fields, such as AI technician and data engineers, and engage independent third-party providers to enhance our in-house technological capabilities and optimize our technological solutions, such as AI-driven process automation tools and advanced demand forecasting software.

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- approximately 10.0% of the net proceeds, or S\$6.6 million, will be used for our working capital and general corporate purposes.

For risks relating to the aforesaid business expansion plans, see “Risk Factors — Risks Relating to the Target Group’s Business — We have experienced rapid growth during the Track Record Period, and we may not be able to manage our growth or geographic expansion effectively.”

To the extent that the net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including, without limitation, cash generated from operations, bank loans and other financings as appropriate.

If any part of our plan 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 proceeds of the De-SPAC Transaction. The Successor Company will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

To the extent that the net proceeds of the De-SPAC Transaction are not immediately used for the purposes described above, and to the extent permitted by the relevant laws and regulations, the Successor Company will only deposit such net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). In such event, the Successor Company will comply with the appropriate disclosure requirements under the Listing Rules.