
FUTURE PLANS AND USE OF PROCEEDS

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See “Business — Strategies on future growth” in this prospectus for a discussion of our future plans.

We estimate that the net proceeds we will receive from the Global Offering (after deducting underwriting commissions, fees and anticipated expenses payable by us in connection with the Global Offering) will be approximately HK\$203.0 million (equivalent to approximately RMB184.5 million), assuming the Over-Allotment Option is not exercised and an Offer Price of HK\$2.67 per Share, being the mid-point of the Offer Price Range of HK\$2.28 to HK\$3.06 per Share as stated in this prospectus. In line with our business strategies, we intend to use our net proceeds for the following purposes:

Enhance our global logistics network through our unique asset-light model

- we will apply approximately HK\$125.8 million, representing approximately 62.0% of the net proceeds from the Global Offering, to enhance our global logistics network through our asset-light model, among which,
 - approximately 40.5%, or approximately HK\$82.2 million, will be used to set up (i) three self-operated warehouses and (ii) 1.9 million sq.ft. of partnered warehousing space (representing approximately 15 partnered warehouse) with the aim of establishing our warehouse hubs in different countries and to densify the geographic coverage of our global logistics network, of which (i) HK\$57.5 million will be applied to the lease payments for setting up two self-operated warehouses in the United States and one self-operated warehouse in Germany; and (ii) HK\$24.7 million will be applied to the payment of a two-month rent deposit, upon the engagement of third-party warehouse service providers, which our Directors believe is considered as securing their collaboration, for the setting up of each of the approximately 15 partnered warehouses in the United States, the United Kingdom and Canada. While we aim to maintain an asset-light model through the engagement of partnered warehouses, we also wish to maintain a balanced portfolio of self-operated warehouses to partnered warehouses as both types of warehouses present different positive attributes for our Group. We usually set up our self-operated warehouse in the vicinity or among a cluster of partnered warehouses so that our employees stationed at self-operated warehouses may visit our partnered warehouses and perform periodic supervision and management, where necessary. Further, given that we are not guaranteed a minimum storage space by our partnered warehouses, as a part of our strategy, we aim to locate a self-operated warehouse in our target key areas of business so as to ensure that a minimum level of storage space is guaranteed in each of the regions that we operate;

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- approximately 19.0%, or approximately HK\$38.6 million, will be used to fund the recruitment of (i) around 42 employees for managing and operating our self-operated warehouses in the United States, the United Kingdom and Canada; and (ii) around 26 employees to fulfill the oversight function of various aspects of the management and operations of our partnered warehouses, which include but are not limited to customer management, overseas warehousing, product design and quality control;
- approximately 2.0%, or approximately HK\$4.1 million, will be used to acquire various warehousing machineries and equipment, including but not limited to forklift vehicles, automated guided vehicle racks and robots and sorting machines, to upgrade our existing and future warehousing system to achieve automated warehousing and sorting functionalities; and
- approximately 0.5%, or approximately HK\$1.0 million, will be used to set up two domestic warehouses in the PRC in order to supplement the increased export volumes.

Optimize our operational efficiency through improving our intelligent systems

- we will apply approximately HK\$32.5 million, representing approximately 16.0% of the net proceeds from the Global Offering, to revamp our EDA Cloud platform, among which,
 - o approximately 12.0%, or approximately HK\$24.4 million of the net proceeds from the Global Offering, will be used to fund the recruitment of around 47 R&D-related staff including R&D manager, algorithm engineers, front-end development testing and operation staff and system engineers. In particular, we will apply sums to (i) revamp our EDA Cloud platform so that it could be offered to customers as an SaaS platform which can consolidate real-time data of multiple angles from various market participants (the “**SaaS Platform**”) and (ii) upgrading various aspects of our modular systems of our EDA Cloud platform including OMS (Order Management System), TMS (Transport Management System), WMS (Warehouse Management System) and CRM (Customer Relationship Management) to better cater to our customers’ needs. The SaaS Platform which we intend to offer to customers will be an open platform that can connect every stage of product logistics and stakeholders of the value chain and collect real-time data to bridge information gaps. In particular, it shall support data synchronization and collection from multiple supply chain solutions providers, such as our peers, so that our customers can have monitor all of its e-commerce supply chain activities within one platform. The SaaS Platform will also house the aforementioned upgraded aspects of our modular systems, which the principal aims of such upgrades are to improve user experience, automation of order processing, and data synchronization.

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- o approximately 4.0%, or approximately HK\$8.1 million of the net proceeds from the Global Offering, will be used to acquire IoT equipment and hardware such as servers, data base, cache and message queues for the R&D of SaaS platform and upgrade of our EDA Cloud platform.

Attract new customers and maintain relationships with core customers

- we will apply approximately HK\$32.5 million, representing approximately 16.0% of the net proceeds from the Global Offering, to strengthen our market presence so as to attract new customers and maintain relationships with core customers (being customers with which we dedicate specialized sales effort owing to the fact that they are customers which contribute more than RMB3 million to the revenue for the year), among which,
 - o approximately 12.0%, or approximately HK\$24.4 million, will be used to establish approximately 13 offices across eight cities in the PRC and recruit (i) around 36 sales and marketing staff responsible for attracting potential customers and better serving our current customers in the PRC who need our one-stop end-to-end B2C export supply chain solutions; and (ii) around 15 sales and marketing staff responsible for customer development in specific needs such as direct shipping. Such expanded workforce will be stationed in our new offices across eight cities in the PRC including Shenzhen, Foshan, Changsha, Xiamen, Shanghai, Hangzhou, Qingdao and Ningbo.
 - o approximately 4.0%, or approximately HK\$8.1 million, will be used to recruit around 10 sales and marketing staff stationed overseas responsible for attracting potential (i) overseas e-commerce retailers and vendors that have supply chains in China and require cross-border logistics services; and (ii) local vendors of shopping platforms that require “last-mile” fulfillment services. Such expanded workforce will be the key to our strategies of expanding our overseas market presences and will be stationed in overseas regions that we have deepest presence in, namely the United States, Canada and the United Kingdom.

General working capital

- we will apply approximately HK\$12.2 million, representing approximately 6.0% of the net proceeds from the Global Offering, to our general working capital.

Potential investors should note that our plans are formulated on the bases and assumptions which are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors set forth in the section headed “Risk Factors” in this prospectus.

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Assuming that the Over-Allotment Option is not exercised at all, the net proceeds from the Global Offering (after deducting the underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering) will (1) increase to approximately HK\$264.5 million (equivalent to approximately RMB240.4 million) if the Offer Price is fixed at HK\$3.06 per Offer Share (being the high end of the Offer Price Range); and (2) decrease to HK\$192.2 million (equivalent to approximately RMB174.6 million) if the Offer Price is fixed at HK\$2.28 per Offer Share (being the low end of the Offer Price Range).

Assuming that the Over-Allotment Option is exercised in full, the net proceeds from the Global Offering (after deducting the underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering) will amount to (1) approximately HK\$307.1 million (equivalent to approximately RMB279.0 million) if the Offer Price is fixed at HK\$3.06 per Offer Share (being the high end of the Offer Price Range); (2) HK\$265.5 million (equivalent to approximately RMB241.2 million) if the Offer Price is fixed at HK\$2.67 per Offer Share (being the mid-point of the Offer Price Range); and (3) HK\$223.9 million (equivalent to approximately RMB203.5 million) if the Offer Price is fixed at HK\$2.28 per Offer Share (being the low end of the Offer Price Range).

In each of the above circumstances, we will apply the net proceeds for the various intended uses set forth above in the stated proportions and the amount of net proceeds to be applied for each intended use will be adjusted accordingly. Our Directors confirmed that unutilized net proceeds will be placed in short-term interest-bearing deposit accounts with licensed banks or authorized financial institutions (as defined in the SFO).

We will make an appropriate announcement if there is any material change to the intended uses of net proceeds set forth above.