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[REDACTED]

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## REASONS FOR THE SPIN-OFF

Pursuant to the Listing Rules and in accordance with the corporate structure and ownership of our Company, the [REDACTED] will constitute a Spin-off from Lesso.

The board of directors of Lesso considers that the Spin-off is commercially beneficial and in the interest of Lesso and its shareholders as a whole as the Spin-off is expected to create greater value for them for the following reasons:

- (a) the Spin-off will allow Lesso an opportunity to realize the value of [REDACTED] in our Group through [REDACTED] of a standalone platform for our business;
- (b) the Spin-off will enable our Group to build its identity as a separately [REDACTED], and have a separate fund-raising platform and to broaden its [REDACTED] base through the [REDACTED]. Our Group may acquire or invest in other logistics services providers to further expand our business and brand awareness in the market. The Spin-off would allow 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, thereby improving our operating and financial management efficiencies;
- (c) the Spin-off will enable 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;
- (d) the Spin-off will enable a more focused development, strategic planning and better allocation of resources for the Lesso Group and our Group with respect to their respective businesses. Both the Lesso Group and our Group will benefit from the efficient decision-making process under the separate management structure for seizing emerging business opportunities, especially with a dedicated management team for our Group to focus on our development;
- (e) the Spin-off will strengthen our Group's reputation, thus leading to potentially better operational performance and better realization of our value. Lesso will continue to be a Controlling Shareholder of our Group upon the Spin-off and to benefit from any enhanced value of our Group through the Spin-off; and
- (f) the Spin-off will improve our Group's operational and financial transparency, which would enable investors to better appraise our operation results and financial conditions on a standalone basis, which in turn may enhance the overall value.

The Spin-off by Lesso complies with the requirements of Practice Note 15 of the Listing Rules.