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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

#### Business Objectives and Strategies

Our group aims to provide our customers with timely delivery and storage of their containers, maintain our growth in the industry and enhance our overall competitiveness and market share.

In order to achieve our goals with a view to strengthen our position as a transport management service provider in Singapore, details of which are set out in the section headed “Business — Business strategies” of this document.

#### Use of Proceeds

We estimate that the aggregate gross proceeds to us from the issue of [REDACTED] under the [REDACTED], based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range stated in this document), will be approximately HK\$[REDACTED] million. After deduction of [REDACTED] fees and commissions and estimated total [REDACTED] in the aggregate amount of approximately HK\$[REDACTED] million, the net proceeds will be approximately HK\$[REDACTED] million. The Directors currently intend to apply such net proceeds in the following manner:

- (a) approximately HK\$[REDACTED] million or [REDACTED]% of the total net proceeds from the issue of [REDACTED] under the [REDACTED] will be used to enhance the capacity for provision of transportation management services through acquisition of new vehicles;
- (b) approximately HK\$[REDACTED] million or [REDACTED]% of the total net proceeds from the issue of [REDACTED] under the [REDACTED] will be used to expand and enhance our workforce to support our business expansion;
- (c) approximately HK\$[REDACTED] million or [REDACTED]% of the total net proceeds from the issue of [REDACTED] under the [REDACTED], will be used to enhance our information technology system;
- (d) approximately HK\$[REDACTED] million or [REDACTED]% of the total net proceeds from the issue of [REDACTED] under the [REDACTED], will be used to fund our purchase of a new office to incorporate an increase in our workforce; and
- (e) the remaining amount of approximately HK\$[REDACTED] million or [REDACTED]% of the net proceeds, will be used for our working capital and other general corporate purposes.

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For the period from the Latest Practicable Date to 30 June 2019, the Group’s net proceeds from the [REDACTED] will be used as follows:

	From the Latest		For the six		For the six		Approximate
	Practicable Date to 31 December 2017		For the six months ending 30 June 2018		months ending 31 December 2018		months ending 30 June 2019
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	%
<b>Enhancement of capacity for transportation management services through acquisition of new vehicles</b>							
— Prime movers . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Trailers . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Expansion and enhancement of workforce to support increased business activities</b>							
— Recruitment finance executives . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Recruitment of operation staff . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Information technology enhancement to support business activities</b>							
— Installation of container tracing system . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— System hardware upgrade . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Installation of enterprises resources planning system and finance system . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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	From the Latest		For the six		Approximate	
	Practicable Date to 31 December 2017	For the six months ending 30 June 2018	months ending 31 December 2018	For the six months ending 30 June 2019		percentage of net proceeds
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>%</i>
<b>Purchase of office to incorporate an increase in workforce . . . . .</b>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Working capital and other general . . . . .</b>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

If the final [REDACTED] is set at the highest point of the indicative [REDACTED] range, the net proceeds from the issue of [REDACTED] under the [REDACTED] to be received by us is estimated to increase to approximately HK\$[REDACTED] million. We intend to apply such additional net proceeds to the above proposed usage items in the same proportions as disclosed above. If the [REDACTED] is determined at the lowest point of the indicative [REDACTED] range, the net proceeds from the issue of [REDACTED] under the [REDACTED] to be received by us is estimated to decrease to approximately HK\$[REDACTED] million. In such a case, we intend to reduce the allocation of such net proceeds for the above purposes in the same proportions as disclosed above.

The use of our proceeds outlined above may change in light of our evolving business needs, conditions and management requirements as well as prevailing market circumstances. In the event of any material modification to the use of proceeds as described above, we will issue an announcement and make disclosure in our annual report for the relevant year as required under the GEM Listing Rules.

To the extent that the net proceeds from the issue of [REDACTED] under the [REDACTED] are not immediately required for or applied to the above purposes, it is the present intention of our Directors that such proceeds will be placed in short-term interest bearing deposits held with authorised financial institutions in Singapore and/or Hong Kong.

We will bear the [REDACTED] commissions, SFC transaction levy and Stock Exchange trading fee payable by us in connection with the issue of the [REDACTED] together with any applicable fees relating to the [REDACTED].

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### Implementation Plans

Our Directors have drawn up implementation plans for the periods up to 30 June 2019 with a view to achieve our business objectives. The implementation plans are based on the current economic environment and the assumptions as set out in sub-section headed “Bases and key assumptions of the business plan” in this section. These bases and assumptions are inherently subject to uncertainties and unpredictable factors, in particular the risk factors set forth in the section headed “Risk factors” in this document. No assurance can be given that our business objectives will be achieved or our plans will be implemented as set out in the implementation plans or at all.

Details of the implementation plan and expected timetable for the implementation of the plan and the expected timetable for the implementation of the plans in relation to items requiring us to make material financial commitments are summarised below:

[REDACTED]

<b>Business Strategy</b>	<b>Implementation Activities</b>	<b>Source of Funding</b>
Purchase new vehicles to expand our current transportation fleet capabilities	Acquired four units of prime movers and one lorry up to Latest Practicable Date	Approximately HK\$4.0 million from internal resources and finance lease
	Purchase sixteen units of prime movers and twenty trailers by 31 July 2017	Approximately HK\$17.7 million from internal resources and finance lease
	Purchase of two units of prime movers and ten units of trailers by 31 December 2017	Approximately HK\$[REDACTED] from use of proceeds
Purchase a new office to incorporate an increase in our workforce	Purchase a new office with area of around 1,000 square feet located at Pioneer Junction	Approximately HK\$[REDACTED] from use of proceeds
	Renovation of the new office	

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<b>Business Strategy</b>	<b>Implementation Activities</b>	<b>Source of Funding</b>
Strengthen our information technology system	Obtain quotation for tailor-made container tracing system, and pay deposit	Approximately HK\$[REDACTED] from use of proceeds
	Obtain quotation for tailor-made enterprise resources planning system, and pay deposit	Approximately HK\$[REDACTED] from use of proceeds
	Obtain quotation for purchase of computer work stations, servers and ancillary equipment, and pay deposit	Approximately HK\$[REDACTED] from use of proceeds
Expand our workforce to support our business expansion	Hire one financial controller and two finance executives in finance department, and three operation staffs in operation departments, with two new experienced truck drivers to be hired.	Approximately HK\$[REDACTED] from use of proceeds

[REDACTED]

<b>Business Strategy</b>	<b>Implementation Activities</b>	<b>Source of Funding</b>
Purchase new vehicles to expand our current transportation fleet capabilities	Purchase 12 units of prime movers, 30 units of trailers by 30 June 2018	Approximately HK\$[REDACTED] from use of proceeds
Strengthen our information technology system	Finish installation and implementation test of container tracing system	Approximately HK\$[REDACTED] from use of proceeds
	Finish installation and implementation test of ERP system and finance system	Approximately HK\$[REDACTED] from use of proceeds

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<b>Business Strategy</b>	<b>Implementation Activities</b>	<b>Source of Funding</b>
	Finish installation and set up of numerous computers workstations	Approximately HK\$[REDACTED] from use of proceeds
Expand our workforce to support our business expansion	Hire additional 12 experienced truck drivers, with recruitment cost for the new workforce	Approximately HK\$[REDACTED] from use of proceeds

[REDACTED]

<b>Business Strategy</b>	<b>Implementation Activities</b>	<b>Source of Funding</b>
Purchase new vehicles to expand our current transportation fleet capabilities	Purchase 13 units of prime movers by 31 December 2018	Approximately HK\$[REDACTED] from use of proceeds
Strengthen our information technology system	Management review the operation efficiency and effectiveness of the container tracing system and ERP system and finance system	Internal resources
Expand our workforce to support our business expansion	Hire additional 13 experienced truck drivers, with recruitment cost for the new workforce	Approximately HK\$[REDACTED] from use of proceeds

[REDACTED]

<b>Business Strategy</b>	<b>Implementation Activities</b>	<b>Source of Funding</b>
Purchase new vehicles to expand our current transportation fleet capabilities	Purchase 3 units of prime movers by 30 June 2019	Approximately HK\$[REDACTED] from use of proceeds

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### **Bases and key assumptions of the business plan**

We have adopted the following principal assumptions in the preparation of the future plans up to 31 March 2019:

- There will be no material changes in the existing political, social, fiscal, legal or economic conditions in Singapore;
- There will be no material changes in the bases or rates of taxation in Singapore;
- Our Group will have sufficient financial resources to meet the planned capital and business development requirements during the period to which the business objectives relate;
- There will not be material changes in the prospects of the logistic industry in Singapore;
- Our Directors and key management will continue to be involved in the development of our existing and future plans;
- Our Group will be able to retain our management team and recruit suitable staff for our expansion;
- There will be no significant changes in our Group’s business relationships with our major customers;
- There will be no significant changes in the funding requirement for each of the business strategies described in this document from the amount currently estimated by our Directors;
- Our Group will be able to carry out our operations in substantially the same manner as we have been operating during the Track Record Period and we will also be able to carry out our implementation plans without disruption; and
- Our Group will not be materially and adversely affected by the risk factors as set out in the section headed “Risk factors” of this document.

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### REASONS FOR THE [REDACTED] AND THE [REDACTED]

Our Directors believe that the [REDACTED] on the Stock Exchange will benefit our Group as it will (i) allow our Group to raise funds from capital market and facilitate the implementation of our business strategies which are aimed at strengthening our position as a transport management service provider in Singapore; and (ii) increase the profile of our Group on an international level and enable our Group to be considered more favourably by our customers. The [REDACTED] is strategically critical to the long-term growth of our Group as it will strengthen our competitiveness, capture more business opportunities, provide us with additional avenues to raise capital in the long run and ultimately lay a solid foundation of our business.

This year marks our Company’s 25th anniversary, a monumental day in our Group’s history and our Directors made a decision to bring our Company into the next level of growth by way of [REDACTED]. Our Directors consider the [REDACTED] status will enhance our Group’s corporate image and reputation as well as further strengthening our market position in the transport management service industry in Singapore. As a listed entity, customers and suppliers will generally have more confidence in the quality of our services, financial strength and credibility along with the transparency in our operations and in our Group’s financial reporting. Following the [REDACTED], our Group will have enhanced internal controls and corporate governance practices, thus strengthening our competitiveness, which is favourable in the expansion of our market share and drive our business performance and growth. Our Directors believe the transparency in our operations, financial reporting, internal controls and corporate governance practices to be crucial as some of our customers are international logistic companies of significant size that would appreciate such transparency.

According to the Ipsos Report, Singapore’s industry demand by merchandise trade is expected to grow while industry demand by container throughput is expected to remain stable. Singapore’s transport and storage sector has been one of the key contributors to the Singapore’s economy and is expected to value at S\$34.4 billion by 2021. Our Directors believe that the [REDACTED] will allow us to expand our current transport fleet and storage machinery to cater for higher demand. We will also be able to purchase more environmentally-friendly vehicles and replace our older fleet.

The [REDACTED] will help enhance the corporate image of our Group and raise staff confidence. It will improve our ability to recruit, motivate and retain key personnel’s so as to expediently and effectively capture any business opportunities that may arise. We intend to expand our finance and operations team as we believe that we will be better able to ensure operational efficiency and financial capabilities with the expected increase in our transport fleet.



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Following the [REDACTED], our Group will have access to the capital markets, providing us additional avenues for future fundraising through the issuance of equity and debt securities for overall business development in the long run. Our Directors believe that the [REDACTED] status will allow us to gain leverage in obtaining bank financing with more favourable terms thus providing our Group more flexibility in our financing options.

In summary, the [REDACTED] will help strengthen our Group's competitiveness, enhance our corporate image, internal controls and corporate governance practices, allow us to expand our fleet to cater for higher demand and provide us with flexible financing options when business opportunities arise. As such, our Directors consider it is commercially justifiable and in the interest of the Group to pursue the [REDACTED].

### NO [REDACTED] APPLICATION MADE IN SINGAPORE

Our Directors confirmed that we have not applied for [REDACTED] in Singapore and to the best of their knowledge and belief, there would have been no impediments to our [REDACTED] application if we were to apply for [REDACTED] on the Catalist of the Singapore Exchange Securities Trading Limited.

Our Directors had considered and evaluated different [REDACTED] venues including Hong Kong and Singapore and have concluded that pursuing a [REDACTED] in Hong Kong is beneficial due to the following:

#### (i) Capital market funding

The net cash position of our Group as at 31 January 2017 was approximately S\$1.4 million and our net cash outflow for the year ended 31 December 2016 was approximately S\$1.1 million, averaging approximately S\$0.1 million per month. We consider that capital market funding is an appropriate alternative to debt financing, with the possibility of secondary fund raising.

Comparing Hong Kong and Singapore, the average daily turnover of stocks in Hong Kong was approximately HK\$105.6 billion (equivalent to S\$19.2 billion) and HK\$66.9 billion (equivalent to S\$12.2 billion) for the two years ended 31 December 2016 respectively versus approximately HK\$6.1 billion (equivalent to S\$1.1 billion) and HK\$6.1 billion (equivalent to S\$1.1 billion) for Singapore for the two years ended 31 December 2016 respectively.

#### (ii) Raise our Group's profile

Being a provider of transport management services to the logistics industry in Singapore, our customers and suppliers will generally have more confidence in the quality of our services, financial strength and credibility and will view a service provider with a [REDACTED] status more favourably, given that a listed company is subject to ongoing regulatory compliance for announcements, financial disclosure and corporate governance. Customers which have regional or global presence, or regional projects on hand, may also appreciate service provider with resources to undertake such regional services for them.

Having considered all of the above, our Directors decided to apply for a [REDACTED] in Hong Kong.