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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. Details on our business strategies to achieve such goals are set out in the section headed “Business — 2. Business strategies” of this document.

One of the strategies is for the Group to increase our service capacity through the acquisition of new vehicles and the expansion of our workforce. In order to cater for our business growth, we intend to acquire 20 additional prime movers, 34 trailers and 1 lorry over the twelve months ending 31 December 2017 which is to be funded from our internal resources and finance leases for approximately S\$[REDACTED] million (“**Initial Expansion**”). As at the Latest Practicable Date, we have already acquired 14 prime movers, 34 trailers and 1 lorry for approximately S\$2.5 million in connection with the Initial Expansion. The Group also intends to apply approximately [REDACTED]% of total net proceeds from the issue of new Shares under the [REDACTED] to further increase our service capacity through the acquisition of new vehicles, namely 30 prime movers and 40 trailers, and expansion of our workforce (“**Expansion Plan**”).

The Directors believe that the Initial Expansion and the Expansion Plan are necessary and appropriate in view of the following:

*(a) High utilisation rate of our prime movers and trailers*

Our primer movers will typically tow trailers to the customers’ premises for container loading. Upon arrival at the customers’ premises, the prime movers will detach the trailers and leave the trailers at the customers’ premises for subsequent container loading. In the meantime, the same prime movers can be further deployed to other locations to pick up loaded containers from the premises of other customers. This arrangement results in a shorter turnaround time, thereby improving the utilisation rate of our prime movers and also allows us to accept more orders. As such, we typically require more trailers than prime movers in our daily operations.

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The utilisation rate of our prime movers was approximately 81.4% for the year ended 31 December 2015, 82.0% for the year ended 31 December 2016, 79.3% for the five months ended 31 May 2017 and 95.3% for the three months ended 31 August 2017. The utilisation rate of our trailers was approximately 87.0% for the year ended 31 December 2015, 82.8% for the year ended 31 December 2016, 83.2% for the five months ended 31 May 2017.

The high utilisation rate of our prime movers and trailers leaves us with limited capacity to take on additional orders from existing customers or orders from new customers. We typically retain some buffer capacity to cater for vehicle and trailer breakdown or maintenance, drivers going on leave, last minute orders and requests from our customers to have our trailers remain at their premises for their cargo handling purposes. The expansion of our vehicle fleet will allow us to better cope with increasing demand from both new and existing customers.

### ***(b) Increasing demand from existing and new customers***

The Directors note from the Ipsos Report that the outlook of Singapore container throughput is positive and the total volume of containers is forecasted to grow at a CAGR of approximately 7.86% from 2017 to 2021 to reach 44.8 million TEUs. The container volume currently handled by our Group merely occupies a miniscule portion of the Singapore container throughput, which was approximately 30.9 million TEU for 2016. There remains the room and possibility for us to capture a bigger share of this existing container throughput, via the acquisition of new customers and higher order volumes from existing customers, to further grow our business.

Our Group has estimated the demand for our services based on our customers' email communications to us in relation to their forecasted demand for our services for 2017 and with reference to our internal historical trend analysis of demand from existing clients. Based on our estimates, trip demand is expected to increase by approximately 37,508 trips from 306,937 trips for the year ended 31 December 2016 to 344,445 trips for the year ending 31 December 2017 (as compared to the corresponding period in 2016) and by an additional 58,999 trips for the year ending 2018 (as compared to the corresponding period in 2017) respectively. The estimated increase in trip demand for 2017 and 2018 amounts to approximately 10.0% and 15.8% of the maximum possible number of trips for the year ended 31 December 2016 respectively. For the eight months ended 31 August 2017, we performed 221,897 trips and through our correspondence with our customers, who have informed us of higher volume in the months ahead, we expect our trips to increase. Our Directors consider that the expansion in our fleet size will provide us with sufficient capacity to meet demand from our customers and enable us to further grow our market share. Such increase in estimated trip demand will mainly be from new customers as well as growth in business from existing customers. The expected revenue contribution from Customers V, W, X and Y for the years ending 31 December 2017 and 2018 is approximately S\$1.8 million and S\$3.1 million respectively.

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For the five months ended 31 May 2017 and the three months ended 31 August 2017, the utilisation rate of our prime movers was approximately 79.3% and 95.3%, respectively. Our Directors consider that the current high utilisation rates of our prime movers and trailers leaves us with limited capacity to handle the estimated increase in trip demand for 2017 and 2018. As such, we will need to expand our vehicle fleet and workforce to cope with the increasing demand in 2017 and 2018. Failure to implement our Initial Expansion and/or Expansion Plan sufficiently may result in the loss of potential additional business. The Directors also consider that the Initial Expansion and the Expansion Plan will provide us with sufficient capacity to meet demand from our customers and enable us to further grow our market share.

*(c) Stricter vehicle emission standards*

The Euro VI emission standard for new diesel vehicles is set to come into force in Singapore from 1 January 2018. As part of the National Environment Agency's continued effort to further improve air quality and safeguard public health in Singapore, this latest and more stringent standard will serve to further reduce the emission of air pollutants such as fine particulate matter and nitrogen oxides emission from diesel vehicles. To the best of our Directors' knowledge, there are currently no Euro VI compliant prime movers available for sale in Singapore. The Initial Expansion and Expansion Plan will provide us with the opportunity to purchase prime movers which comply with the latest emission standards currently available in the Singapore market being the Euro V emission standard. We intend to purchase prime movers which comply with the Euro VI emission standards once these newer vehicle models are available in Singapore. Customers which are more environmentally aware may also be inclined to use our services in view of our environmentally-friendly vehicles.

Despite the use of more environmentally-friendly vehicles not being explicitly provided for in the agreements with our customers, we have been encouraged to use more environmentally-friendly vehicles and to contribute towards sustainable supply chain practices. In particular, one of our customers, Customer Y, is also a founding member of Green Freight Asia, a non-profit organisation established in 2013 in Singapore, that has helped improve fuel efficiency and reduce carbon emissions in the region. Whilst the purchase of newer vehicles will lead to an increase in depreciation expense, the newer vehicles will also typically have lower associated repair and maintenance cost due to the warranty that is included in the purchase of new vehicles which typically covers servicing and repairs. Furthermore, new vehicles are less likely to face wear and tear as compared to our older vehicles.

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The Initial Expansion and the Expansion Plan, once completed, are expected to:

- (a) substantially increase our vehicle fleet size from the existing 125 prime movers, 491 trailers and 7 lorries as at the Latest Practicable Date to 161 prime movers, 531 trailers and 7 lorries;
- (b) increase our service capacity to cater for an increase in demand from our existing and new customers. Based on the estimated demand from our existing and new customers for the year ending 2017, we expect our utilisation rate for our prime movers to continue to remain around 80% or higher even with the Initial Expansion and the Expansion Plan in place. The additional vehicles to be acquired via the Initial Expansion and the Expansion Plan are expected to collectively provide additional trip capacity of approximately 39,672 trips for the year ending 31 December 2017 (as compared to the corresponding period in 2016) and additional trip capacity of approximately 87,482 trips for the year ending 31 December 2018 (as compared to the corresponding period in 2017) respectively. The additional trip capacity amounted to approximately 10.6% and 23.4% of the maximum possible number of trips for the year ended 31 December 2016 respectively.
- (c) result in higher vehicle depreciation and staff cost, arising from the expansion in vehicle fleet and manpower. The Initial Expansion and the Expansion Plan are expected to result in (i) additional depreciation charges of approximately S\$[REDACTED] million and S\$[REDACTED] million for the years ending 31 December 2017 and 31 December 2018 respectively, and (ii) additional staff cost of approximately S\$[REDACTED] million and S\$[REDACTED] million for the for the years ending 31 December 2017 and 31 December 2018 respectively.
- (d) positively impact our revenue and profits as a result of the higher business volumes that our increased service capacity will be able to cater for.

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### **Funding of the Expansion Plan**

The Group intends to apply approximately [REDACTED]% of total net proceeds from the issue of new Shares under the [REDACTED] for the Expansion Plan.

The Group does not intend to finance the Expansion Plan by internal resources or other forms of financing for the following reasons:

***(a) Initial Expansion for the twelve months ending 31 December 2017 to be funded by internal resources and finance leases***

In order to cater for our business growth, we intend to acquire 20 additional prime movers, 34 trailers and 1 lorry over the twelve months ending 31 December 2017 which is to be funded from our internal resources and finance leases for approximately S\$[REDACTED] million. As at the Latest Practicable Date, we have already acquired 14 prime movers, 34 trailers and 1 lorry for approximately S\$2.5 million in connection with the Initial Expansion. The acquisition of the remaining 6 prime movers via internal resources and finance leases by the end of December 2017 will cost approximately S\$[REDACTED] million.

Upon completion of these acquisitions by the end of December 2017, our (i) available internal resources would be reduced; and (ii) finance lease liabilities would be higher resulting in higher finance lease related expenses. Our finance lease related expenses, arising from the Initial Expansion are estimated to be approximately S\$[REDACTED] and S\$[REDACTED] for the year ending 31 December 2017 and 31 December 2018 respectively.

Applying the net proceeds from the issue of new Shares under the [REDACTED] to fund the Expansion Plan will not require the Group to take on any additional financing thereby keeping finance lease related expenses stable.

***(b) Cash required for day to day operations***

The Group had cash and bank balances of approximately S\$1.5 million as at 31 May 2017. Staff cost, port and depot charges, fuel cost and logistic yard service fees typically need to be settled within the month incurred. We estimate that such expenses will amount to an average of approximately S\$[REDACTED] million per month for the remaining months in 2017. As we generally grant our customers a credit period ranging from 30–60 days from the invoice date, we strive to maintain a minimum cash level of at least S\$[REDACTED] million to cater for any delays in collections.

The Group would not have sufficient cash and bank balances to support the vehicle and manpower expansion required for the Expansion Plan which is expected to cost approximately S\$[REDACTED] million.

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### Use of Proceeds

We estimate that the aggregate gross proceeds to us from the issue of new Shares 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 new Shares under the [REDACTED] will be used to enhance the capacity for provision of transport and storage services through acquisition of new vehicles;
- (b) approximately HK\$[REDACTED] million or [REDACTED]% of the total net proceeds from the issue of new Shares 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 new Shares 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 new Shares 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 Practicable Date to 31 December 2017	For the six months ending 30 June 2018	For the six months ending 31 December 2018	For the six months ending 30 June 2019	Total	Approximate percentage of net proceeds
	<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 transport and storage services through acquisition of new vehicles</b>						
— Prime movers . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
— Trailers . . . . .	[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]%
— Recruitment of operation staff . . . . .	[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]%
— System hardware upgrade . .	[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]%
<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]%

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If the final [REDACTED] is set at the highest point of the indicative [REDACTED] range, the net proceeds from the issue of new Shares 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:

#### From 1 January 2017 to 31 December 2017

<b>Business Strategy</b>	<b>Implementation Activities</b>	<b>Source of Funding</b>
Purchase new vehicles to expand our current transportation fleet capabilities	Acquired fourteen units of prime movers, thirty four units of trailers and one lorry from January 2017 till the Latest Practicable Date	Approximately HK\$13.9 million from internal resources and finance lease
	Purchase six units of prime movers by 31 December 2017	Approximately HK\$5.9 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] million 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] million from use of proceeds
	Renovation of the new office	

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Business Strategy	Implementation Activities	Source of Funding
Strengthen our information technology system	Obtain quotation for tailor-made container tracing system, and pay deposit	Approximately HK\$[REDACTED] million from use of proceeds
	Obtain quotation for tailor-made enterprise resources planning system, and pay deposit	Approximately HK\$[REDACTED] million from use of proceeds
	Obtain quotation for purchase of computer work stations, servers and ancillary equipment, and pay deposit	Approximately HK\$[REDACTED] million 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] million from use of proceeds

### For the six months ended 30 June 2018

Business Strategy	Implementation Activities	Source of Funding
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] million from use of proceeds
Strengthen our information technology system	Finish installation and implementation test of container tracing system	Approximately HK\$[REDACTED] million from use of proceeds
	Finish installation and implementation test of ERP system and finance system	Approximately HK\$[REDACTED] million 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] million 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] million from use of proceeds

### For the six months ended 31 December 2018

<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] million 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] million from use of proceeds

### For the six months ended 30 June 2019

<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] million 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 30 June 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 and storage 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 Group’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 and storage 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 forecasted to grow at a CAGR of approximately 7.86% from 2017 to 2021. Singapore’s transport and storage sector has been one of the key contributors to the Singapore’s economy and is expected to value at approximately S\$38.3 billion by 2021, with the pace of growth anticipated at a CAGR of approximately 5.14%. 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 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 May 2017 was approximately S\$1.5 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.

With such a high daily turnover volume and reputation as an international financial market, our Directors believe that a [REDACTED] in Hong Kong will give the Group access to future funding options such as debt financing and secondary fund raising.

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### **(ii) Raise our Group’s profile**

Being a provider of transport and storage 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.

### **(iii) Succession planning and talent management**

Being listed on a globally recognised and reputable exchange such as the Stock Exchange will allow us to better attract talented professionals to join our Group. Access to this pool of professionals will (i) provide the Group with a wider range of succession planning options; and (ii) further improve the management of our Group via the knowledge and experience that these professionals will bring along. The [REDACTED] status will also facilitate in-house talent management, via staff retention and development, whereby existing staff may be motivated to further develop their career with us in view of the prestige associated with working for an employer which is listed on the Stock Exchange.

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