
FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See the section headed “Business — Our business strategies and future plans” for a detailed description of our future plans.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately USD[REDACTED]), after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and assuming the [REDACTED] being not exercised and an [REDACTED] of HK\$[REDACTED] per Share, which is the mid-point of the indicative [REDACTED] range stated in this document. If the [REDACTED] is set at HK\$[REDACTED] per Share, which is the high end of the indicative [REDACTED] range, the [REDACTED] from the [REDACTED] will be approximately HK\$[REDACTED] (equivalent to approximately USD[REDACTED]). If the [REDACTED] is set at HK\$[REDACTED] per Share, which is the low end of the indicative [REDACTED] range, the [REDACTED] from the [REDACTED] will be approximately HK\$[REDACTED] (equivalent to approximately USD[REDACTED]).

Assuming an [REDACTED] at the mid-point of the indicative [REDACTED] range, we currently intend to apply these [REDACTED] for the following purposes:

1. approximately [REDACTED]% or approximately HK\$[REDACTED] (equivalent to approximately USD[REDACTED]) is expected be used to expand and optimize our vessel fleet, among which:
 - approximately [REDACTED]% or approximately HK\$[REDACTED] (equivalent to approximately USD[REDACTED]) will be allocated to expand and optimize our controlled vessels fleet. Depending on the availability and suitability of financing channels available to us and market factors such as market charter hire rates and the cost of newbuilding of vessels, we intend to allocate (i) approximately [REDACTED]% of the [REDACTED] under this particular plan to purchase suitable second-hand vessels and charter additional vessels; and (ii) the remaining [REDACTED]% of the [REDACTED] towards settling part of the construction costs of our six new vessels currently under construction. Our six vessels under construction are expected to have a combined weight carrying capacity of approximately [488,600] dwt with an estimated

FUTURE PLANS AND [REDACTED]

completion dates ranging from 2023 to 2024. Set out below is the estimated total construction costs of our vessels under construction and the portion settled by us as at June 30, 2022:

Vessel	Portion already settled by us (USD'000)	Estimated outstanding construction costs (USD'000)	Total estimated construction costs (USD'000)
Vessel No. 1	1,282.5	[24,367.5]	[25,650.0]
Vessel No. 2	1,282.5	[24,367.5]	[25,650.0]
Vessel No. 3	1,282.5	[24,367.5]	[25,650.0]
Vessel No. 4	1,282.5	[24,367.5]	[25,650.0]
Vessel No. 5	6,720.0	[26,880.0]	[33,600.0]
Vessel No. 6	<u>7,023.1</u>	<u>[28,092.4]</u>	<u>[35,115.5]</u>
Total:	<u>18,873.1</u>	<u>[152,442.4]</u>	<u>[171,315.5]</u>

Our expected implementation plan with respect to settling the estimated construction costs of our six vessels under construction is as follows:

	[REDACTED] up to December 31, 2022 (USD'000)	Year ended December 31, 2023 (USD'000)	Year ended December 31, 2024 (USD'000)	Year ended December 31, 2025 (USD'000)	Total (USD'000)
Vessel No. 1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Vessel No. 2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Vessel No. 3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Vessel No. 4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Vessel No. 5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Vessel No. 6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Given that the [REDACTED] allocated to this particular plan does not fully cover the total estimated construction costs of the six vessels under construction, we intend to utilize other financing channels available to us such as bank loans, finance lease arrangements as well as the income from our business operations to finance the remaining portion of the construction costs not covered by the [REDACTED].

FUTURE PLANS AND [REDACTED]

With respect to the [REDACTED]% intended to be put towards the purchase of second-hand vessels and/or chartering additional vessels through bareboat charters under the [REDACTED]% allocated to expand and optimize our controlled vessels fleet, we intend to retain a certain degree of flexibility in either putting this [REDACTED]% towards settling the purchase costs of our six vessels under construction depending on the attractiveness of market rates for second-hand vessels and bareboat charters as at the material time. Given that the market rates for second-hand vessels and bareboat charters are largely influenced by market fluctuations which are inherently unpredictable and subject to macroeconomic conditions, our Directors are of the view that a set timeframe for utilization of this [REDACTED]% is impracticable; and

- approximately [REDACTED]% or approximately HK\$[REDACTED] (equivalent to approximately USD[REDACTED]) will be used to increase the scale of our chartered-in vessel fleet by entering into 20 to 25 chartered-in engagements predominantly through time charters. Similar to the [REDACTED] intended to be put towards the purchase of second-hand vessels and/or chartering additional vessels through bareboat charters, the market rates for the chartering of vessels are largely governed by market fluctuations, meaning it is difficult to devise a specific timeframe and implementation plan. However, in view of the importance of having adequate shipping capacity in the maritime shipping services industry, the Directors are of the view that the [REDACTED]% allocated to this particular plan should be utilized as soon as practicable, in any event no later than the latter half of 2023, in order to build up the necessary critical size of our total available shipping capacity. Our implementation plan in this regard is set out below:

	[REDACTED] up to December 31, 2022 <i>(USD'000)</i>	Year ended December 31, 2023 <i>(USD'000)</i>	Total <i>(USD'000)</i>
Chartering in vessels under time charter	[REDACTED]	[REDACTED]	[REDACTED]

FUTURE PLANS AND [REDACTED]

2. approximately [REDACTED]% or approximately HK\$[REDACTED] (equivalent to approximately USD[REDACTED]) is expected to be allocated to (i) reinforcing our ship management capabilities by setting up new offices in strategic locations such as Shanghai, Greece, Philippines and Japan by renting office premises, and (ii) expanding our current ship management operations in Qingdao, Ningbo and Fuzhou. Our expected implementation plan in respect of our ship management services business is as follows:

	[REDACTED] up to December 31, 2022 (USD'000)	Year ended December 31, 2023 (USD'000)	Year ended December 31, 2024 (USD'000)	Year ended December 31, 2025 (USD'000)	Total (USD'000)
(1) Setting up new ship management offices					
— Philippines	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Japan	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Greece	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Shanghai	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal:	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
(2) Reinforcing existing ship management offices	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

As the scale of our ship management service offerings is largely predicated on the number of qualified ship management staff with experience in the high technical field of ship management, a significant portion of the [REDACTED] allocated to expanding our ship management business is expected to be put towards the recruitment and retention of such qualified staff. For our new ship management offices which we intend to set up around 2023, we expect a portion of the [REDACTED] to be allocated towards rental expenses and one-off refurbishment fees on top of recruiting qualified staff.

FUTURE PLANS AND [REDACTED]

3. approximately [REDACTED]% or approximately HK\$[REDACTED] (equivalent to approximately USD[REDACTED]) will be used to adopt digital technologies and implement advanced information technology in our business operations such as (i) the adoption of new operational management systems which utilizes big data to improve our customer relationship management, and (ii) introducing new and upgrading existing IT systems such as training software and shift management software for our crew members to ensure compliance with regulatory requirements. We also intend to recruit additional staff members to support in the implementation and roll-out of such digitalization initiatives. Our expected implementation plan in respect of our digitalization initiatives is as follows:

	[REDACTED] up to December 31, 2022 (USD'000)	Year ended December 31, 2023 (USD'000)	Year ended December 31, 2024 (USD'000)	Year ended December 31, 2025 (USD'000)	Total (USD'000)
(1) Adoption of new digital technologies and systems	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(2) Upgrading and optimizing existing digital software and systems	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(3) Recruitment of IT support personnel	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

To ensure that our business operations are in line with the burgeoning trend towards digitalization in the maritime shipping industry, we will devote our [REDACTED] to the adoption of new technologies and to upgrade our existing digital systems. We intend to continue to cooperate and utilize third party software providers to develop and upgrade our informational technology systems. Examples of new digital technologies and systems include new operational management systems for both our ship management and shipping services business segments such as a customer relationship management system and a big data platform to comprehensively analyse data garnered from our integrated services. Examples of upgrades to our existing software include upgrades to the LMS Online Crew Training System, our internal administrative and financial software as well as upgrades to our cloud storage and servers. We intend to implement such upgrades shortly after the [REDACTED], with the bulk of such upgrades to be conducted in or around 2024. We also intend to hire around five to eight IT support staff in total during 2023 to 2024 to oversee the implementation process of our new software and upgrades. Please see “Business — Our business strategies” for further details as to our planned digitalization initiatives. We intend to adopt and integrate such new platforms and software shortly after the [REDACTED] with major implementation to take place in or around 2023 and 2024.

FUTURE PLANS AND [REDACTED]

4. approximately [REDACTED]% or approximately HK\$[REDACTED] (equivalent to approximately USD[REDACTED]) will be allocated for our general working capital and other general corporate purpose to support our business operations.

The above allocation of the [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the indicative [REDACTED] range stated in this document. If the [REDACTED] is exercised in full, the [REDACTED] that we will receive will be approximately HK\$[REDACTED] (equivalent to approximately USD[REDACTED]), assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range). In the event that the [REDACTED] is exercised in full, we intend to apply the additional [REDACTED] to the above purposes in the proportions stated above.

The possible use of the [REDACTED] of the [REDACTED] outlined above may change in light of our evolving business needs and conditions, management requirements together with prevailing market circumstances. In the event of any material re-allocation or modification to the [REDACTED] as described above, we will issue an announcement and make disclosure in our annual report in accordance with the Listing Rules.

To the extent that the [REDACTED] of the [REDACTED] are not immediately required for the above purposes or if we are unable to put into effect any part of our development plan as intended, we may hold such funds in bank deposits at authorized financial institutions and/or licensed banks. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.