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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

See the section headed “Business — Our Strategies” in this prospectus for a detailed description of our future plans.

Our primary aim is to create shareholder value by leveraging our operating platform, competitive strengths and maintaining profitable growth, through the implementation of the following initiatives described in the section headed “Business — Our Strategies”:

- Expand our managerial and operational capabilities to broaden our comprehensive customer service offering. We are expanding our Shanghai and Melbourne operations and are evaluating the possibility of opening an office on the west coast of North America.
- Work with existing customers and new customers to develop and broaden further our customer base. Our increased presence in Shanghai, Melbourne and potentially the west coast of North America will enable us to undertake more extensive marketing efforts and increase the level of direct customer contact.
- Implement active tonnage procurement programmes to acquire newbuildings and secondhand vessels, and charter in vessels to meet any increased demand for our services from our customers. A portion of the proceeds from the Global Offering has already been committed towards this initiative.
- Focus our chartering operations on securing premium trades and back-haul cargoes.
- Consider building a presence in the Handymax segment. If we believe that there will be sufficient demand from our customers, we may decide to acquire additional newbuildings and secondhand vessels in this segment.

### USE OF PROCEEDS

We estimate that the aggregate net proceeds to us from the Global Offering (after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering and assuming an Offer Price of HK\$2.55 per Share, being the mid-point of the proposed Offer Price range of HK\$2.20 to HK\$2.90 per Share) will be approximately US\$74.5 million (HK\$581.0 million). We currently intend to use these net proceeds for our current and future development including the acquisition of appropriate Handysize and/or Handymax vessels and newbuilding contracts, and for general corporate purposes. For further information please refer to the sections headed “Business — Our Strategies” and “Future Plans” above. We intend to apply a portion of these net proceeds in the following manner (although these amounts may change for business reasons or otherwise):

We have entered into agreements to purchase the following vessels for an aggregate consideration of approximately US\$118.5 million payable in cash, conditional upon the completion of the Listing of our Shares. Approximately US\$47.4 million of the aggregate consideration will be satisfied from proceeds of the Global Offering and the remainder from new bank borrowings. Certain new loan facilities have already been arranged with banks and will be available upon listing. The terms of these loans are eight years from the date of drawdown and are repayable pursuant to an agreed quarterly repayment schedule. These loans will be secured by first priority mortgages on the vessels owned by the Group and a pledge of shares of the relevant companies which own such vessels.

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<u>Vessel</u>	<u>dwt</u>	<u>Year Built/ Delivered</u>	<u>Age</u>	<u>Builder</u>
Hakodate Hull No. 801 .....	32,000	2005	0	Hakodate, Japan
Pamukkale .....	28,100	2004	0	Imabari, Japan
Carina Venture .....	27,408	1997	7	Hudong, China
Happy Venture .....	27,414	1996	8	Hudong, China
Forest Venture .....	27,411	1996	8	Hudong, China
Kanda Hull TBA .....	32,000	2005	0	Kanda, Japan

We will continue to seek opportunities to acquire additional Handysize (and if appropriate Handymax) vessels and newbuilding contracts consistent with the section headed “Business — Our Strategies” and “Future Plans” above and will apply relevant amounts of the proceeds we receive from the Global Offering in pursuit of such objectives.

We currently believe that the net proceeds from the Global Offering, when combined with new bank borrowings, are sufficient for the uses set forth above. Proceeds not used to acquire vessels may be used for general corporate purposes, working capital and capital expenditure.

We will not receive any proceeds from the sale of the Sale Shares by the Selling Shareholders in the Global Offering. All of the net proceeds from the sale of the Sale Shares by the Selling Shareholders in the Global Offering will be for the account of the Selling Shareholders.

None of the net proceeds will be applied towards the acquisition of any property or company to which paragraph 12 of the Third Schedule of the Companies Ordinance applies. We will issue an announcement in Hong Kong if there is any material change in the above proposed use of proceeds. We will also update the prospectus if there is a material change in our proposed use of proceeds during the Global Offering period.