This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the [REDACTED].

There are risks associated with investment in companies listed on GEM. Some of the particular risks in investing in the [REDACTED] are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to invest in the [REDACTED].

1. BUSINESS OVERVIEW

The Group is a well-established integrated logistics solution provider founded in Malaysia with over 15 years of history. It principally provides comprehensive international freight services, transportation services as well as warehousing services to customers worldwide. The Group's revenue by services category can be presented as follows:

	Year ended 31 December 2014		Year ended 31 December 2015	
	RM'000[(4)]	%	RM'000[(4)]	%
1. Air freight forwarding and related services[(1)]	27,101	44.9	47,243	56.9
(a) Export	13,581	22.5	33,277	40.1
(b) Import	13,520	22.4	13,966	16.8
2. Sea freight forwarding and related services[(2)]	30,931	51.2	32,744	39.4
(a) Export	10,170	16.8	9,689	11.7
(b) Import	20,761	34.4	23,055	27.7
3. Trucking and warehouse related services[(3)]	2,343	3.9	3,057	3.7
Total	60,375	100	83,044	100

Notes:

(1) Air freight forwarding and related services include (a) import and export international freight services by air, arranging customs clearance, preparation of freight documentation and cargo handling at airports; and (b) transportations (trucking, haulage and value-added services); and (c) warehousing services which support such services.

(2) Sea freight forwarding and related services include (a) import and export international freight services by sea, arranging customs clearance, preparation of freight documentation and cargo handling at seaports; and (b) transportations (trucking, haulage and value-added services); and (c) warehousing services which support such services.

(3) The trucking services include general trucking, bonded trucking, haulage services and value-added services such as tracking and tracing of cargo. The warehousing services include general warehousing and warehousing services in free commercial zone to customers.

(4) For the purpose of illustration only, amounts denominated in Malaysian ringgit (RM) can be translated into HKD at the exchange rate as at the Latest Practicable Date of approximately RM1.00 = HK$1.90.

2. COMPETITIVE ADVANTAGES

The Directors believe that the Group's key competitive advantages are:

— the ability to provide a wide range of services to fulfill various logistics needs of its customers

— building up a reputation of quality and reliable services in the industry

— extensive experience and in-depth industry knowledge of the management team

— people-oriented management culture and emphasis on professionalism

— diversified customer base

— close working relationships with its suppliers

— ISO certified

3. SERVICES AND OPERATION

The Group's mission statement of "Service with Security" emphasises the Group's focus on helping customers to manage their cargo in a secure manner, so as to minimise the risk of theft and loss. The Group's management team members have equipped themselves with risk management knowledge by having attended risk management training, including understanding ISO 9001:2000 quality management system. The Group has also formulated and implemented security policies and procedures as well as setting up a security task force headed by Mr. Chin to ensure compliance of such policies and procedures. Moreover, the Group will strive to provide customers with viable options on better and more cost effective means to transport their cargo.

Air/sea freight forwarding and related services

Over 95% of the Group's turnover during the Track Record Period was attributable to the air/sea freight forwarding and related services. The Group cooperates with overseas freight forwarders in order to carry out comprehensive services to fulfill customers' demand. In general, logistics services in Malaysia will be carried out by the Group and the overseas portion of the logistics services will be carried out by overseas freight forwarders. For exports from Malaysia, the Group offers picking up of cargo from shippers in Malaysia and delivery to airports/seaports, customs clearance, various documentation and handling of cargo in the ports and cargo submission to the liner/carrier in Malaysia. For import into Malaysia, the Group is responsible for customs clearance in the ports in Malaysia, collection of cargo from the terminals, documentation and delivery of cargo to consignee in Malaysia. The Group purchases cargo space from airlines and ocean carriers for its services. Air freight charges represented approximately 32% to 44% whereas sea freight charges represented approximately 7% to 9% of the Group's cost of sales during the Track Record Period. Please refer to paragraph 5.2 of the section headed "Financial Information" in this document for further information.

Trucking services

To support its freight forwarding business, the Group offers trucking services, comprising transportation of cargo from warehouses or designated locations to ports and vice versa. As at 31 December 2015, the Group owns a fleet of 25 dedicated trucks, 10 prime movers and 69 trailers to support transportation of containers and loose cargo. The vehicles are of various sizes and tonnages to support its trucking and haulage activities. Trucks are fitted with GPS tracking system, immobilisers (to immobilise the engine), and panic buttons for drivers in case of hijacking. The Directors believe that risk management is becoming more important, particularly with high value cargo like laptops and sensitive cargos like passports. The Group also provides security escort services especially for transportation of high-value cargo that is prone to hijacking.

Warehousing services

The Group offers warehousing services to its customers as part of the integrated logistics solutions services over three locations in Kuala Lumpur International Airport, Penang Airport, and Port Klang (located near the two sea ports (west port and north port) in Port Klang). During the Track Record Period, the warehousing services provided in Port Klang mainly provided the general warehousing services. The warehousing services provided in the free commercial zone mainly serve as temporary storage places for goods waiting for export or transport to consignees in Malaysia.

The Group's self-owned and leased warehouses during the Track Record Period and as at the Latest Practicable Date are set out as follow:

	Size (sq.m.)	For the year ended 31 December 2014	For the year ended 31 December 2015	Latest Practicable Date
Self-owned[1]				
Port Klang	6,366	under development	under development	self-owned
Leased				
Port Klang[2]	3,530		leased	
Kuala Lumpur International Airport	324			leased
Penang International Airport	385		leased	leased

Notes:

(1) The Directors expected that increase in annual depreciation charges and other operating expenses as a result of the establishment of the Group's warehouse at Port Klang will be amounted to about RM0.6 million and RM0.8 million respectively.

(2) Temporary warehouse leased from 26 August 2015 to 15 March 2016.

During Track Record Period, the Group mainly engaged Independent Third Parties to provide its warehousing services in Port Klang, Kuala Lumpur International Airport and Penang Airport.

4. FREIGHT FORWARDING NETWORKS

To support the freight forwarding services, the Group joined six global freight forwarding networks. The members of the networks are freight forwarders from more than 186 countries which cover developed countries in US, Europe, Australia, Asia as well as Africa, Latin America and Middle East. As at 31 December 2015, the number of network members total more than 6,000.

By joining the networks, (i) the Group has access to quality overseas freight forwarders whom the Group can cooperate with to carry out logistics services overseas; (ii) these overseas freight forwarders can refer new businesses to the Group should their customers demand logistics services in Malaysia. In this regard, the overseas freight forwarders can, in certain circumstances, serve both as suppliers and customers of the Group. Further, the Group can rely on the standards of service provided by the freight forwarding partners as the network organisations will normally assess the freight forwarders carefully and conduct background and credibility checks before accepting them as the member of the networks; and the Group can utilise the worldwide freight forwarding networks to provide a complete range of international freight forwarding services which allows its customers to obtain point-to-point pick-up and delivery services from worldwide origins to Malaysia and from Malaysia to worldwide destinations.

Chart 1: Exports out of Malaysia

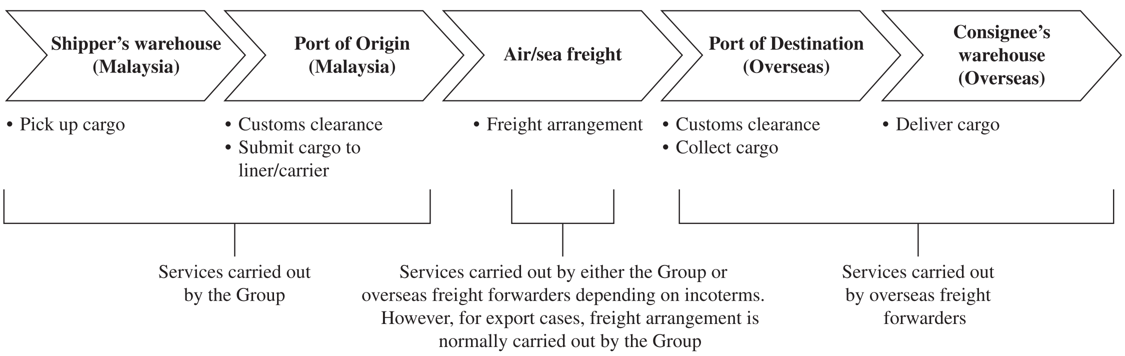
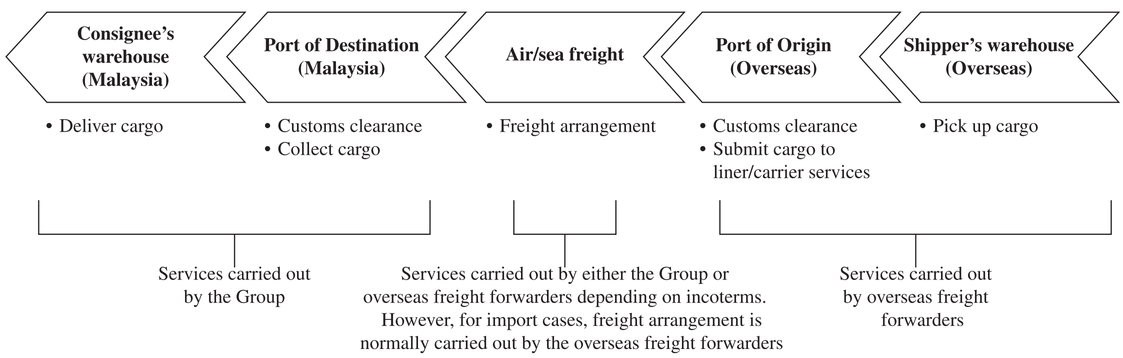


Chart 2: Imports into Malaysia



There are increasing businesses obtained from the leads provided through international sea/air freight businesses conducted hand-in-hand with overseas freight forwarders. Therefore, senior management of the Group will from time to time attend meetings organised by the six networks. During the Track Record Period, the Group actively participated in network meetings in Madrid, Mauritius, Phuket, Japan, Guangzhou, Shanghai and Hong Kong organised by different networks.

5. APPOINTED REGIONAL SERVICE PROVIDER OF COMPANY F

Company F is an international freight forwarding service provider and a group member of a company listed on the New York Stock Exchange. Company F appointed Worldgate Express as a non-exclusive regional service provider in Malaysia effective from 1 January 2010. From 1 January 2010 and up to the Latest Practicable Date, Company F has had no other regional service provider in Malaysia. Company F engaged the Group to provide logistics services to its customers in Malaysia. The Group also engaged Company F to provide logistics services in countries outside of Malaysia where Company F has its own offices.

During the Track Record Period, Company F had become the Group's largest customer and second largest supplier. Company F accounted for (i) approximately 18.9% and 32.0% of the Group's revenue for the years ended 31 December 2014 and 2015, respectively; and (ii) approximately 8.6% and 11.2% of the Group's total cost of sales for the years ended 31 December 2014 and 2015, respectively.

The Directors believe that the stable relationship with Company F is mainly due to the Group's reputation in the freight forwarding industry, its range of services offered, its knowledge and experience in the Malaysian logistics industry, its ability to meet their stringent requirements as well as its service quality.

The Directors believe that the experience gained in working with Company F will enable the Group to obtain a deeper understanding of the requirements and quality standards of its multinational customers, and will help the Group to improve its service quality offered to other customers. Further, the Directors also believe that the working relationship with Company F is testament to its high service standards, which in turn can attract more customers.

6. CUSTOMERS

The Group's customers comprise direct customers and overseas freight forwarders. The Group works closely with customers to develop logistics solutions that meet their unique requirements.

The Group's turnover by customer category during the Track Record Period is set out as below:

		Year ended 31 December 2014		Year ended 31 December 2015	
		RM'000	**%**	**RM'000**	**%**
1	Freight Forwarding and Logistics	22,808	37.8	40,287	48.5
(a)	Overseas network freight forwarders	17,729	29.4	35,408	42.6
(b)	Overseas non-network freight forwarders	1,764	2.9	2,792	3.4
(c)	Local freight forwarders	3,315	5.5	2,087	2.5
2	Direct Customers	37,567	62.2	42,757	51.5
(a)	Electrical and Electronics	16,186	26.8	19,964	24.0
(b)	Others(1)	21,381	35.4	22,793	27.5
		60,375	100.0	83,044	100.0

Note:

(1) Others include industries such as medical and furniture.

For each of the two years ended 31 December 2014 and 2015, the Group's five largest customers accounted for approximately 44.1% and 52.9% of its revenue, respectively. The Group prices its services on a cost-plus basis, and takes into account various factors such as the types of services provided, cost of cargo spaces and fees of third party service providers. The approximate price ranges for the Group's services during the Track Record Period are indicated in the following table:

Types of services	RM
Air freight forwarding and related services	
(a) Export	400–320,000
(b) Import	400–84,000
Sea freight forwarding and related services	
(a) Export	200–110,000
(b) Import	400–38,000
Trucking and related services	100–3,500
Warehouse and related services	1.2–6.4 per sq. feet per month

The wide price range for the Group's services was mainly attributable to the significant variation in the scope of services required by its customers. For example, the approximate fee for air freight forwarding and related services can range from RM400 to RM320,000 each transaction, the price difference is mainly due to the shipment origin and destination, the weight/volume of goods and the types of value-added services requested.

In particular, notwithstanding whether the transaction is export or import, the weight/volume of goods and the shipment origin and destination are the key determinants of the price charged per transaction if the customer requested for full range of services. The particulars of the transactions with maximum prices charged by the Group for its freight forwarding and related services during the Track Record Period are set out below:

Type of services	Approximate maximum price RM	Shipment origin/ destination	Approximate weight/volume
Air Export	320,000	Belgium	30,200 kg
Air Import	84,000	U.S.A.	5,900 kg
Sea Export	110,000	Nigeria	15 TEU
Sea Import	38,000	U.S.A.	2 TEU

The Directors consider that the above ranges are in line with the industry norm. Please refer paragraph 6 of the section headed "Business" in this document for more details.

7. CUSTOMER SERVICES

The Group recognises that good customer service is integral to its reputation in the logistics industry and to customer loyalty. Upon receiving enquiry for the Group's services, the sales department will discuss with the potential customers to understand their service requirements. The Group endeavours to work out the optimal way to support the customers with the aim to establishing long-term relationships with them. In order to evaluate potential customers and to comply with internal control risk management process, the Group also places emphasis on carrying out background checks on potential customers. The customer service department works together with the sales department to monitor bookings and update the customers on their shipment.

8. SUPPLIERS

The Group's suppliers are mainly suppliers of cargo space, suppliers of overseas freight and logistics services and subcontractors such as local ground transportation, and other logistics services providers.

For the years ended 31 December 2014 and 2015, the Group's top five suppliers were suppliers of cargo space and overseas freight forwarders, with total purchases from these top five suppliers accounting for approximately 33.5% and 46.9% of total cost of sales, respectively. For the same periods, the Group's largest supplier accounted for approximately 13.0% and 25.9% of total cost of sales, respectively.

9. AWARDS AND CERTIFICATIONS

The following table sets out some of the Group's major awards and certificates obtained during the Track Record Period:

Year(s) of certification/award	Certification/award	Awarding organisation or authority
2016	SMEs Best Brands Award in Logistics — Brand of the Year 2015–2016	The BrandLaureate
2015	ISO 9001:2008 (UKAS, DSM) in provision of air freight, sea freight, trucking and warehousing (logistics) services	Bureau Veritas Certification Holding SAS
2015	ASEAN Transport and Logistics Award	Centre for ASEAN Logistics Studies
2015	Top 10 GFP Partner	GFP Global Forwarding Partners Inc
2014	The BrandLaureate Signature Brand Award — Services Logistic Solutions	Asia Pacific Brands Foundation

10. MARKET INFORMATION

According to EMI, the logistics industry in Malaysia is fragmented and competitive. In 2014, total revenue of the logistics industry in Malaysia amounted to approximately RM30 billion. Industry players have estimated that in 2014, there were approximately 10,000 logistics and/or freight forwarding establishments, of which only some 2,000 hold customs [REDACTED] licences (and just over half this number is affiliated to the Federation of Malaysia Freight Forwarders). While several local firms have reported sizable market returns, the industry continues to be dominated by multinational firms who have a competitive advantage in economies of scale and wider geographical footprint. Please refer to paragraph 4.1 of the section headed "Industry Overview" in this document for more details.

Based on data provided by the Group and EMI's industry estimates, the total market size of the logistics market in Malaysia in terms of revenue receipts is estimated to be RM30,104 million in 2014, of which the Group assumes approximately 0.2% share.

The Group has been appointed as regional service provider to one of the leading logistics service providers, Company F, since 2010. Leveraging on Company F's network and its own experience in providing logistics services, the Directors believe that the Group is able to continue to grow in the competitive logistics industry in Malaysia.

11. SUMMARY OF FINANCIAL INFORMATION

Selected items in combined statement of comprehensive income

	Year ended 31 December	
	2014	2015
	RM'000	RM'000
Revenue	60,375	83,044
Gross Profit	13,386	20,813
Other Income[(1)]	897	2,122
Profit before tax	5,751	10,092
Profit for the year	3,875	6,969

Note 1:

	2014	2015
	RM'000	RM'000
Interest income from bank deposits	1	42
Gain on foreign exchange:		
— realised gain	475	800
— unrealised gain	406	997
Gain on disposal of property, plant and equipment	15	222
Others	—	61
	897	2,122

Selected items in combined statement of financial position

	Year ended 31 December	
	2014	2015
	RM'000	RM'000
Non-current asset	22,279	25,520
Current asset	21,521	42,943
Current liability	10,628	18,778
Net current assets	10,893	24,165
Non-current liabilities	16,663	19,380
Net assets	16,509	30,305

	Year ended 31 December	
	2014	2015
	RM'000	RM'000
Operating cash flows before changes in working capital	7,425	12,990

Key Financial Ratios

	Year ended 31 December	
	2014	2015
Revenue growth	—	37.5%
Net profit growth	—	79.8%
Gross profit margin	22.2%	25.1%
Net profit margin	6.4%	8.4%
Current ratio	2.0	2.3
Gearing ratio	115.7%	69.7%

The Group's turnover by branch offices during Track Record Period is set out in the table below:

	For the year ended	
	31 December 2014	31 December 2015
	RM'000	RM'000
Headquarters and others(1)	47,879	40,378
Penang	12,496	42,666
	60,375	83,044

Note:

(1) others include Malacca and Johor branches, revenue from these two branches are minimal, in aggregate, approximately 2% of the Group's turnover for each of the Track Record Period.

During the Track Record Period, the Penang branch had become the Group's growth engine. The Group's revenue generated from Penang branch is more than doubled in 2015 as compared to 2014. So far as the Directors are aware, an increasing number of companies are setting up manufacturing plants in Penang. Demand for logistics services in particular, the air export logistic freight forwarding and related services increased from these newly established plants to export finished goods manufactured to their overseas consignees. Leveraging on the Group's expertise in logistics services in Malaysia and the support of the freight forwarding networks, the Group successfully attracted new customers which generated recurring business for the Group. Further, the revenue from Company F also increased substantially from approximately RM11.4 million in 2014 to RM26.6 million in 2015.

The Group's gross profit margin and shipment volume by service category are set out in the table as follows:

	Year ended 31 December			
	2014		2015	
	Gross Profit Margin	Volume	Gross Profit Margin	Volume
Air freight forwarding and related services	21.4%		23.3%	
(a) Export		1.4 million kg		2.3 million kg
(b) Import		2.8 million kg		2.7 million kg
Sea freight forwarding and related services	21.5%		26.3%	
(a) Export		5,963 TEU		6,289 TEU
(b) Import		7,201 TEU		6,818 TEU
Trucking and warehouse related services	39.4%	*note 1*	38.8%	*note 1*

Note:

(1) Turnover from trucking and warehouse related services was immaterial during the Track Record Period.

The Group's gross profit margin by customer category is set out in the table as follows:

	Year ended 31 December	
	2014	2015
Freight forwarding and logistics	25%	28%
Direct customers	20%	23%

The increase in the Group's gross profit margin, gross profit margin of freight forwarding and logistics customers, gross profit margin of direct customers and net profit margin of the Group was mainly due to the fact that the Group managed to obtain better freight rates from its suppliers because of the increase in shipment volume and improved efficiency in its transportation business. During the Track Record Period, the Group substantially expanded its transportation fleet in order to reduce reliance on subcontractors for local trucking and haulage services. More transportation services were provided by the Group's own transportation fleet resulting in improved cost efficiency. The Group's largest customer, Company F, is classified under the freight forwarding and logistics customer category. Company F accounted for approximately 18.9% and 32.0% of the Group's revenue for the financial year ended 31 December 2014 and 2015 respectively. As the Group was able to obtain better freight rates for Company F's higher shipment volume as compare to that of the direct customers, therefore, gross profit margin of the freight forwarding and logistics customer category was higher than that of the direct customers category during the Track Record Period.

Given the increase in revenue and profit margins, the Group achieved high net profit growth of approximately 79.8% from approximately RM3.9 million in 2014 to RM7.0 million in 2015.

The Directors consider that both current ratio and gearing ratio were maintained at a healthy level during the Track Record Period. The Directors believe in managing its business in a prudent way which is in line with their business philosophies "Success with Prudence".

12. RECENT DEVELOPMENT

So far as the Directors are aware, the logistics industry in Malaysia remains relatively stable after the Track Record Period. As at the date of this document, there has been no material adverse change in the general economic and market conditions in the logistics industry in Malaysia that has affected or would affect the Group's business operations or financial condition materially and adversely.

Based on the unaudited financial information, the Group's unaudited turnover for the four months ended 30 April 2016 was higher than that of the four months ended 30 April 2015. Increase in demand for logistics services from some of the Group's multinational customers was due to reasons such as expansion of production lines in Malaysia.

To maintain the Group's commitment to attract young talents to join the Group and reinforce the Group's philosophy on talent creation, the Group participated in the "UCSI Campus Job Fair" in conjunction with UCSI University 30th Anniversary in March 2016. Since January 2016 and as at the Latest Practicable Date, the Group has retained eight new interns in the Penang branch and seven new interns in the Group's headquarter. The Group also hired a new legal and compliance executive to enhance the Group's best practices and corporate governance and a new sales personnel to promote the Group's business in Malacca and the southern region of Malaysia.

In February 2016, the Group received a new award "SMEs Best Brands Award in Logistics — Brand of the Year 2015/2016" from The Brand Laureate. In March 2016, the Group's own warehouse in Port Klang with an approximate total area of 6,366 sq.m. was set up for operations. The Group has obtained the certificate of membership from TAPA (Transported Asset Protection Association) as a registered Corporate Lite Member of TAPA Asia Pacific from 1 January 2016 to 31 December 2016, which required applicants to pass a detailed independent physical premises audit to ensure compliance with numerous Facility Security Requirements (FSRs).

On 12 May 2016, the Ministry of International Trade and Industry of Malaysia had certified a subsidiary of the Group is carrying out promoted activities in Malaysia and granted a pioneer certificate (No. 4981) for a period of five years from 1 July 2014 to 30 June 2019. Subject to certain conditions as agreed upon by the Ministry of International Trade and Industry of Malaysia together with the Ministry of Finance and also the final approval by the local tax authority in Malaysia, this subsidiary is entitled to a tax exemption of 70% on the statutory income of the subsidiary for each of the tax assessment years from 1 July 2014 to 30 June 2019. Assuming all these conditions are fulfilled and approval by the local tax authority in Malaysia is obtained, to the best estimation of the Directors, the subsidiary has over-provision of tax of RM347,000 and RM1,991,000 for the financial years ended 31 December 2014 and 2015, respectively. However, the Directors are uncertain as to whether this subsidiary can satisfy all these conditions throughout the remaining period of the pioneer certificate up to 30 June 2019 as granted and, in case these conditions have not been fulfilled, whether the tax exemptions available for the tax assessment years 2014 and 2015 will be adversely affected retrospectively.

According to Malaysia External Trade Statistics issued on 6 May 2016, for the first quarter of 2016, total trade were valued at RM346.38 billion compared with RM345.15 billion recorded during the same period of last year. Exports rebounded to RM185.16 billion, an increase of 1% as compared to a decline of 2.5% recorded in first quarter of 2015. Growth in exports was recorded to major markets namely, ASEAN, the United States, the European Union and Turkey. Imports were sustained at RM161.22 billion compared with RM161.91 billion recorded in January to March 2015. For the month of March 2016, exports, imports and total trade registered a double digit growth of 17.4%, 12.2% and 15%, respectively on a month-on-month basis. In view of the above, the Directors expect that the recent import and export trend of Malaysia has a positive impact on the operation and financial position of the Group.

The Company's subsidiaries have proposed a dividend of RM12 million after the Track Record Period. The Group received approximately RM7.8 million from [REDACTED] in February 2016 and the Group also generated positive cash flow from its operation (excluding one-off [REDACTED]). Therefore, the Directors believe that the settlement of the dividend upon [REDACTED] will have no material adverse impact on the cash flow of the Group.

13. BUSINESS STRATEGIES, FUTURE PLANS AND [REDACTED]

The Group aims to strengthen its position as an integrated logistics solution service provider in Malaysia. The Group's business strategies, future plans and [REDACTED] are summarised in the following table:

		Approximate amount of [REDACTED] to be used HK$' million	Approximate percentage of [REDACTED] to be used %
1.	Further expand its business in major gateways of Malaysia — expansion of Malacca and Johor branches — establish branch office in Padang Besar, Perlis, Malaysia (Thailand border) — purchase warehouse in Penang	[REDACTED]	[REDACTED]
2.	Expand the scope of services to cover cross border trucking, haulage and rail freight — expand into rail freight business (along the Singapore-Kunming Rail Link, e.g. Singapore, Malaysia and Thailand) — purchase warehouse in Padang Besar to support cross border trucking and haulage business	[REDACTED]	[REDACTED]
3.	Further strengthen the information technology systems — introduction of freight management software system (*Freight Management 3000*) to integrate accounting/finance, sales, and all operating activities, including warehouse management system, truck management system, freight management system — upgrading systems with new hardware, softwares, antivirus, and functions	[REDACTED]	[REDACTED]
4.	Attract and retain talented and experienced employees — Organise employee development and training programmes, compensation and benefits enhancement programmes, and career events	[REDACTED]	[REDACTED]
5.	Grow the business strategically through business acquisitions or business collaboration — Acquire freight forwarding business in South East Asia countries such as Singapore — Please refer to paragraph 3.5 of the section headed "Business"	[REDACTED]	[REDACTED]
6.	Repayment of bank loans — repayment of bank loan with interest rate of 4.65% (based on interest rate as at 31 December 2015) and maturity date in 2029	[REDACTED]	[REDACTED]
7.	Working Capital	[REDACTED]	[REDACTED]
	Total:	[REDACTED]	[REDACTED]

14. RISK FACTORS

Some of the material risk factors of the Group include the following:

— the Group may face difficulty in providing its integrated logistics services if it fails to renew or obtain its licences and permissions;

— future terrorist or extremist attacks, or the threat of such attacks, and cargo hijacking may increase the costs of the Group's operations and reduce demand for the Group's services;

— the Group relies on its business partners, overseas freight forwarders and other service providers;

— significant increases in cost of freight charges may materially and adversely affect the Group's business, financial condition and results of operations; and

— the business of the Group is highly dependent on information technology.

Please refer to the section headed "Risk Factors", paragraph 5.2 of the section headed "Industry Overview" and paragraph 22 of the section headed "Business" in this document for further details.

15. FUTURE PROSPECTS

The Directors believe that the formation of AEC on 31 December 2015 will bring great business opportunities to the Group. As stated in the EMI report, the AEC Blueprint 2025 consists mainly guidelines towards greater economic consolidation and connectivity. This development will invariably affect the region's logistics hubs as Blueprint is expected to bring about greater trade facilitation. Individual ASEAN countries have already begun putting in place national policies to shore up their country's competitiveness as part of their overall development drive, and in preparation for the AEC. Such measures are likely to lead to higher volume of goods moving both within and out of the region which will have a significant impact on the growth of the Malaysian logistics and freight forwarding industry in 2015–2019.

Also stated in the EMI report that massive investment by the Malaysian Government in recent large infrastructure projects, such as the construction of Kuala Lumpur International Airport, the East Coast Expressway and several rapid transit lines are expected to boost growth for the sector as freight forwarding companies can capitalise on these transport networks and boost Malaysia's reputation as a distribution and transhipment hub for domestic, regional and international movement of goods. Further, the new development of an electrified double-track rail for rail freight transport is expected to bring about an increase in cargo capacity to 20 million tonnes by the year 2035 as compared to the 5 million tonnes on average presently.

The Directors believe that the plans of opening up the border, improving infrastructures and simplification of the cargo clearance systems will shorten the transportation time, custom clearance time and reduce costs, which creates tremendous growth potential for the Group's logistics business in Malaysia and cross border business.

16. SHAREHOLDERS INFORMATION

The Controlling Shareholders

Immediately after completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares that may be allotted and issued upon the exercise of options which may be granted under the Share Option Scheme), RLDC Investment (which is wholly-owned by Mr. Lee and Mr. Chin in equal portion) will hold [REDACTED] Shares, representing [REDACTED] of the total issued share capital of the Company. None of RLDC Investment, Mr. Lee, Mr. Chin and their respective associates is engaged in any business which competes with the Group nor are there any connected transactions between any of them and the Group.

[REDACTED]

On 28 October 2015, Worldgate International entered into a [REDACTED] with each of Upright Plan and Champion Ascent, pursuant to which each of Upright Plan and Champion Ascent agreed to subscribe and Worldgate International agreed to allot and issue 13 shares of

Worldgate International, representing 13% of the enlarged issued shares of Worldgate International, to each of Upright Plan and Champion Ascent for a total cash consideration of HK$9,000,000 from each of Upright Plan and Champion Ascent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) Upright Plan is wholly and beneficially owned by Mr. Gan. Upright Plan and Mr. Gan is independent of and not connected with the Group and/or any connected person(s) of the Company; and (ii) Champion Ascent is beneficially owned by Mr. Gan as to 40% and Mr. Chang as to 60%. Champion Ascent and Mr. Chang is independent of and not connected with the Group and/or any connected person(s) of the Company.

17. ESTIMATED [REDACTED]

It is expected that the total [REDACTED], which are non-recurring in nature, will amount to approximately RM9.8 million (including [REDACTED]), of which approximately RM2.8 million is directly attributable to the issue of [REDACTED] in the [REDACTED] and to be accounted for as a deduction from equity upon completion of [REDACTED] in the year ending 31 December 2016. Approximately RM1.4 million has been recognised and charged to the combined statement of comprehensive income during the financial year ended 31 December 2015. The remaining estimated [REDACTED] of approximately RM5.6 million will be charged to the combined statement of comprehensive income upon [REDACTED].

Accordingly, the Group is expected to record a net loss for the six months ending 30 June 2016 and the financial results of the Group for the year ending 31 December 2016 are expected to be materially affected by the estimated one-off expenses in relation to the [REDACTED]. The Directors would like to emphasise that such cost is a current estimate for reference only and the final amount to be recognised in the combined statement of comprehensive income of the Group for the year ending 31 December 2016 is subject to adjustment based on audit and the then changes in variables and assumptions.

18. REASONS FOR THE [REDACTED] AND FUTURE PROSPECTS

The Directors believe that the [REDACTED] will assist the implementation of the Group's business strategies as stated in this document. The [REDACTED] from the [REDACTED] will provide financial resources to the Group to meet and achieve such business opportunities and strategies which will further strengthen the Group's market position in Malaysia. Moreover, a public [REDACTED] status will also enhance the Group's corporate profile and assist in reinforcing its brand awareness and market reputation. The Directors believe that a public [REDACTED] status on GEM could attract potential investors and customers and can enhance the Group's credibility with the public and potential business partners. Furthermore, given that Hong Kong has a stable currency pegged to USD, the [REDACTED] will also enable the Group to have access to capital market for raising funds both at the time of [REDACTED] and at later stages, which would in turn assist the Group's future business development. A public [REDACTED] status on GEM may offer the Company a broader shareholder base which will provide liquidity in the trading of the Shares.

19. [REDACTED] STATISTICS

The Group has prepared the following [REDACTED] statistics based on the indicative [REDACTED] of HK$[REDACTED] per [REDACTED] without taking into account the brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%:

	Based on the indicative [REDACTED] of HK$[REDACTED] per Share
Market capitalisation[(1)]	[REDACTED]
Unaudited pro forma adjusted net tangible asset value per Share[(2)]	[REDACTED]

Notes:

(1) The calculation of the market capitalisation of the Shares is based on [REDACTED] Shares in issue immediately after the completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares that may be allotted and issued upon the exercise of options which may be granted under the Share Option Scheme).

(2) The unaudited pro forma adjusted net tangible asset per Share is determined after the adjustments as described in notes 1 to 6 as set out in Appendix II "Unaudited Pro Forma Financial Information" in this document.

(3) The unaudited pro forma adjusted combined net tangible assets of the Group has not been adjusted to show the effect of the final dividend of RM12,000,000 proposed by the Company for the year ended 31 December 2015 in March 2016 (the "Dividend"). The unaudited pro forma adjusted combined net tangible assets of the Group after taking into account of the Dividend are set out below. The per share effect is based on [REDACTED] Shares as set out in note (4) below.

	Unaudited pro forma adjusted combined net tangible assets of the Group after taking into account of the Dividend	**Unaudited pro forma adjusted combined net tangible assets of the Group per Share after taking into account of the Dividend**	
	RM	**RM**	**HK$**
Based on the [REDACTED] of HK$[REDACTED] per [REDACTED]	[REDACTED]	[REDACTED]*	[REDACTED]*

* exchange rate used is RM1=HK$1.90

(4) The unaudited pro forma adjusted combined net tangible assets of the Group per Share is calculated based on [REDACTED] Shares expected to be in issue immediately following the completion of the [REDACTED] but takes no account of any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates.