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ON TIME LOGISTICS HOLDINGS LIMITED

先達國際物流控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6123)

CHANGE OF USE OF PROCEEDS

The Board announces that it has resolved to change the use of net proceeds from the Global Offering.

Reference is made to the prospectus dated 30 June 2014 (the “**Prospectus**”) issued by On Time Logistics Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to the Global Offering. Unless otherwise specified, capitalised terms used herein shall bear the same meanings as defined in the Prospectus.

The net proceeds from the Global Offering, after taking into account the exercise of the Over-allotment Option and after deducting the underwriting fees, commissions and other expenses in relation thereto, was approximately HK\$109.8 million. As disclosed in the Prospectus, the net proceeds was intended to be used by the Company in the following manner:

- (a) approximately HK\$42.2 million for expanding the office network of the Group in Asia and North America;
- (b) approximately HK\$3.5 million for expanding existing contract logistics facilities in the United States and the PRC;
- (c) approximately HK\$8.1 million for building and upgrading hardware and software for the IT system of the Group;

- (d) approximately HK\$10.2 million for recruiting additional personnel for the sales, contract logistics, business development and management teams of the Group in the PRC, the United States, Taiwan, the UAE and Japan;
- (e) approximately HK\$36.6 million for the repayment of a short-term bank loan; and
- (f) approximately HK\$9.2 million for general working capital and general corporate purposes.

As of 30 September 2015, the Group had used approximately HK\$36.6 million for the repayment of a short-term bank loan, approximately HK\$0.4 million for expanding the office network of the Group in Asia and North America, approximately HK\$2.2 million for expanding existing contract logistics facilities in the United States and the PRC, approximately HK\$3.5 million for recruiting additional personnel for the sales, contract logistics, business development and management teams of the Group in the PRC, the United States, Taiwan, the UAE and Japan and approximately HK\$9.1 million for general working capital and general corporate purposes. As such, the unutilised net proceeds from the Global Offering amount to approximately HK\$58 million.

In view of the changes in market environment as well as its trend and the economy in Europe, the Group has changed its expansion plan from the United States to Europe in order to capture the rebound of the Europe's economy. The Board has resolved to change the proposed use of the unutilized net proceeds of approximately HK\$58 million as follows:

- (a) approximately HK\$18 million for expanding the office network of the Group by acquisitions in the PRC;
- (b) approximately HK\$38 million for expanding the office network of the Group by acquisitions in Europe; and
- (c) approximately HK\$2 million for expanding the warehouse of the Group in Hong Kong.

The Directors (including the independent non-executive Directors) consider the above change of the use of the net proceeds from the Global Offering is fair and reasonable and in the interests of the Company and its shareholders as a whole.

By Order of the Board
On Time Logistics Holdings Limited
先達國際物流控股有限公司
Lam Chun Chin, Spencer
Chairman

Hong Kong, 30 October 2015

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Lam Chun Chin, Spencer, Mr. Hartmut Ludwig Haenisch, Ms. Cheung Ching Wa, Camy, Ms. Wong Pui Wah and Mr. Dennis Ronald de Wit; and three independent non-executive Directors, namely, Mr. Poon Ka Lee, Barry, Mr. Ng Wai Hung and Mr. Wong See Ho.