

STATEMENT OF BUSINESS OBJECTIVES AND USE OF PROCEEDS

BUSINESS OBJECTIVES AND STRATEGIES

Please refer to the section headed “Business — Business strategies” in this document for the Group’s business objectives and strategies.

IMPLEMENTATION PLANS

In order to implement the business objectives and strategies as described above, set forth below are the implementation plans of the Group for each of the six-month periods from the Latest Practicable Date until 31 December 2017. It should be noted that the implementation plans are formulated on the bases and assumptions referred to in the section headed “Statement of business objectives and use of proceeds — Bases and assumptions” below. These bases and assumptions are subject to many uncertainties and unpredictable factors, in particular the risk factors set forth in the section headed “Risk factors” in this document.

From the Latest Practicable Date to 31 December 2015

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|---|---|
| Further development of the Group’s building services engineering business | <ul style="list-style-type: none">● Undertake more projects for the building service engineering business should the Group be able to identify and secure suitable business opportunities, with HK\$[REDACTED] million earmarked for satisfying potential customers’ requirements for surety bonds |
| Further expansion of service scope | <ul style="list-style-type: none">● Recruit 3 staff with relevant experience to prepare relevant submission documents to the Works Branch of Development Bureau for the registration of Approved Suppliers of Materials and Specialist Contractors for Public Works (Group II) in order to broaden the Group’s business opportunities |
| Further strengthening the Group’s engineering department | <ul style="list-style-type: none">● Sponsor the engineering staff to attend technical seminars and occupational health and safety courses organised by third parties |

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For the six months ending 30 June 2016

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|---|--|
| Further development of the Group's building services engineering business | <ul style="list-style-type: none">● Undertake more projects for the building service engineering business should the Group be able to identify and secure suitable business opportunities, with HK\$[REDACTED] million earmarked for satisfying potential customers' requirements for surety bonds |
| Further expansion of service scope | <ul style="list-style-type: none">● Submit the application to the Works Branch of Development Bureau for the registration of Approved Suppliers of Materials and Specialist Contractors for Public Works (Group II) |
| Further strengthening the Group's engineering department | <ul style="list-style-type: none">● Recruit 5–10 additional middle to senior level engineering staff to cope with the business development and the plan to further develop the Group's building services engineering business● Sponsor the engineering staff to attend technical seminars and occupational health and safety courses organised by third parties |

For the six months ending 31 December 2016

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|---|--|
| Further development of the Group's building services engineering business | <ul style="list-style-type: none">● Undertake more projects for the building service engineering business should the Group be able to identify and secure suitable business opportunities, with HK\$[REDACTED] million earmarked for satisfying potential customers' requirements for surety bonds |
| Further expansion of service scope | <ul style="list-style-type: none">● Completion of the application to the Works Branch of Development Bureau for the registration of Approved Suppliers of Materials and Specialist Contractors for Public Works (Group II) |
| Further strengthening the Group's engineering department | <ul style="list-style-type: none">● Sponsor the engineering staff to attend technical seminars and occupational health and safety courses organised by third parties |

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For the six months ending 30 June 2017

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|---|--|
| Further development of the Group's building services engineering business | <ul style="list-style-type: none">● Undertake more projects for the building service engineering business should the Group be able to identify and secure suitable business opportunities, with HK\$[REDACTED] million earmarked for satisfying potential customers' requirements for surety bonds |
| Further expansion of service scope | <ul style="list-style-type: none">● Evaluate the need to obtain further licences, permits and/or qualifications to enhance the competitiveness of the Group |
| Further strengthening the Group's engineering department | <ul style="list-style-type: none">● Recruit 5–10 additional middle to senior level engineering staff to cope with the business development and the plan to further develop the Group's building services engineering business● Sponsor the engineering staff to attend technical seminars and occupational health and safety courses organised by third parties |

For the six months ending 31 December 2017

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|---|--|
| Further development of the Group's building services engineering business | <ul style="list-style-type: none">● Undertake more projects for the building service engineering business should the Group be able to identify and secure suitable business opportunities, with HK\$[REDACTED] million earmarked for satisfying potential customers' requirements for surety bonds |
| Further expansion of service scope | <ul style="list-style-type: none">● Commence the preparation of obtaining further licences, permits and/or qualifications if consider in the interests of the Group |
| Further strengthening the Group's engineering department | <ul style="list-style-type: none">● Sponsor the engineering staff to attend technical seminars and occupational health and safety courses organised by third parties |

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BASES AND ASSUMPTIONS

The Directors have adopted the following principal assumptions in the preparation of the implementation plan up to 31 December 2017.

- (a) there will be no material changes in the existing political, legal, fiscal or economic conditions in Hong Kong, and any other places in which any member of the Group carries on or will carry on business and provides or will provide human resources related services;
- (b) the Group will not be materially affected by any risk factors set out in the section headed “Risk factors” in this document;
- (c) there will be no material changes in the bases (such as inflation and interest rate) or rates of taxation in Hong Kong or in any other places in which any member of the Group operates or will operate or is incorporated;
- (d) the [REDACTED] will be completed in accordance with and as described in the section headed “Structure and conditions of the [REDACTED]” to this document;
- (e) the Group is able to retain its customers and suppliers;
- (f) the Group will be able to retain key staff in the management and the main operational departments; and
- (g) the Group will be able to continue its operations in substantially the same manner as the Group has been operating during the Track Record Period and the Group will be able to carry out the development plans without disruptions adversely affecting its operations or business objectives in any way.

REASONS FOR THE [REDACTED] AND USE OF PROCEEDS

The Directors believe that the listing of the Shares on GEM will enhance its corporate profile and brand image and the net proceeds from the [REDACTED] will strengthen its financial position and will enable the Group to implement its business plans set out in the paragraph headed “Implementation plans” above. Furthermore, a public listing status on the Stock Exchange will offer the Group access to capital market for corporate finance exercise to assist in future business development, enhance its corporate profile and strengthen its competitiveness.

The net proceeds from the [REDACTED] based on the [REDACTED] Price of HK\$[REDACTED] per Share (being the mid-point of the stated range of the [REDACTED] Price), after deducting the related expenses, are estimated to be approximately HK\$[REDACTED] million (assuming the [REDACTED] is not exercised). The Directors presently intend that the net proceeds will be applied as follows:

- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED] million, for the further development of the Group’s building services engineering business;
- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED] million, for the further expansion of service scope;

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- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED] million, for the further strengthening the Group’s engineering department; and
- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED] million, for the general working capital.

In summary, the implementation of the Group’s business objectives and strategies from the Latest Practicable Date to 31 December 2017 will be funded by the net proceeds from the [REDACTED] as follows:

	From the Latest Practicable		For the six months ending			Total
	Date to					
	31 December	30 June	31 December	30 June	31 December	
	2015	2016	2016	2017	2017	
	<i>HK\$m</i>	<i>HK\$m</i>	<i>HK\$m</i>	<i>HK\$m</i>	<i>HK\$m</i>	<i>HK\$m</i>
Further development of the Group’s building services engineering business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Further expansion of service scope	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Further strengthening the Group’s engineering department	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

The Directors consider that the net proceeds from the [REDACTED] and the Group’s internal resources will be sufficient to finance the Group’s business plans up to the year ending 31 December 2017.

In the event that the [REDACTED] Price is set at the high-end and the low-end of the proposed [REDACTED] Price range, the Group will receive net proceeds of approximately HK\$66.7 million and HK\$47.7 million, after deducting related expenses, respectively. If the [REDACTED] Price is set at the high-end or low-end of the proposed [REDACTED] Price, the Directors intend to adjust the allocation of the net proceeds to the usage in the proportions stated above.

If the [REDACTED] is exercised in full, the net proceeds from the [REDACTED] will increase to (i) approximately HK\$[REDACTED] million, after deducting related expenses, assuming that the [REDACTED] Price is determined at the mid-point of the indicative range of the [REDACTED] Price and (ii) approximately HK\$[REDACTED] million and HK\$[REDACTED] million, after deducting related expenses, assuming that a [REDACTED] Price of HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED] Share, being the highest point and the lowest point of the indicative [REDACTED] Price range, respectively. The Directors intend to adjust the allocation of the net proceeds to the usage in the proportions stated above.

To the extent that the net proceeds from the [REDACTED] are not immediately required for the above purposes, it is the present intention of the Directors that such net proceeds be placed in short-term interest bearing deposit accounts held with authorised financial institutions.