

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” in this document. 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 services engineering business should the Group be able to identify and secure suitable business opportunities by earmarking HK\$[REDACTED] million for satisfying potential customers’ requirements for surety bonds |
| Further expansion of service scope | <ul style="list-style-type: none">● Recruit two staff with relevant experience to prepare relevant submission documents to the Works Branch of Development Bureau for the registration of approved contractor on the air-conditioning installation category (Group II) of the Specialist List in order to broaden the Group’s business opportunities, and HK\$[REDACTED] million is earmarked for increasing the paid-up share capital of Lap Kei from HK\$600,000 to a minimum of HK\$[REDACTED] million, as one of the requirements for the application of approved contractor on the air-conditioning installation category (Group II) of the Specialist List |
| 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 services engineering business should the Group be able to identify and secure suitable business opportunities by earmarking HK\$[REDACTED] million 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 contractor on the air-conditioning installation category (Group II) of the Specialist List |
| Further strengthening the Group's engineering department | <ul style="list-style-type: none">● Recruit 5–9 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 services engineering business should the Group be able to identify and secure suitable business opportunities by earmarking HK\$[REDACTED] million 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 contractor on the air-conditioning installation category (Group II) of the Specialist List |
| 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 | ● Undertake more projects for the building services engineering business should the Group be able to identify and secure suitable business opportunities by earmarking HK\$[REDACTED] million for satisfying potential customers' requirements for surety bonds |
| Further expansion of service scope | ● 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 | ● 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 | ● Undertake more projects for the building services engineering business should the Group be able to identify and secure suitable business opportunities by earmarking HK\$[REDACTED] million for satisfying potential customers' requirements for surety bonds |
| Further expansion of service scope | ● 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 | ● 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]” in 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 [REDACTED] 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 section headed “Statement of business objectives and use of proceeds — Implementation plans” in this document. Furthermore, a public [REDACTED] 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, after deducting the related expenses, are estimated to be approximately HK\$[REDACTED] million. 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; and

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- approximately [REDACTED] of the net proceeds, or approximately HK\$[REDACTED] million, for further strengthening the Group's engineering department.

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 Date to		For the six months ending			Total
	31 December 2015	30 June 2016	31 December 2016	30 June 2017	31 December 2017	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</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	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
	<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.

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.

Among the [REDACTED] Shares of [REDACTED] Shares, there are an aggregate of [REDACTED] Sale Shares offered by the Selling Shareholder at the [REDACTED] Price. The net proceeds to be received by the Selling Shareholder from the sale of the Sale Shares will amount to approximately HK\$[REDACTED] million. The Company will not receive any of the proceeds from the sale of the Sale Shares by the Selling Shareholder under the [REDACTED].