
STATEMENT OF BUSINESS OBJECTIVES AND USE OF PROCEEDS

BUSINESS OBJECTIVES AND STRATEGIES

Please refer to the paragraph headed “Business strategies” under the section headed “Business” in this [REDACTED] 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 March 2018. It should be noted that the implementation plans are formulated on the bases and assumptions referred to in the paragraphs under the sub-section headed “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” to this [REDACTED].

From the Latest Practicable Date to 31 March 2016

- | | |
|---|--|
| Further expanding the Group’s capacity to capture more business opportunities | <ul style="list-style-type: none">● Undertake more Development Bureau projects should the Group be able to identify and secure suitable business opportunities, with HK\$[REDACTED] earmarked for satisfying the various requirements as discussed in the section headed “Regulatory overview — Hong Kong — The laws in relation to contractor licensing — Development Bureau projects” to this [REDACTED]● Recruit up to about 1 project manager and 4 relevant project staff to enhance the Group’s capacity for securing more projects |
| Further development of the Group’s structural engineering business | <ul style="list-style-type: none">● Undertake more design and build projects should the Group be able to identify and secure suitable business opportunities, with HK\$[REDACTED] earmarked for satisfying potential customers’ requirements for surety bonds |
| Enhancing the Group’s design and customisation capabilities | <ul style="list-style-type: none">● Open a new office for expansion of the Group’s structural design and shop drawing teams● Recruit up to about 10 additional designers and draftsmen to strengthen the design and customisation capabilities of the Group● Sponsor the designers and other relevant staff to attend technical seminars and occupational health and safety courses organised by third parties |

STATEMENT OF BUSINESS OBJECTIVES AND USE OF PROCEEDS

For the six months ending 30 September 2016

- | | |
|---|---|
| Further expanding the Group’s capacity to capture more business opportunities | <ul style="list-style-type: none">● Recruit up to about 1 to 4 project staff to cope with the business development |
| Further development of the Group’s structural engineering business | <ul style="list-style-type: none">● Undertake more design and build projects should the Group be able to identify and secure suitable business opportunities, with HK\$[REDACTED] earmarked for satisfying potential customers’ requirements for surety bonds |
| Enhancing the Group’s design and customisation capabilities | <ul style="list-style-type: none">● Recruit up to about 3 additional designers and draftsmen to strengthen the design and customisation capabilities of the Group● Sponsor the designers and other relevant staff to attend technical seminars and occupational health and safety courses organised by third parties |

For the six months ending 31 March 2017

- | | |
|---|---|
| Further expanding the Group’s capacity to capture more business opportunities | <ul style="list-style-type: none">● Recruit up to about 1 to 4 project staff to cope with the business development |
| Further development of the Group’s structural engineering business | <ul style="list-style-type: none">● Undertake more design and build projects should the Group be able to identify and secure suitable business opportunities, with HK\$[REDACTED] earmarked for satisfying potential customers’ requirements for surety bonds |
| Enhancing the Group’s design and customisation capabilities | <ul style="list-style-type: none">● Recruit up to about 3 additional designers and draftsmen to strengthen the design and customisation capabilities of the Group● Sponsor the designers and other relevant staff to attend technical seminars and occupational health and safety courses organised by third parties |

STATEMENT OF BUSINESS OBJECTIVES AND USE OF PROCEEDS

For the six months ending 30 September 2017

- | | |
|---|---|
| Further expanding the Group’s capacity to capture more business opportunities | <ul style="list-style-type: none">● Recruit up to about 1 to 4 project staff to cope with the business development |
| Enhancing the Group’s design and customisation capabilities | <ul style="list-style-type: none">● Recruit up to about 3 additional designers and draftsmen to strengthen the design and customisation capabilities of the Group● Sponsor the designers and other relevant staff to attend technical seminars and occupational health and safety courses organised by third parties |

For the six months ending 31 March 2018

- | | |
|---|---|
| Further expanding the Group’s capacity to capture more business opportunities | <ul style="list-style-type: none">● Recruit up to about 1 to 4 project staff to cope with the business development |
| Enhancing the Group’s design and customisation capabilities | <ul style="list-style-type: none">● Recruit up to about 3 additional designers and draftsmen to strengthen the design and customisation capabilities of the Group● Sponsor the designers and other relevant staff to attend technical seminars and occupational health and safety courses organised by third parties |

Note: Any amounts allocated above but unutilised in the relevant period will be rolled over to subsequent periods and any funding requirements in any periods exceeding the above allocation amounts will be satisfied by the Group’s internal resources.

BASES AND ASSUMPTIONS

The Directors have adopted the following principal assumptions in the preparation of the implementation plan up to 31 March 2018:

- (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 its business and provides or will provide human resources related services;
- (b) there will be no material changes in the bases 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;
- (c) the [REDACTED] will be completed in accordance with and as described in the section headed “Structure and conditions of the [REDACTED]” to this [REDACTED];

STATEMENT OF BUSINESS OBJECTIVES AND USE OF PROCEEDS

- (d) the Group is able to retain its customers and suppliers;
- (e) the Group will be able to retain key staff in the management and the main operational departments;
- (f) the Group will not be materially affected by any risk factors set out in the section headed “Risk factors” to this [REDACTED]; 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 [REDACTED] 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 [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], after deducting the related expenses, are estimated to be approximately HK\$[REDACTED]. The Directors presently intend that the net proceeds will be applied as follows:

- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED], for further expanding the Group’s capacity to capture more business opportunities;
- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED], for further development of the Group’s structural engineering business;
- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED], for enhancing the Group’s design and customisation capabilities; and
- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED], for the general working capital.

STATEMENT OF BUSINESS OBJECTIVES AND USE OF PROCEEDS

In summary, the implementation of the Group’s business objectives and strategies from the Latest Practicable Date to 31 March 2018 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 March 2016	30 September 2016	31 March 2017	30 September 2017	31 March 2018	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Further expanding the Group’s capacity to capture more business opportunities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Further development of the Group’s structural engineering business	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhancing the Group’s design and customisation capabilities	[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] will be sufficient to finance the Group’s business plans up to the year ending 31 March 2018.

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.