

FUTURE PLANS AND USE OF PROCEEDS

BUSINESS OBJECTIVES AND STRATEGIES

Our business objective is to become the largest and the most acclaimed car park flooring service provider in Hong Kong. We will endeavor to achieve our business objective by implementing the business strategies as described in the section headed “Business – Business strategies” in this document.

BASES AND ASSUMPTIONS

Potential investors should note that the attainability of our business objective depends on a number of assumptions, in particular:

- there will be no material changes in the existing political, legal, fiscal, social or economic conditions in Hong Kong or in any other places in which any member of our Group carries on its business or will carry on its business;
- there will be no material changes in legislation or regulations whether in Hong Kong or elsewhere materially affecting the business carried on by our Group;
- there will be no significant changes in our Group’s business relationship with our major customers and suppliers;
- there will be no material changes in the funding required for each of the scheduled plans as outlined under “Implementation plan” in this section;
- the [REDACTED] will be completed in accordance with and as described in the section headed “Structure and Conditions of the [REDACTED]” in this document;
- our Group will not be materially affected by the risk factors as set out in the section headed “Risk Factors” in this document; and
- 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 our Group operates or will operate.

USE OF PROCEEDS

We estimate that the net proceeds to be received by us from the [REDACTED], after deducting the underwriting commission and related expenses payable by our Company in the aggregate amount of approximately HK\$[REDACTED], will be approximately HK\$[REDACTED]. We intend to apply the net proceeds from the [REDACTED] as follows:

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- approximately HK\$[REDACTED], representing [REDACTED] of the net proceeds from the [REDACTED], will be used for expanding our presence in the refurbishment market and purchase of an office;
- approximately HK\$[REDACTED], representing [REDACTED] of the net proceeds from the [REDACTED], will be used for strengthening our Group’s leading position in the new construction market by improving our overall capacity and project management efficiency;
- HK\$[REDACTED], representing [REDACTED] of the net proceeds from the [REDACTED], will be used for repayment of shareholder’s loan; and
- approximately HK\$[REDACTED], representing [REDACTED] of the net proceeds from the [REDACTED], will be used for general working capital and other general corporate uses of our Group.

In the event that any part of the future plans does not materialise or proceed as planned, we will carefully evaluate the situation and may reallocate the intended funding to our other future plans and/or place the proceeds on short-term interest bearing deposit accounts with licensed banks in Hong Kong so long as we consider it to be in the best interest of our Company and our Shareholders taken as a whole. Should our Directors decide to allocate the net proceeds from the [REDACTED] to business plans and/or new projects of our Group other than those disclosed in this document after the Listing, we will make an announcement to notify our Shareholders and investors of the changes in compliance with the GEM Listing Rules.

IMPLEMENTATION PLAN

Our Group’s implementation plans are set forth below for each of the six-month periods until 31 March 2019. It should be noted that the implementation plans and their scheduled times for attainment are formulated on the bases and assumptions referred to “Bases and assumptions” in this section. These bases and assumptions are inherently subject to many uncertainties, variables and unpredictable factors, in particular the risk factors set out in the section headed “Risk Factors” in this document. Our Group’s actual course of business may vary from the business objectives set out in this document. There can be no assurance that the plans of our Group will materialise in accordance with the expected time frame or that the objectives of our Group will be accomplished at all. Nevertheless, our Directors will use their best endeavors to anticipate future changes in the industry, take measures and be flexible so that our Group may stay ahead of or react timely and appropriately to such changes.

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Based on our Group’s business objectives, our Directors intend to carry out the following implementation plan:

	From the Latest Practicable Date to 31		For the six months ending			Total amount to be funded by the net proceeds of the
	March 2017	30 September 2017	31 March 2018	30 September 2018	31 March 2019	[REDACTED]
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
(1) Expanding our presence in the refurbishment market						
- Recruit additional sales and marketing staff	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
- Organise seminars for landlords, incorporated owners and property management companies	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
- Send new and existing sales and site staff to suppliers’ factories for product training	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
- Place advertisements in property and decoration magazines for consumer market	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
- Purchase of an office	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(2) Strengthening our leading position in the new construction market by improving our overall capacity and project management efficiency						
<i>Strengthen our sales and marketing efforts and accordingly our Group’s brand awareness in the industry</i>						
- Place advertisements in industry magazines to promote our brand to architects and professional readers	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
- Organise seminars, luncheon presentation for active industry players such as architects, consultancy firms, main contractors and developers and participate in exhibitions to promote our awareness and gather market intelligence to create higher Company profile	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
- Recruit one sales and marketing team leader with industry knowledge	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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	From the Latest Practicable Date to 31		For the six months ending			Total amount to be funded by the net proceeds of the
	March 2017 HK\$'000	30 September 2017 HK\$'000	31 March 2018 HK\$'000	30 September 2018 HK\$'000	31 March 2019 HK\$'000	[REDACTED] HK\$'000
<i>Broaden our product portfolio</i>						
- Continue to expand supplier base by approaching new suppliers and provide staff training on new products	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<i>Strengthening our manpower and capacity</i>						
- Hire two project managers with minimum five years experience in construction industry	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
- Hire two site foremen to overview the operations of sites	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
- Hire one assistant quantity surveyor with relevant qualification and experience	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
- Hire supporting staff	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<i>Acquisition of additional machineries</i>						
- Procure additional machineries as well as light goods and passengers vehicles for transporting workers and machineries	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<i>Enhancement of project management efficiency</i>						
- Procure and upgrade operating system, computer and server equipment for operational enhancement	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total:	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(3) Repayment of shareholders' loan	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(4) General working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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REASONS FOR THE LISTING

We believe a listing status would enhance our corporate profile and recognition and reinforce our awareness and image among both our existing and potential customers. It would also generate reassurance amongst our existing customers and suppliers and strengthen our competitiveness in the market. In the context of our planned business expansion of the refurbishment market, a listing could place more confidence amongst a wide customer base to which we aim to pursue in this segment. It would also enable us to convince new suppliers of car park flooring materials to establish business relationship with us and to grant us better terms.

Prior to the Listing, funding of our business activities was primarily from our own internally generated cash flow. In order to seek funding for payment of expenses associated with the Listing exercise prior to the actual listing, we had invited the [REDACTED] Investors to invest in a total of 16.5% interest in our Company for a total consideration of approximately HK\$15.4 million in August 2015. We are currently in discussion with a commercial bank with a view to seeking credit facilities following Listing. Consequently, we believe the [REDACTED] would broaden not only our equity financing alternatives to cover public investors but could also enable us to seek bank financing at more favorable terms to finance our future business needs.

We also consider that a listing may offer our Company a broader shareholder base which could potentially lead to a more liquid market in the trading of the Shares. With the appointment of our independent board of non-executive Directors, we also believe our internal control and corporate governance practices will be enhanced following the Listing.