
BUSINESS OBJECTIVE AND [REDACTED]

BUSINESS OBJECTIVE

Our primary business objective is to strengthen our position to take in more fitting-out, renovation and A&A projects in order to broaden our income sources, expand our customer base and achieve sustainable growth.

BUSINESS STRATEGIES AND FUTURE PLANS

Please refer to the section headed “Business – Business strategies” of this document for a detailed description of our business strategies and future plans.

IMPLEMENTATION PLANS

We will endeavour to achieve the following milestones during the period from the Latest Practicable Date to 31 March 2019, and the respective scheduled completion time are based on certain bases and assumptions as set out in the paragraph headed “Bases and key assumptions of the business plans” in this section. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors set out in the section headed “Risk Factors” of this document. Therefore, there is no assurance that our business plans will materialise in accordance with the time frame and that our future plans will be accomplished at all.

From the Latest Practicable Date to 31 March 2017

Business strategy	Implementation activities	Source of funds
Participate further in large scale fitting-out, renovation and A&A projects and enlarge our market share in Hong Kong	● Utilise [REDACTED] from the [REDACTED] to finance the net cash outflows required in the early stage of two new projects with expected aggregate contract sum of not less than approximately HK\$7 million, including the upfront payments to the materials suppliers and subcontractors and take out surety bonds if necessary. These payments are paid upfront before we receive progress payment from our clients	[REDACTED] of approximately [REDACTED]
Participate in competitions and exhibitions to promote and develop our interior design and fitting-out business	● We will participate in one interior design competition, aiming at winning an award which could bolster our market reputation and demonstrate our strength in interior design	[REDACTED] of approximately [REDACTED]

BUSINESS OBJECTIVE AND [REDACTED]

Business strategy	Implementation activities	Source of funds
Expand our manpower for project execution and strengthen the skills of our staff	<ul style="list-style-type: none"> Identify suitable candidates to fill our Group’s openings of one project manager and one project coordinator with relevant experience Organise in-house seminars and invite external speakers to provide taught training on construction methodology, project management and work safety in the in-house seminars 	[REDACTED] of approximately [REDACTED]
Strengthen our business development and quantity surveying and enhance our marketing resources	<ul style="list-style-type: none"> Set up a business development department which is to be headed by Ms. Wong, our executive Director Form a quantity surveying team which will consist of one quantity survey manager, one quantity surveyor and one project assistant, with sufficient relevant quantity surveying experience, which will assist our Group in preparing tenders, payment applications and controlling project costs Identify suitable candidates with business development experience Design, create and print our corporate brochures New design for our corporate website and its continuing maintenance 	[REDACTED] of approximately [REDACTED]
Total:		[REDACTED]

BUSINESS OBJECTIVE AND [REDACTED]

From 1 April 2017 to 30 September 2017

Business strategy	Implementation activities	Source of funds
Participate further in large scale fitting-out, renovation and A&A projects and enlarge our market share in Hong Kong	<ul style="list-style-type: none"> ● Utilise [REDACTED] from the [REDACTED] to finance the net cash outflows required in the early stage of three new projects with expected aggregate contract sum of not less than approximately HK\$7.5 million, including the upfront payments to materials suppliers and subcontractors ● In addition to previous successfully bid projects, our Group intends to submit tenders for project sum exceeding HK\$10 million in the fitting-out, renovation and A&A works industry. Our Directors confirm that surety bonds amounting to 10% to 30% are often required by the customers for the contractors to take out to guarantee due performance on projects of this size ● Undertake new large-sized projects with aggregate contract sum of not less than HK\$50 million and duration of the projects is expected to last for at least 12 months 	[REDACTED] of approximately [REDACTED]
Participate in competitions and exhibitions to promote and develop our interior design and fitting-out business	<ul style="list-style-type: none"> ● Participate in two interior design competitions, aiming at awards which could bolster our market reputation and demonstrate our strength in interior design ● Participate in one interior design related public exhibition as an exhibitor ● Build our interior design and fitting-out mock-up unit in our new office which will be open for public ● Identify suitable candidates to fill our two designer posts and one project manager (interior design) openings 	[REDACTED] of approximately [REDACTED]

BUSINESS OBJECTIVE AND [REDACTED]

Business strategy	Implementation activities	Source of funds
Expand our manpower for project execution and strengthen the skills of our staff	<ul style="list-style-type: none"> Continue to assess the sufficiency of our labour resources having regard to our project execution need and business development demand Organise in-house seminars and invite external speakers to provide or sponsor our project team staff to take taught training on construction methodology, project management and work safety Renovate our new office to cater to enlarged workforce and prepare for new business opportunities in the residential sector, when our existing office lease is due to expire 	[REDACTED] of approximately [REDACTED]
Strengthen our business development and quantity surveying and enhance our marketing resources	<ul style="list-style-type: none"> Maintain our business development department which is to be headed by Ms. Wong, our executive Director Identify suitable candidate to fill one business development position for interior design and fitting-out business Design, create and print our corporate brochures Continue to maintain our quantity surveying team Continue to maintain and improve our corporate website 	[REDACTED] of approximately [REDACTED]
Total:		[REDACTED]

BUSINESS OBJECTIVE AND [REDACTED]

From 1 October 2017 to 31 March 2018

Business strategy	Implementation activities	Source of funds
Participate further in large scale fitting-out, renovation and A&A projects and enlarge our market share in Hong Kong	<ul style="list-style-type: none"> ● Utilise [REDACTED] from the [REDACTED] to finance the net cash outflows required in the early stage of three new projects with expected aggregate contract sum of not less than approximately HK\$7.5 million, including the upfront payments to materials suppliers and subcontractors ● Our Group intends to submit tenders for project sum exceeding HK\$10 million in the fitting-out, renovation and A&A works industry. Our Directors confirm that surety bonds amounting to 10% to 30% are often required by the customers for the contractors to take out to guarantee due performance of the projects ● Set up a public housing improvement and maintenance team with new positions of contract manager and site agent, which are required for the registration in order to be included in “Group M1” of the List of Building Contractors for Public Works 	[REDACTED] of approximately [REDACTED]
Participate in competitions and exhibitions to promote and develop our interior design and fitting-out business	<ul style="list-style-type: none"> ● Assess the capacity of our interior design department and evaluate our labour resources in this department ● Participate in two interior design competitions, aiming at winning awards which could bolster our market reputation and demonstrate our strength in interior design ● Modify our interior design and fitting-out mock-up unit in our new office to have refreshed scheme 	[REDACTED] of approximately [REDACTED]

BUSINESS OBJECTIVE AND [REDACTED]

Business strategy	Implementation activities	Source of funds
Expand our manpower for project execution and strengthen the skills of our staff	<ul style="list-style-type: none"> Continue to assess the sufficiency of our labour resources having regard to our project execution need and business development demand Organise in-house seminars and invite external speakers to provide or sponsor our project team staff to take taught training on construction methodology, project management and work safety 	[REDACTED] of approximately [REDACTED]
Strengthen our business development and quantity surveying and enhance our marketing resources	<ul style="list-style-type: none"> Maintain our business development which is to be headed by Ms. Wong, our executive Director Design, create and print our corporate brochures Continue to maintain and improve our corporate website 	[REDACTED] of approximately [REDACTED]
	Total:	[REDACTED]

BUSINESS OBJECTIVE AND [REDACTED]

From 1 April 2018 to 30 September 2018

Business strategy	Implementation activities	Source of funds
Participate further in large scale fitting-out, renovation and A&A projects and enlarge our market share in Hong Kong	<ul style="list-style-type: none"> ● Utilise [REDACTED] from the [REDACTED] to finance the net cash outflows required in the early stage of three new projects with expected aggregate contract sum of not less than approximately HK\$7.5 million, including the upfront payments to materials suppliers and subcontractors ● Our Group intends to submit tenders for project sum exceeding HK\$10 million in the fitting-out, renovation and A&A works industry. Our Directors confirm that surety bonds amounting to 10% to 30% are often required by the customers for the contractors to take out to guarantee due performance of the projects ● Assess the sufficiency of labour resources in our public housing improvement and maintenance team with reference to our registration status as “Group M1” 	[REDACTED] of approximately [REDACTED]

BUSINESS OBJECTIVE AND [REDACTED]

Business strategy	Implementation activities	Source of funds
Participate in competitions and exhibitions to promote and develop our interior design and fitting-out business	<ul style="list-style-type: none"> Assess the capacity of our interior design department and evaluate our labour resources in this department Participate in two interior design competitions, aiming at awards which could bolster our market reputation and demonstrate our strength in interior design Participate in one interior design related public exhibition as an exhibitor. Modify our interior design and fitting-out mock-up unit in our new office to have refreshed scheme 	[REDACTED] of approximately [REDACTED]
Expand our manpower for project execution and strengthen the skills of our staff	<ul style="list-style-type: none"> Continue to assess the sufficiency of our labour resources having regard to our project execution need and business development demand Organise in-house seminars and invite external speakers to provide or sponsor our project team staff to take taught training on construction methodology, project management and work safety 	[REDACTED] of approximately [REDACTED]
Strengthen our business development and quantity surveying and enhance our marketing resources	<ul style="list-style-type: none"> Maintain our business development which is to be headed by Ms. Wong, our executive Director Design, create and print our corporate and other marketing materials Continue to maintain our quantity surveying team Continue to maintain and improve our corporate website 	[REDACTED] of approximately [REDACTED]
Total:		[REDACTED]

BUSINESS OBJECTIVE AND [REDACTED]

From 1 October 2018 to 31 March 2019

Business strategy	Implementation activities	Source of funds
Participate further in large scale fitting-out, renovation and A&A projects and enlarge our market share in Hong Kong	<ul style="list-style-type: none"> ● Utilise [REDACTED] from the [REDACTED] to finance the net cash outflows required in the early stage of 3 new projects with expected contract sum of not less than approximately HK\$7.5 million, including the payments to materials suppliers and subcontractors ● Our Group intends to submit tenders for project sum exceeding HK\$10 million in the fitting-out, renovation and A&A works industry. Our Directors confirm that surety bonds amounting to 10% to 30% are often required by the customers for the contractors to take out to guarantee due performance of the projects ● Assess the sufficiency of labour resources in our public improvement and maintenance team with reference to our projects on hand and our status as “Group M1” 	[REDACTED] of approximately [REDACTED]
Participate in competitions and exhibitions to promote and develop our interior design and fitting-out business	<ul style="list-style-type: none"> ● Assess the capacity of our interior design department and evaluate our labour resources in this department ● Participate in two interior design competitions, aiming at awards which could bolster our market reputation and demonstrate our strength in interior design ● Modify our interior design and fitting-out mock-up unit in our new office to have a refreshed scheme 	[REDACTED] of approximately [REDACTED]

BUSINESS OBJECTIVE AND [REDACTED]

Business strategy	Implementation activities	Source of funds
Expand our manpower for project execution and strengthen the skills of our staff	<ul style="list-style-type: none"> Continue to assess the sufficiency of our labour resources having regard to our project execution need and business development demand Organise in-house seminars and invite external speakers to provide or sponsor our project team staff to take taught training on construction methodology, project management and work safety 	[REDACTED] of approximately [REDACTED]
Strengthen our business development and quantity surveying and enhance our marketing resources	<ul style="list-style-type: none"> Continue to foster our business development effort with our business development department to be headed by Ms. Wong, our executive Director and prepare the necessary marketing materials, including our corporate brochures. Continue to maintain our quantity surveying team Continue to maintain our corporate website 	[REDACTED] of approximately [REDACTED]
Total:		[REDACTED]
Grand total:		[REDACTED]

BASES AND KEY ASSUMPTIONS OF THE BUSINESS PLANS

Our business objectives and strategies are based on the following general assumptions:

- (a) there will be no material changes in the existing political, legal, fiscal or economic conditions in Hong Kong in which any members of our Group carries on or will carry on business and provides or will provide our services;
- (b) there will be no material changes in the bases or rates of taxation in Hong Kong or in any places in which any members of our Group operates or is incorporated;
- (c) the [REDACTED] will be completed as described in the section headed “Structure and Condition of the [REDACTED]” in this document;
- (d) we will be able to retain the key staff in the management and the professional team;

BUSINESS OBJECTIVE AND [REDACTED]

- (e) we will have sufficient financial resources to meet the planned capital expenditures and business development requirements during the period to which the business objective relates;
- (f) our Group is not materially and adversely affected by any risk factor set out in the section headed “Risk Factors” in this document;
- (g) there are no wars, military incidents, pandemic diseases or natural disasters that would have a material impact on our Group’s business and operating activities; and
- (h) we will be able to continue our operation in substantially the same way as we have been operating and we will also be able to carry out our development plans without disruption.

Reasons for the [REDACTED]

Our Directors believe that the [REDACTED] will enhance our profile and recognition, and hence our ability to attract new businesses. Our Directors consider that a [REDACTED] on GEM signifies a degree of financial strength of our Group which in turn our Directors believe is an important factor to be taken into account by our customers in evaluating our tenders, especially for large scale projects and projects in the public sector. In a fragmented industry in which our Group operates, our Directors are of the view that a [REDACTED] status will enable our Group to stand out from our competitors since the public disclosure of information of our Group would offer extra confidence to our customers who are otherwise not expected to obtain similar information from our competitors not publicly listed. In addition, our Board is also of the view that although the estimated [REDACTED] from the [REDACTED] only amount to approximately HK\$50 million, the [REDACTED] and the [REDACTED] will provide our Company with additional avenues to raise capital for our future business expansion and long-term development, and expand and diversify our capital base and Shareholders base as institutional funds and retail investors in Hong Kong can easily participate in the equity of our Company. The [REDACTED] from the [REDACTED] will strengthen our financial position and provide us with additional working capital to implement the future plans set out in the paragraph headed “Business strategies and future plans” in this section above. In choosing between debt financing and equity financing, our Directors have taken into account that (i) the specific nature of the industry in which our Group operates that upfront cash outflow is often incurred and has to be in place quickly after our client has engaged us, that would make equity financing more appropriate as fund raised from issue of new Shares is committed source of fund without maturity and poised to be utilised anytime; (ii) debt financing from banks or financial institutions normally require the pledge of properties or significant assets which our Group lacks; (iii) the increasing speculation that the interest rate in Hong Kong is set to rise and the use of debt financing in a material amount and the subsequent renewal of the debt would subject our Group to risk of increasing finance costs; and (iv) debt financing and equity financing are not mutually exclusive, but with a larger equity base, our Group may have a better position to bargain for more favourable terms from debt financiers.

BUSINESS OBJECTIVE AND [REDACTED]

Capital requirements

As our Group grows and expands, we received requests for quotation for larger and more complicated projects. As at the Latest Practicable Date, there have been 35 tenders or quotations for fitting-out, renovation and A&A projects submitted by us pending for results. Total tendered amount was approximately HK\$210.1 million. Assuming a success rate of 18.0% with reference to the Track Record Period is applied to the tendered amount⁽¹⁾, our Group may be expected to undertake new contract sum of approximately HK\$37.8 million. Taking into account that (i) it is a common requirement for contractors to take out surety bonds amounting to a certain percentage of the contract sum for sizeable projects, in which the surety bond requirement may result in the lock-up of a portion of our capital during the term of the surety bond and thereby affecting our liquidity position; and (ii) such projects would entail larger amounts of capital as well as more substantive amounts retained for start-up costs which would lead to net cash outflows in early stage of new projects before we receive progress payments from our customers, our Directors believe that in building a stronger financial position, our capacity to participate further in large scale fitting-out, renovation and A&A projects will increase, details are discussed below.

The start-up costs of our projects typically include materials costs, subcontracting fees and insurance expenses. We typically pay the start-up costs in advance of payment from our customers, while our customers normally make progress or milestone payments to us after our works commenced without advance payment or limited deposit. As detailed in the section headed “Business – Operating procedures – Progress payment” in this document, for the monthly payment method, based on activities carried out and quantities of materials delivered on site in the preceding month or for the milestone payment method in which when certain agreed milestone of a project is reached, we make payment application to our customers accordingly. In general, the credit term for the settlement of payment by our customers varies from project to project and normally ranges from 7 to 30 days upon presentation of our invoice. As such, our customers generally make the first progress payment to our Group towards the third month following the commencement of a project and it could take longer if the subject project settles with milestone payment method, depending on the time needed to reach the agreed milestone. Moreover, more typical in larger projects, our clients may request us to undertake surety bonds for an amount of 10% of the total contract sum backed by guarantees in favour of our clients. The surety bond is normally released upon satisfactory completion of the project. For details, please also refer to the section headed “Business – Customers, sale and marketing – Principal terms of general contracts entered between our Group and the customers” in this document.

The amount of start-up costs (including the requirements for surety bond) varies significantly project by project depending on the specifications and requirements in our contracts with our customers. For illustration purpose only, among the projects with project sum exceeding HK\$5 million awarded by our top five customers during the Track Record

Note:

1. For details of our tender success rate during the Track Record Period, please refer to the section headed “Business – Operating procedures” in this document. The tendered amount does neither indicate any contract sum that will subsequently be awarded by our clients nor that we will conclude a contract with our clients.

BUSINESS OBJECTIVE AND [REDACTED]

Period, the project start-up costs incurred represented 0.5% to 46.0% (a majority of which is in the region of 10% to 20%, and the fluctuation is mainly due to programme of the project, the time required by our customer to certify our works, credit term of our suppliers and subcontractors, and background of our customers which may have better credibility and our Directors may be willing to incur larger start-up cost on large customers as their projects are often fast-running and they have high creditworthiness) of the contract sum and the amount involved in a project ranged from approximately HK\$0.1 million to HK\$8.3 million before our Group received the first interim payment. Given the substantial amount of start-up costs which can possibly and probably be incurred for a project, our Directors estimate that the allocated [REDACTED] from the [REDACTED] of approximately HK\$17.6 million can be used to fund the start-up costs of our prospective projects with an aggregate notional contract sum of approximately HK\$88 million by applying an estimated start-up cost percentage of 20% of the contract sum, being approximately the mid-point of the above range and the high end of the range of majority as our Directors (i) plan to maintain project pipeline from renowned customers, which we assess to be more creditworthy and we could feel secure to incur larger proportion of start-up costs; and (ii) target to expand our choice of suppliers and subcontractors which may not grant us long credit term for the first few cooperations. If the actual start-up costs percentage is higher or lower, the amount of aggregate notional contract sum that can be supported by the allocated [REDACTED] from the [REDACTED] will accordingly decrease or increase, respectively.

Our Directors believe that the cash flow requirements at the initial stage of our projects will constrain the number of projects that we can undertake under currently available resources. It is our business strategy to participate further in large scale fitting-out, renovation and A&A projects and enlarge our market share in Hong Kong as discussed in the section headed “Business – Business strategies” in this document. Although our Group has obtained banking facilities from a few banks, the aggregate credit limit of these facilities is only limited and cannot meet the magnitude of funds that could be raised through the [REDACTED] and the drawbacks are that these facilities charge interest when our Group applies for drawdown and some of the facilities have to be renewed annually such that our Directors consider that these facilities should more appropriately be utilised for contingencies. Accordingly, strengthening our capital base by raising funds under the [REDACTED] is considered to be viable and beneficial for us.

As at 31 October 2016, our unaudited bank balances and cash position amounted to approximately HK\$15.1 million, of which approximately HK\$8.0 million will be used to settle the payment of the interim dividend to be paid to the Controlling Shareholders after netting off the amounts due from them in December 2016, the remaining approximately HK\$7.1 million will be reserved for our Group’s fixed overheads and supporting existing projects. For illustration purposes only, assuming a start-up cost of 20% of the contract sum is required, the potential new projects with an aggregate expected contract sum of approximately HK\$37.8 million, represents 43.0% of the aggregate notional contract sum of approximately HK\$88 million that is intended to be supported by the [REDACTED] from the [REDACTED] of HK\$17.6 million. As discussed in the section headed “Business – Business strategies” in this document, we intend to apply for registration to be included in the “Group M1” of the List of Building Contractors administered by the Housing Authority under the category of “Business (Maintenance)” which will enable us to tender for maintenance and improvement contracts of the Housing Authority. According to the recent

BUSINESS OBJECTIVE AND [REDACTED]

tender awards results published by the Housing Authority, tenders awarded by the Housing Authority in the category of “Business (Maintenance)” are generally of larger contract sum (relative to our Group’s project size) which generally exceeds HK\$10 million. For reference, our Directors believe that we would be able to tender for seven of the tenders awarded by the Housing Authority from June 2016 to October 2016 which ranged from HK\$12.9 million to HK\$51.4 million if we were included in the “Group M1” of the List of Building Contractors. Our Group has set a target of HK\$50 million for contract to be awarded by the Housing Authority after we complete the necessary registration procedure with the Housing Authority, the start-up costs of which will be supported by the remaining amount of the [REDACTED] of the [REDACTED]. Accordingly, with the allocation of approximately HK\$17.6 million of the [REDACTED] from the [REDACTED], our working capital pressure would be greatly relieved and our Group is also effectively equipped with larger project capacity. Therefore, the [REDACTED] from the [REDACTED] will be important for our Group to implement our business strategies successfully, especially for us to participate further in large scale fitting-out, renovation and A&A projects, and enlarge our market share in Hong Kong. As our projects usually commence shortly after we are engaged by our customers, it would be impractical or unfavourable for our Group to raise fund to satisfy the financing needs when new projects are confirmed or commenced.

Participation in interior design competitions and exhibitions for the promotion and development of our interior design and fitting-out business

During the Track Record Period, our Group participated in eight interior design competitions and incurred aggregate costs of approximately HK\$1.2 million, which were mainly costs of our interior designers, application fees and media productions; on the other hand, our Group had not participated in any public exhibition or built any mock-up unit as our Directors considered that our Group did not have the spare labour and financial resources. In addition, our Directors are pleased to note that our interior design business has demonstrated robust growth throughout the Track Record Period, with year-on-year revenue growing at 123.8% for the year ending 31 March 2016 and 799.1% for the three months ended 30 June 2016. Our Directors remain optimistic on our interior design business and intend to integrate it with our fitting-out and renovation services to further unleash our Group’s potential in the market. As at 31 October 2016, our Group has six interior design contracts on hand which had an aggregate contract value of approximately HK\$2.1 million. Following the [REDACTED], our Directors believe that participating in public interior design exhibitions as an exhibitor is an effective means to reach out directly to target customers and publicise the brand name of our Group which in turn helps promote our “design-and-build” business, i.e. bundled services of our interior design and fitting-out and renovation services. The target customers of our “design-and-build” business are in the private residential sector, where our business has been passively and mainly relied on referrals. Our Directors believe that interior design public exhibitions are ideal venues to entice and gather our target customers and in where our Group is able to actively market our services to them. Our Directors have identified several organisers which organise exhibitions with interior design theme regularly at the Hong Kong Convention and Exhibition Centre or other similar venues and estimated that the main costs for participation are participation fee payable to organiser, set up costs of the booth, staff costs and the cost of the display items, which would utilise the [REDACTED] of the [REDACTED]. Despite the impressive growth in our interior design business during the Track Record Period, we have only one interior

BUSINESS OBJECTIVE AND [REDACTED]

design team consisting of four staff as at 1 April 2014, 31 March 2015, 31 March 2016 and 30 June 2016. The incumbent interior design team had been led by one team leader with three junior designers and they had been working at their peak capacity, especially for the team leader, who had increasingly more projects to supervise. In order to cope with the continuing growth, after the [REDACTED], our Directors consider it suitable to identify an experienced interior designer to lead one more interior design team. The interior design team will consist of one interior design project manager and two junior designers. Our two interior design teams will also work in tandem for preparation of our interior design competitions and public interior design exhibitions, as well as the design and supervision of the mock-up unit in our office.

In this regard, in respect of this business strategy of developing and promoting our interior design and fitting-out business with participation of interior design competitions and public exhibitions as the primary means, we intend to utilise the [REDACTED] as shown in the following plan:

	For the period from the [REDACTED] to 31 March 2017 (HK\$ million)	For the six months ending 30 September 2017 (HK\$ million)	For the six months ending 31 March 2018 (HK\$ million)	For the six months ending 30 September 2018 (HK\$ million)	For the six months ending 31 March 2019 (HK\$ million)	Total (HK\$ million)
Build and renovate mock-up unit	–	1.5	0.5	0.5	0.6	3.1
Participate in interior design competitions	0.2	0.3	0.3	0.3	0.3	1.4
Participate in public interior design exhibitions	–	0.5	–	0.5	–	1.0
Identify and retain suitable interior designers and to improve the office hardware and software	–	0.4	0.8	0.9	0.9	3.0
Total	<u>0.2</u>	<u>2.7</u>	<u>1.6</u>	<u>2.2</u>	<u>1.8</u>	<u>8.5</u>

Strengthening business development and quantity surveying capability of our Group

During the Track Record Period, our services were requested by our customers or their agents such as project management consultants who manage the projects including the tendering directly. Our Directors believe that organic growth would be limited and eventually reach a bottleneck if we rely only on our existing resources for bringing in new business. Therefore, to broaden our customer base, our Directors believe that a direct and effective method is to dedicate a business development department to be headed by Ms. Wong, our executive Director, for the improvement of our marketing materials and contents on our website and exploration of opportunities from new customers or other project management agents who had not yet known or worked with us previously. Unlike our current senior management who are responsible for both project management and new business development, the business development staff will not be expected to manage projects, but will actively build network with project management consultants in the efforts that they will invite us to tender or introduce us to their customers and to identify direct customers who may require our services. To this end, following the [REDACTED], we plan

BUSINESS OBJECTIVE AND [REDACTED]

to recruit two senior staff who have vast experience in the industry with solid business connection, one of whom will focus on our residential “design-and-build” business and the other will focus on our existing fitting-out, renovation and A&A works mainly in the commercial and industrial sector.

Moreover, we plan to maintain a quantity surveying team to deal with our growing project size involving more complicated contracts, cost items and project budgeting. This team will be intended to alleviate the work load of our project management team, which currently handles all contract, procurement and payment application matters. Our Directors consider that such quantity surveying team is necessary to support our continued business growth and complete our organisation structure. The need for a quantity surveying team has become increasingly important as the project sums of our Group become larger and professional knowledge and relevant experienced staff are needed to deal with the estimation of value of work done, contract costs, potential claims, etc. Accordingly, our Directors plan to establish a quantity surveying team which will optimally comprise one quantity surveying manager, one quantity surveyor and one project assistant, who should possess relevant industry experience or professional qualifications.

Therefore, after careful evaluation of the different capital structures, our Directors decided to proceed with the [REDACTED].

BUSINESS OBJECTIVE AND [REDACTED]

[REDACTED]

We intend to raise funds by the [REDACTED] in order to pursue our business objective as set out in the paragraph headed “Business objective” above in this section. Assuming a [REDACTED] of [REDACTED] per [REDACTED], the [REDACTED] from the [REDACTED], after deducting related expenses, are estimated to be approximately HK\$50 million. We currently intend to apply such [REDACTED] from the [REDACTED] as follows:

	From the Latest Practicable Date to 31 March 2017	From 1 April 2017 to 30 September 2017	From 1 October 2017 to 31 March 2018	From 1 April 2018 to 30 September 2018	From 1 October 2018 to 31 March 2019	Total	Approximate % of [REDACTED]
	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million	
Participate further in large scale fitting-out, renovation and A&A projects and enlarge our market share in Hong Kong	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Build mock-up unit, recruit designers and participate in competitions and exhibitions	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expand our manpower for project execution and strengthen the skills of our staff	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Strengthen our business development and quantity surveying and enhance our marketing resources	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General working capital of our Group	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the midpoint of the estimated offer price range stated in this document.

If the [REDACTED] is fixed at the high-end of the indicative [REDACTED] range, being [REDACTED] per Share, the [REDACTED] we receive from the [REDACTED] will increase by approximately HK\$[REDACTED]. If the [REDACTED] is set at the low-end of the indicative [REDACTED] range, being [REDACTED] per Share, the [REDACTED] we receive from the [REDACTED] will decrease by approximately [REDACTED].

BUSINESS OBJECTIVE AND [REDACTED]

To the extent that the [REDACTED] from the issue of the [REDACTED] are not immediately required for the purposes above, it is the present intention of our Directors that such [REDACTED] will be placed on short-term interest bearing deposits with authorised financial institutions in Hong Kong.

We will issue an announcement in accordance with the GEM Listing Rules requirement if there is any material change in the [REDACTED] as described above.