This summary aims to give you an overview of the information contained in this prospectus and therefore does not contain all the information which may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares. Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this prospectus.

OVERVIEW

We provide ELV solutions primarily on central control monitoring systems to our customers in Hong Kong. Central control monitoring systems refer to all of the wide variety of systems relating to management of a single block of building, residential development, commercial and industrial buildings, sewage treatment facilities, hospitals or other government facilities. The key central control monitoring systems we install and maintain include security systems, car park systems, clubhouse management systems, etc. As the central control monitoring systems cover a wide variety of ELV solutions, our top 10 installation projects during each of the two years ended 31 August 2015 and 2016 primarily involved central control monitoring systems. Please refer to the paragraph headed "Business – Projects – Our top 10 installation projects by revenue" below in this section for further details. In addition, we also provide ELV solutions on telecommunications and broadcasting services systems such as CABD System and SMATV System and our top 10 installation projects during each of the two years ended 31 August 2015 and 2016 also included upgrading of digital terrestrial television for our customer. During the Track Record Period, all of our revenue was generated from the installation of various systems and provision of maintenance service in Hong Kong. According to the F&S Report, the total sales revenue in the ELV integrated service market recorded approximately HK$430.5 million in 2015. The competition in Hong Kong ELV market was relatively concentrated with the top five competitors together occupying approximately 72.3% market share of the overall sales revenue. Our company shared about 14.5% of the industry revenue in 2015. For further details, please refer to the section headed "Industry overview" in this prospectus.

We had undertaken 4,752 installation projects and 1,035 maintenance projects during the Track Record Period, which involves customers from both the public and private sectors. For the two years ended 31 August 2016, our projects from the private sector generated 74.1% and 59.8% of our total revenue, respectively.

BUSINESS MODEL

Our Group's revenue is derived from the installation of various systems and provision of maintenance service during the Track Record Period. We recognise our revenue by reference to the stage of completion of the contract at the end of the financial reporting period. Our customers come from both private and public sectors. We source hardware as well as systems from our suppliers and outsource to our subcontractors certain installation works.

The following table sets forth a breakdown of our revenue by our two service types during the Track Record Period:

	Year ended 31 August			
	2015		2016	
Service type	*HK$'000*	*%*	*HK$'000*	*%*
Installation	30,262	54.0	49,146	61.2
Maintenance	25,804	46.0	31,192	38.8
Total	56,066	100.0	80,338	100.0

The following table sets out the breakdown of installation projects in terms of revenue recognised during the Track Record Period by range of revenue:

	Year ended 31 August	
No. of installation projects	**2015**	**2016**
HK$500,000 or above	10	12
HK$100,000 to below HK$500,000	33	46
Below HK$100,000	1,894	2,771
Total	1,937	2,829

The following table sets out the breakdown of maintenance projects in terms of revenue recognised during the Track Record Period by range of revenue:

	Year ended 31 August	
No. of maintenance projects	**2015**	**2016**
HK$100,000 or above	16	22
HK$50,000 to below HK$100,000	17	22
Below HK$50,000	668	767
Total	701	811

The following table sets forth a breakdown of our revenue by customer types during the Track Record Period:

	Year ended 31 August			
	2015		**2016**	
Customer type	*HK$'000*	*%*	*HK$'000*	*%*
Public sector	14,512	25.9	32,264	40.2
Private sector	41,554	74.1	48,074	59.8
Total	**56,066**	**100.0**	**80,338**	**100.0**

Our ELV solutions are primarily on central control monitoring systems. We also provide ELV solutions on telecommunications and broadcasting services systems.

CUSTOMERS, SUPPLIERS AND SUBCONTRACTORS

All our business was awarded by tenders during the Track Record Period. Invitations to tender from the private sector may generally be received by calls, posts, faxes or during the performance of maintenance work, while tender invitations from the public sector may generally be published in the Government Gazette or received by letter.

Our Executive Directors and sales team (if installation) and our customer team (if maintenance) review and evaluate invitations to tender and decide whether to bid for the project. The key factors on whether to proceed with the tender include but not limited to whether we have obtained the relevant licences and qualification to complete the project, whether we have the capacity to complete the project on time and up to standard, the complexity of the project and the estimated costs.

The following table sets out our success rates by service type during our Track Record Period based on our internal record:

	Year ended 31 August					
	2015			2016		
Service type	Number of tender submissions	Number of successful tender	Success rate (%)	Number of tender submissions	Number of successful tender	Success rate (%)
Installation	6,959	1,914	27.5	7,801	2,815	36.1
Maintenance – new	467	109	23.3	448	99	22.1
Maintenance – renewal	224	157	70.1	302	235	77.8
Total	7,650	2,180	28.5	8,551	3,149	36.8

During the Track Record Period, we recorded relatively low success rates for installation and new maintenance projects. It is due to our pro-active strategy to prepare and submit as many tenders as we could in order to secure as many projects as we could during the Track Record Period. In this way, we would build up our customer network as fast as we can. Nevertheless, the success rates of our tenders for installation works and maintenance works increased for the year ended 31 August 2016 when comparing with the success rates for the year ended 31 August 2015. As we have submitted more tenders in the year ended 31 August 2016, the increase in the success rate is consistent with the increase in the number of projects we entered into as well as the increase in our revenue for such year. In addition, the increase in success rate did not have any material adverse impact on our gross profit margin given that our overall gross profit margin during the Track Record Period had an increase of approximately 4.6%. Please also refer to the paragraph headed "Financial information – Description of selected components of combined statements of profit or loss and other comprehensive income – Gross profit and gross profit margin" for details.

We serve customers in both private and public sectors such as property developers and property management companies in the private sector and various Government departments in the public sector. We had served approximately 130 customers for each of the two years ended 31 August 2015 and 2016, respectively. The revenue generated from our five largest customers in aggregate accounted for approximately 60.8% and 70.1% of our total revenue for the two years ended 31 August 2016 respectively. For details of our Group's customers, please refer to the paragraph headed "Business – Customers" in this prospectus.

We source hardware such as security cameras, display devices, cables and wires, and electronic and electrical components, as well as systems such as smartcard and access control systems from local and overseas suppliers. Our five largest suppliers accounted for approximately 36.5% and 35.3% of our total cost of material and equipment for the two years ended 31 August 2016 respectively. For details of our Group's suppliers, please refer to the paragraph headed "Business – Suppliers" in this prospectus.

We outsource to subcontractors certain installation work including technical installation (such as conduit laying and cable installations), electrical maintenance and software programming. Our subcontracting payment attributable to our five largest subcontractors collectively accounted for approximately 83.5% and 66.3% of our total subcontracting fee for the two years ended 31 August 2016 respectively. For details of our Group's subcontractors, please refer to the paragraph headed "Business – Outsourcing" in this prospectus.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths have contributed to our success:

- we are an established ELV solutions provider holding various qualifications and licences;
- we have an established customer base;
- we have experience in a substantial number of sites in Hong Kong;
- we have a stable and experienced management team; and
- we have established relationship with suppliers and subcontractors.

For details, please refer to the paragraph headed "Business – Competitive strengths" in this prospectus.

BUSINESS STRATEGIES

We strive to expand our business and strengthen our market position in Hong Kong by implementing the following strategies:

- to expand our existing ELV solutions business by offering instalment payment option to our customers;
- to obtain additional licences and qualifications;
- to reduce our gearing ratio by repaying a certain bank borrowing in an one-off manner; and
- to strengthen our maintenance teams by purchasing equipment and developing new software.

For details of our business strategies, please refer to the paragraph headed "Business – Business strategies" in this prospectus.

SHAREHOLDERS' INFORMATION

Upon Listing, ECI Asia will directly hold 75% of the total issued share capital of our Company (without taking into account any Shares which may be issued upon the exercise of share options granted under the Share Option Scheme). ECI Asia is an investment holding company incorporated on 26 August 2016 in the BVI. The entire issued share capital of ECI Asia is owned by Dr. Ng. Dr. Ng and ECI Asia are therefore the Controlling Shareholders of our Company.

None of our Controlling Shareholders nor any of their respective associates had interests in any other companies that compete or are likely to compete, either directly or indirectly, with the business of our Group during the Track Record Period and as at the Latest Practicable Date. For further details, please refer to the section headed "Relationship with Controlling Shareholders" in this prospectus.

SUMMARY FINANCIAL INFORMATION

Key Financial Information

	For the year ended 31 August	
	2015	**2016**
	HK$'000	*HK$'000*
Results of operation of our Group		
Revenue	56,066	80,338
Gross profit	16,325	27,073
Profit before taxation	9,087	12,880
Profit for the year	7,565	10,243

Revenue

During the Track Record Period, our Group's revenue increased from HK$56.1 million for the year ended 31 August 2015 to HK$80.3 million for the year ended 31 August 2016, representing revenue growth of 43.3%. The increase in revenue contribution from installation and maintenance services amounted to approximately HK$18.9 million and HK$5.4 million respectively.

Our gross profit for each of the two years ended 31 August 2016 amounted to HK$16.3 million and HK$27.1 million respectively, representing gross profit margin of 29.1% and 33.7% respectively.

Gross profit and gross profit margin

The following table sets forth a breakdown of the gross profit and gross profit margin during the Track Record Period by service types:

	Year ended 31 August			
	2015		2016	
	HK$'000	*%*	*HK$'000*	*%*
	Gross profit	*Gross profit margin*	*Gross profit*	*Gross profit margin*
Installation	12,150	40.1	24,072	49.0
Maintenance	4,175	16.2	3,001	9.6
Total	16,325	29.1	27,073	33.7

The gross profit margin of our installation service segment during the Track Record Period is higher as compared to that of the maintenance segment primarily because (i) we tend to offer our maintenance services with lower gross profit margin in order to attract more projects and further establish our reputation in the industry; and (ii) we are the subcontractor of several maintenance works and the gross profit margin of subcontractor tends to be lower.

For installation services, our gross profits were approximately HK$12.2 million and HK$24.1 million for each of the two years ended 31 August 2016 respectively. Our gross profit margins were approximately 40.1% and 49.0% for each of the two years ended 31 August 2016 respectively. The gross profit margin for installation services for the year ended 31 August 2016 increased primarily because the Group relied less on subcontractors and used its installation team to perform the related works in a more cost effective manner. As a result, the subcontracting costs for installation projects decreased to approximately 23.7% of the total cost of sale for installation projects for the year ended 31 August 2016 from approximately 58.0% for the year ended 31 August 2015 while the direct labour costs increased from approximately 12.9% for the year ended 31 August 2015 to approximately 21.9% of the total cost of sale for installation projects for the year ended 31 August 2016.

For maintenance services, our gross profits were approximately HK$4.2 million and HK$3.0 million for each of the two years ended 31 August 2016 respectively. Our gross profit margins were 16.2% and 9.6% for each of the two years ended 31 August 2016 respectively. The gross profit margin for the year ended 31 August 2015 was higher as compared to the year ended 31 August 2016 primarily because of the project (project code P21) with Customer A, which had a lower profit margin and commenced in December 2014 during the financial year ended 31 August 2015. The lower gross profit margin was due to the combined effect of (i) the 28.3% increase in maintenance income from approximately HK$10.5 million for the year ended 31 August 2015 to approximately HK$13.5 million for the year ended 31 August 2016 and (ii) the increase in direct labour cost for the year ended 31 August 2016 as compared to the year ended 31 August 2015 due to the Group hiring additional technicians to support the project, which increased from approximately HK$8.0 million to HK$12.3 million, representing 53.5% growth. Hence, the gross profit margin dropped from 16.2% for the year ended 31 August 2015 to 9.6% for the year ended 31 August 2016.

Net profit margin

Our net profit margin were approximately 13.5% and 12.7% for the year ended 31 August 2015 and 2016 respectively. We incurred more expenses in connection with the Listing, which had led to the decline in our net profit margin.

Cost of Sales

Set forth below are the details of our cost of sales during the Track Record Period:

	Year ended 31 August			
	2015		**2016**	
	HKD'000	*%*	*HKD'000*	*%*
Material and equipment	11,499	28.9	16,025	30.1
Direct labour	17,305	43.5	26,903	50.5
Subcontracting cost	9,030	22.8	6,784	12.7
Others	1,907	4.8	3,553	6.7
Total	39,741	100.0	53,265	100.0

	As at 31 August	
	2015	2016
	HK$'000	*HK$'000*
Net current assets		
Current assets	32,928	34,306
Current liabilities	21,326	25,533
Net current assets	11,602	8,773

Cash Flow

The following table summarises the net cash flow of our activities for the Track Record Period:

	For the year ended 31 August	
	2015	2016
	HK$'000	*HK$'000*
Operating profit before movements in working capital	9,929	14,047
Net cash generated from operating activities	2,418	1,445
Net cash used in investing activities	(3,550)	(8,280)
Net cash (used in) from financing activities	(3,407)	3,895
Net decrease in cash and cash equivalents	(4,539)	(2,940)
Cash and cash equivalents at the end of the year, represented by bank balances and cash	8,693	5,753

Our cash and cash equivalents balance was approximately HK$8.7 million as at 31 August 2015 and decreased to approximately HK$5.8 million as at 31 August 2016, mainly due to increased cash outflow from investing activities of approximately HK$3.9 million during the year ended 31 August 2016 as compared to the year ended 31 August 2015, mainly due to increase in advance to a director of approximately HK$7.3 million during the year ended 31 August 2016.

Our net cash generated from operating activities decreased from approximately HK2.4 million for the year ended 31 August 2015 to approximately HK$1.4 million for the year ended 31 August 2016, mainly due to the combined effect of i) the increase in profit before taxation of approximately HK$3.8 million during the year ended 31 August 2016 and ii) the decrease in trade payables of approximately HK$2.4 million as we settled more overdue balances to our suppliers during the year ended 31 August 2016 as compared to the increase in trade payables of approximately HK$1.9 million for the year ended 31 August 2015.

Key Financial Ratios

The following table shows certain key financial ratios as at the dates or for the periods indicated:

	For the year ended/as at 31 August	
	2015	**2016**
Gross profit margin	29.1%	33.7%
Net profit margin	13.5%	12.7%
Current ratio (times)	1.5	1.3
Quick ratio (times)	1.5	1.3
Gearing ratio (times) *(Note 1)*	0.8	1.2
Net debt to equity (times)	0.3	0.8
Return on equity	42.9%	65.8%
Return on total assets	18.7%	24.0%
Interest coverage ratio (times)	19.1	31.2

Note 1: Gearing ratio is calculated by net debt over total equity as at the end of the respective year. Net debt includes all interest-bearing loans and obligation under finance leases, net of cash and cash equivalent.

Increase in trade receivables during the Track Record Period and mismatch in turnover days for trade receivables and trade payables

Our trade receivables primarily consist of amount receivables from customers for installation of various systems and provision of maintenance service during the Track Record Period. The balance of trade receivables increased from HK$12.8 million as at 31 August 2015 to HK$18.5 million as at 31 August 2016. The increase was mainly due to several sizable installation projects and maintenance works which were completed close to the financial year end as at 31 August 2016 and they were not due for settlement as at 31 August 2016.

For the two years ended 31 August 2016, our trade receivables turnover days were approximately 66 days and 71 days whereas our trade payables turnover days were approximately 45 days and 32 days, respectively. As such, our credit periods for payment to our suppliers is generally shorter than that we offered to our customers and thus, our cash inflow and outflow may be mismatched. In accordance with our Group's cash monitoring policy, weekly trade receivables aging report will be sent out to customer services team and monthly trade receivables aging report will be reviewed and approved by Directors. For invoices which are outstanding for over 30 or more days, the customer services team will contact with the person-in-charge on site directly to follow up with the settlement process. Upon approval from Directors, suspension of services, warning letters or legal action may be taken. This procedure will allow the management to monitor on the outstanding balances and minimise the liquidity risk arising from the mismatch between trade receivables and trade payables turnover days.

The Directors confirmed that as at Latest Practicable Date, approximately 80.5% of the outstanding trade receivables which were overdue as at 31 August 2016 was subsequently settled. Taking into consideration of the assessment performed by the internal control advisers, we consider the credit control policy is effective as 80.5% of the outstanding trade receivable balance which was overdue as at 31 August 2016 was subsequently settled since the implementation of the credit control policy in September 2016.

Our suppliers and subcontractors normally grant us a credit period within 30 to 60 days. As at Latest Practicable Date, approximately HK$2.8 million of our trade payables balance as at 31 August 2016 had been settled. For the trade payables that had been outstanding for over 90 days, approximately of HK$0.3 million of them had been settled as at Latest Practicable Date.

For details, please refer to the paragraph headed "Financial information – Description of selected components of combined statements of financial position – Increase in trade receivables during the Track Record Period and mismatch in turnover days for trade receivables and trade payables" in this prospectus.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the date of this prospectus, our business and revenue model remained unchanged. Our Directors have not noticed any material delay or interruption for our existing projects which would have material adverse impact on our financial and operating position.

Based on our installation contracts on hand, the value of our installation projects in progress (representing the estimated total outstanding contract value for our uncompleted work) as at 31 August 2016 was approximately HK$4.1 million, of which HK$2.8 million has been recognised as at the Latest Practicable Date and HK$1.3 million are expected to be recognised in the year ending 31 August 2017. Based on our maintenance contracts on hand, the value of our maintenance projects in progress (representing the estimated total outstanding contract value for our services to be provided) as at 31 August 2016 was approximately HK$25.2 million, of which HK$7.9 million has been recognised as at the Latest Practicable Date and HK$8.9 million and HK$8.4 million are expected to be recognised in the years ending 31 August 2017 and 2018, respectively.

Moreover, the value of our installation projects in progress as at the Latest Practicable Date was approximately HK$9.2 million. During the Track Record Period, more than 90% of our installation projects had a contract sum of less than HK$100,000, and the contract periods of those projects with such relatively smaller contract value were generally within one month. We generally enter into such contracts with the customers within one month before the commencement of our works. Thus our estimated total outstanding contract value for installation contracts on hand as at a particular point of time, for example, the Latest Practicable Date, represents only a small portion of the Group's revenue for each year during the Track Record Period.

The total amount of the expenses and underwriting commission in connection with the Listing is approximately HK$18.0 million. We incurred approximately HK$2.7 million of Listing expenses during the Track Record Period. An additional amount of approximately HK$8.8 million will be charged to the profit or loss for the year ending 31 August 2017. Prospective investors should note that the financial performance of the Group for the year ending 31 August 2017 would be materially and adversely affected by the estimated Listing expenses. For details, please refer to the paragraphs headed "Listing expenses" in this section and "Financial information – Listing expenses" in this prospectus.

Saved as disclosed above, our Directors confirmed that subsequent to the Track Record Period and up to the Latest Practicable Date, (i) there had been no material adverse change in the market conditions or the industry and environment in which our Group operates that materially and adversely affect our financial and operating position; (ii) there was no material adverse change in the trading and financial position or prospect of our Group; and (iii) no event had occurred that would materially and adversely affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

LISTING EXPENSES

The total amount of the expenses and commission in connection with the Listing is approximately HK$18.0 million, of which approximately HK$4.5 million will be borne by the Selling Shareholder and the remaining approximately HK$13.5 million will be borne by the Group.

Of the aggregate listing expenses borne by our Group of approximately HK$13.5 million, approximately HK$2.0 million is directly attributable to the issue of New Shares and will be accounted for as a deduction from equity upon Listing and approximately HK$11.5 million will be charged to our profit or loss account. We have incurred approximately HK$2.7 million of listing expenses during the Track Record Period. An additional amount of approximately HK$8.8 million will be charged to the profit or loss for the year ending 31 August 2017. Expenses in relation to the Listing are non-recurring in nature.

The total estimated listing expenses of HK$18.0 million is a current estimate for reference only and the final amount is subject to adjustments based on the actual amount incurred or to be incurred. Prospective investors should note that the financial performance of the Group for the year ending 31 August 2017 would be materially and adversely affected by the estimated Listing expenses mentioned above.

REASON FOR THE SHARE OFFER AND USE OF PROCEEDS

Our goal is to continuing to be one of the leading ELV solutions providers in Hong Kong. The net proceeds of the Share Offer will provide us with the necessary funding to expand our business, allow us to take up larger projects and strengthen our financial position. Our Directors also believe that listing of the Shares on GEM will allow us to access the capital market for raising funds in the future. More importantly, a public listing status will enhance our corporate profile and recognition, which our Directors believe can (i) assist us in the tendering process for future new projects; (ii) strengthen our relationships with our existing suppliers and customers; and (iii) promote our brand to potential new customers.

The aggregate net proceeds from the Share Offer to be received by us (assuming the Offer Price at HK$0.15, being the mid-point of the Offer Price range) is estimated to be approximately HK$31.5 million. Our Directors intend to apply such net proceeds in the following manner:

- approximately HK$12.0 million or 38.1% will be used for expanding our existing ELV solution business by offering instalment payment option to our customers;
- approximately HK$4.4 million or 14.0% will be used for obtaining additional licences and qualifications;
- approximately HK$8.0 million or 25.4% will be used for reducing our gearing ratio by repaying certain bank borrowings in an one-off manner;

- approximately HK$3.0 million or 9.5% will be used for purchasing five more commercial vehicles and two street lamp cars;
- approximately HK$1.5 million or 4.8% will be used for developing new mobile app for our customers to place their order for maintenance service; and
- approximately HK$2.6 million or 8.2% will be used for working capital and other corporate development purposes.

For details of our use of proceeds and implementation plan, please refer to the section headed "Future plans and use of proceeds" in this prospectus.

IMPACT OF OUR OFFER OF INSTALLMENT PAYMENT OPTION

We had offered and secured several projects with the instalment payment option before the Track Record Period, and we started offering instalment payment option again in September 2016. We have given out offers of instalment payment option to 11 potential customers in recent months since September 2016, and have not entered into any project with this payment arrangement as at the Latest Practicable Date.

Our Directors believe that the provision of this option can enhance our profitability position. This option (i) allows the customers to spread out their capital outlay over a period of time rather than paying a lump sum and (ii) enables them to better plan their future cashflow ahead as they know exactly how much they have to pay at what time. Our Directors believe that the offering of this payment option enables us to have a competitive advantage over our competitors who do not offer such option. In general, we provide maintenance services during the instalment payment period. Therefore, by offering this instalment payment option, our Directors believe we can expand our business quicker. Moreover, since instalment payment is allowed, the price of our solutions provided with this payment option is higher. If the customers prefer such payment option, we can enhance our profitability accordingly.

The provision of this option may affect our liquidity position and expose us to credit risk. If we continue to offer instalment payment option to customers with the use of capital resources in addition to the net proceeds from the Share Offer, we will be required to pay the costs of our solutions provided to customers at the beginning and be paid over a longer period of time, thus reducing the availability of our cash flow from operations to fund working capital, capital expenditure and other general corporate purposes. Moreover, if any of our customers choosing the instalment payment option is in material default of the payment obligation under the contract with us, we may not be able to effect re-possession or re-sale of the solutions provided in a timely manner or at all and we may incur costs to effect such re-possession or re-sale. As such, we have implemented the number of risk control policies to reduce our exposure to the above liquidity risk and credit risk. For further details, please refer to the sections headed "Business – Business strategies – Expanding our existing ELV solutions business by offering instalment payment option to our customers".

DIVIDENDS

For each of the two years ended 31 August 2016, we declared and paid interim dividends of HK$2.0 million and HK$12.3 million respectively to our Shareholders. Such amounts were fully settled by netting off the amount due from a director.

Dividends may be paid out by way of cash or by other means that we consider appropriate. Declaration and payment of any dividends would require the recommendation of our Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to Shareholders' approval. Our Company does not set any fixed dividend pay-out ratio. A decision to declare or to pay any dividend in the future, and the amount of any dividends, depends on a number of factors, including our results of operations, financial condition, the payment by our subsidiaries of cash dividends to us, and other factors our Board may deem relevant. There will be no assurance that our Company will be able to declare or distribute any dividend in the amount set out in any plan of our Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by our Board in the future.

RISK FACTORS

There are risks involved in our Company's operations. Prospective investors should read carefully the section headed "Risk factors" in this prospectus for details of all the risk factors before making any investment decision in the Offer Shares. Some of the major risks are summarised as follows:

- Our income from installation and maintenance services is generally project based and non-recurring in nature and any decrease in the number of projects and/or any decrease in the demand of maintenance services would affect our operations and financial results.

- We prepare our tender based on estimated cost plus a mark-up margin, and there is no assurance that the actual time and costs incurred by us would match our initial estimate.

- Even we have established and enhanced our internal control system on monitoring our costs, the actual costs incurred by us may be affected by changes in market conditions that are beyond our control and we may incur cost overrun.

- Our offer of instalment payment option to our customer may have a material adverse effect on our liquidity and expose us to a higher credit risk.

- We may be exposed to payment delays and/or defaults by our customers which would adversely affect our cash flow or financial results.

- We have obtained various qualifications and licences from various authorities. We are also on Government's various approved lists of contractors and suppliers. All these are important to our operation and any loss of any or all of these could materially and adversely affect our businesses in Hong Kong.

INTERNAL CONTROL

During the Track Record Period, we prepared our tenders based on our estimated cost of material and equipment and subcontracting cost plus a mark-up margin. The mark-up margin usually comprised (i) an amount equivalent to approximately 20% of the total estimated costs specifically reserved for our internal cost of human resources and (ii) a target profit. We used to set the final mark-up margin after taking into consideration the chance of obtaining the job with the determined tender price and that the tender price would be able to cover all of our estimated costs for the project as well as generate a profit.

In addition, during the Track Record Period, we did not record the time spent by each member of our installation teams and maintenance teams on each installation and maintenance project for recording the direct labour costs on each project.

As a result, our Group were not able to know the direct labour costs incurred in each project we handled and assess whether our tender price was reasonable, whether the relevant project was profitable and, if profitable, its gross profit margin.

For the purpose of assessing the profitability of each of the projects we handle and monitoring closely its profitability throughout the installation and maintenance process, as well as facilitating us to set a reasonable tender price, we have implemented the internal control measures in January 2017 to rectify the above weakness of our internal control system. Please refer to the paragraph headed "Risk factors – Risk relating to our business – Even we have established and enhanced our internal control system on monitoring our costs, the actual costs incurred by us may be affected by changes in market conditions that are beyond our control and we may incur cost overrun" and the paragraph headed "Business – Internal control and corporate governance – Internal control measures to improve weakness on project budgeting and monitoring" for details.

STATISTICS OF THE SHARE OFFER

	Based on the minimum indicative Offer Price of HK$0.13 per Share	Based on the maximum indicative Offer Price of HK$0.17 per Share
Market capitalisation	HK$208,000,000	HK$272,000,000
Unaudited pro forma adjusted combined net tangible assets per Share as at 31 August 2016 *(Note)*	HK$0.028	HK$0.035

Note:

Please refer to the section headed "Appendix II – Unaudited pro forma adjusted net tangible assets" for further details regarding the assumptions used and the calculations method.

Pursuant to the Share Offer, the Selling Shareholder offers 100,000,000 Sales Shares for purchase under the Placing and, assuming an Offer Price of HK$0.15 (being the mid-point of the indicative Offer Price range), will receive an estimated net proceeds of approximately HK$10.5 million from the Placing after deducting the portion of the Listing expenses to be borne by it.