
SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to invest in the [REDACTED]. Various expressions used in this summary are defined in the section headed "Definitions and Glossary" in this document.

BUSINESS OVERVIEW

We are a slope works contractor in Hong Kong. We commenced our business in 2013 and mainly undertook slope works in the role of subcontractor during the Track Record Period. Save for one completed private sector project awarded to us as main contractor in June 2018 which contributed HK\$0.2 million to our revenue, we undertook all of our projects in the role of subcontractor during the Track Record Period. The slope works undertaken by us generally involve landslip preventive and remedial works for improving or maintaining the stability of slopes and/or retaining walls. During the Track Record Period, all of our revenue was derived in Hong Kong in terms of the geographical location of our project sites.

We are experienced in undertaking different kinds of slope works which mainly comprise (i) drilling and installation of soil nails; (ii) construction of retaining walls; (iii) installation of debris flow protection rigid barriers; (iv) construction of flexible barrier system; (v) installation of raking drains; (vi) installation of wire meshes and mats for erosion control; (vii) construction of concrete maintenance stairway/access; and (viii) landscape softworks and establishment works. If so requested by our customer, we may also assist our customer in carrying out ground investigation and preparing foundation designs of flexible barrier system.

We possess certain machinery and motor vehicles for use in our operation. As at the Latest Practicable Date, we owned two air compressors, one crane truck, one excavator and 12 motor vehicles.

Projects undertaken during the Track Record Period

For FY2017, FY2018 and the five months ended 31 May 2019, there were 12, 16 and 15 projects which contributed a total of approximately HK\$94.3 million, HK\$111.2 million and HK\$75.3 million to our revenue, respectively. During the Track Record Period, we were engaged in both public and private sector projects and the majority of our revenue was derived from public sector projects. In respect of public sector projects, our customers were generally construction contractors which are registered on the List of Approved Specialist Contractors for Public Works maintained by the Development Bureau. During the Track Record Period, the project owners of our public sector projects generally included the CEDD, the Lands Department, the Housing Authority, the Water Supplies Department and the Architectural Services Department. In respect of private sector projects, our customers were generally construction contractors engaged by property owners and educational institutions.

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The following table sets forth a breakdown of our revenue during the Track Record Period for private and public sector projects:

	FY2017			FY2018			Five months ended 31 May 2018			Five months ended 31 May 2019		
	No. of projects	Revenue <i>HK\$'000</i>	% of total revenue	No. of projects	Revenue <i>HK\$'000</i>	% of total revenue	No. of projects	Revenue <i>HK\$'000</i> <i>(Unaudited)</i>	% of total revenue	No. of projects	Revenue <i>HK\$'000</i>	% of total revenue
Public sector	9	89,827	95.2	11	106,045	95.3	10	51,816	99.8	11	58,876	78.2
Private sector	3	4,496	4.8	5	5,200	4.7	1	90	0.2	4	16,411	21.8
Total	12	94,323	100.0	16^(Note 1)	111,245	100.0	11	51,906	100.0	15^(Note 2)	75,287	100.0

Notes:

- Out of the 16 projects which contributed revenue to FY2018, 6 projects also contributed revenue to FY2017.
- Out of the 15 projects which contributed revenue to the five months ended 31 May 2019, 5 and 10 projects also contributed revenue to FY2017 and FY2018, respectively.

Set out below is a breakdown of our projects based on their respective range of revenue recognised during the Track Record Period:

	FY2017 <i>No. of projects</i>	FY2018 <i>No. of projects</i>	Five months ended 31 May 2019 <i>No. of projects</i>
Revenue recognised			
HK\$10.0 million or above	3	4	3
HK\$5.0 million to below HK\$10.0 million	0	2	2
HK\$1.0 million to below HK\$5.0 million	6	6	4
Below HK\$1.0 million	3	4	6
Total	12	16	15

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The following table sets forth the number of projects for which we have submitted tenders, the number of projects awarded and the success rate during the Track Record Period:

	FY2017	FY2018	Five months ended 31 May 2019
Number of projects for which we have submitted tenders	12	17	10
Number of projects awarded <i>(Note)</i>	6	9	6
Success rate (%) <i>(Note)</i>	50.0	52.9	60.0

Note: In the above table, success rate for a financial year/period is calculated based on the number of projects awarded (whether awarded in the same financial year/period or subsequently) in respect of the tenders submitted during that financial year/period.

Backlog

The following table sets out movement in the number of our projects during the Track Record Period and up to the Latest Practicable Date:

	FY2017	FY2018	Five months ended 31 May 2019	From 1 June 2019 to the Latest Practicable Date
Opening number of projects <i>(Note 1)</i>	5	6	12	14
Number of new projects awarded to us <i>(Note 2)</i>	7	12	4	4
Number of projects completed <i>(Note 3)</i>	(6)	(6)	(2)	(0)
Ending number of projects <i>(Note 4)</i>	6	12	14	18

Notes:

1. Opening number of projects means the number of awarded projects which were not completed as of the beginning of the relevant year/period indicated.
2. Number of new projects means the number of new projects awarded to us during the relevant year/period indicated.
3. Number of projects completed means the number of projects which are practically regarded as completed.

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4. Ending number of projects is equal to the opening number of projects plus number of new projects minus number of projects completed during the relevant year/period indicated.

The following table sets out the movement in the value of backlog of our projects during the Track Record Period and up to the Latest Practicable Date:

	FY2017 HK\$'000	FY2018 HK\$'000	Five months ended 31 May 2019 HK\$'000	From 1 June 2019 to the Latest Practicable Date HK\$'000 (Unaudited)
Opening value of backlog	100,716	168,681	155,501	153,987
Total value of new projects and variation orders awarded ^(Note 1)	162,288	98,065	73,773	95,565
Revenue recognised	<u>(94,323)</u>	<u>(111,245)</u>	<u>(75,287)</u>	<u>(62,505)</u>
Ending value of backlog ^(Note 2)	<u><u>168,681</u></u>	<u><u>155,501</u></u>	<u><u>153,987</u></u>	<u><u>187,047</u></u>

Notes:

- Total value of new projects and variation orders awarded means (i) the original estimated contract sum of new projects awarded, or where applicable, the adjusted contract sum taking into account the actual amount of orders under the contracts; and (ii) the value of variation orders issued by our customers in the relevant year/period indicated.
- Ending value of backlog means the portion of the total estimated revenue that has not been recognised with respect to our projects which had not been completed as at the end of the relevant year/period indicated.

Our customers

During the Track Record Period, our customers mainly included construction contractors in Hong Kong. The number of customers with revenue contribution to our Group was five, seven and seven for FY2017, FY2018 and the five months ended 31 May 2019, respectively. For each of FY2017, FY2018 and the five months ended 31 May 2019, the percentage of our total revenue attributable to our top customer amounted to approximately 74.3%, 31.1% and 41.2%, respectively, while the percentage of our total revenue attributable to our top five customers combined amounted to approximately 100.0%, 98.5% and 97.9%, respectively.

During the course of our business, there may be occasions where our customers pay on our behalf for materials and other miscellaneous items such as site planning and surveying services, machinery rental and motor vehicle expenses required in our projects and subsequently deduct such payments when settling our service fees for the project. For further details, please refer to the paragraph headed "Business – Our customers" in this document.

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Our suppliers

Suppliers of goods and services which are specific to our business and are required on a regular basis to enable us to continue carrying on our business mainly include (i) subcontractors; (ii) suppliers of materials; and (iii) suppliers of other miscellaneous services such as site planning and surveying services, motor vehicle expenses and machinery rental services. The following table sets forth a breakdown of our total purchase during the Track Record Period by type of suppliers:

	FY2017		FY2018		Five months ended 31 May 2018		Five months ended 31 May 2019	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
					<i>(Unaudited)</i>			
Subcontracting services	20,457	43.0	24,820	44.0	10,641	39.6	17,853	42.2
Materials	15,385	32.4	15,781	27.9	7,435	27.7	12,438	29.4
Other services ^(Note)	11,676	24.6	15,862	28.1	8,765	32.7	12,036	28.4
Total	<u>47,518</u>	<u>100.0</u>	<u>56,463</u>	<u>100.0</u>	<u>26,841</u>	<u>100.0</u>	<u>42,327</u>	<u>100.0</u>

Note: These miscellaneous services mainly included site planning and surveying services, motor vehicle expenses and machinery rental services.

Our major licences and registrations

A-City Workshop, our principal operating subsidiary, is a Registered Specialist Trade Contractor under reinforcement bar fixing, concreting formwork and concreting and a Registered Subcontractor in general civil works with specialty of earthwork and geotechnical works of the Registered Specialist Trade Contractors Scheme (formerly known as the Subcontractor Registration Scheme) of the Construction Industry Council. A-City Workshop is also registered with the Building Authority as a Registered General Building Contractor and a Registered Specialist Contractor under the sub-register of "site formation works". For further details, please refer to the paragraph headed "Business – Licences and registrations" in this document.

COMPETITIVE LANDSCAPE AND COMPETITIVE STRENGTHS

The revenue of slope works increased from approximately HK\$1,995.4 million in 2013 to approximately HK\$2,711.5 million in 2018, at CAGR of 6.3%. The estimated revenue of slope works in public sector recorded an increase from HK\$1,624.0 million in 2013 to HK\$2,233.1 million in 2018, at a CAGR of 6.6%. During the same period, the revenue in private sector increased from HK\$371.4 million in 2013 to HK\$478.4 million in 2018, representing a CAGR of 5.2%. Along with the rising safety standard for man-made slope and natural hillsides, the demand for slope works is expected to increase in the future. Hence, the estimated revenue of slope works in Hong Kong is forecasted to experience the growth from HK\$2,917.9 million in 2019 to HK\$3,875.8 million in 2023, at a CAGR of 7.4%.

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We believe that our competitive strengths include: (i) we offer a comprehensive range of quality slope works; (ii) possession of a pool of skilled workers; (iii) experienced and dedicated management team; and (iv) stringent quality control and high safety standard and environmental impact control.

BUSINESS STRATEGIES

We intend to pursue the following key business strategies: (i) reserving additional working capital to fulfil the requirements for being a probationary contractor on the List of Approved Specialist Contractors for Public Works maintained by the Development Bureau under the category of "Landslip preventive/remedial works to slopes/retaining walls"; (ii) strengthening our manpower to increase our service capacity; (iii) strengthening our machinery; and (iv) increasing our reserve for financing the issue of performance guarantees. For further information, please refer to the paragraph headed "Business – Business strategies" in this document.

SALES AND MARKETING AND PRICING STRATEGY

During the Track Record Period, we secured new business mainly through direct invitations for tender by customers. On some occasions, we have approached the construction contractors which might have tendered for certain public sector projects we identified on gazettes or Government websites and discussed with them on the prospects of subcontracting the relevant works to us. Our Directors consider that due to our proven track record and our relationship with our existing customers, we are able to leverage on our existing customer base and our reputation in the slope works industry in Hong Kong such that we do not rely heavily on marketing activities other than liaising with existing and potential customers from time to time for relationship building and management.

We normally charge our customers based on actual work done according to the bill of quantities set out in the contract. Pricing of our services is determined on a case-by-case basis having regard to various factors, which generally include (i) the scope of services; (ii) the price trend of the types of materials required; (iii) the complexity of the project; (iv) the estimated number and types of workers required; (v) the estimated number and types of machines required; (vi) the completion time requested by customers; (vii) the availability of our manpower and resources; (viii) subcontracting expenses; and (ix) the prevailing market conditions. For further information, please refer to the paragraph headed "Business – Pricing strategy" in this document.

RISK FACTORS

Potential investors are advised to carefully read the section headed "Risk factors" in this document before making any investment decision in the [REDACTED]. Some of the more particular risk factors include the following: (i) a significant portion of our revenue was generated from contracts awarded by a limited number of customers; (ii) a significant portion of our revenue during the Track Record Period was generated from public sector slope works projects and any significant reduction in the level of Government's spending on slope works may materially and adversely affect us; (iii) any significant cost overruns may

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materially and adversely affect our business operation and financial performance; and (iv) our revenue is mainly derived from our slope works on a project-by-project basis and our business depends on our success rate on project tendering.

KEY OPERATIONAL AND FINANCIAL DATA

The following tables set forth our key operational and financial data during the Track Record Period.

Highlights of consolidated statements of profit or loss and other comprehensive income

	FY2017	FY2018	Five months ended 31 May 2018	Five months ended 31 May 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			<i>(Unaudited)</i>	
Revenue	94,323	111,245	51,906	75,287
Cost of services	<u>(75,460)</u>	<u>(89,660)</u>	<u>(42,010)</u>	<u>(61,053)</u>
Gross profit	18,863	21,585	9,896	14,234
Profit before income tax	16,642	19,069	9,030	4,246
Income tax expense	<u>(2,717)</u>	<u>(2,975)</u>	<u>(1,325)</u>	<u>(2,029)</u>
Profit and total comprehensive income for the year/period	13,925	16,094	7,705	2,217
			As at 31 December 2017	As at 31 May 2019
			<i>HK\$'000</i>	<i>HK\$'000</i>

Highlights of consolidated statements of financial position

Non-current asset	2,003	1,641	2,318
Current assets	28,281	38,499	45,670
Current liabilities	9,508	13,390	18,876
Non-current liabilities	309	188	333
Net current assets	18,773	25,109	26,794
Net assets	20,467	26,562	28,779

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Highlights of consolidated statements of cash flows

	FY2017 HK\$'000	FY2018 HK\$'000	Five months ended 31 May 2018 HK\$'000 (Unaudited)	Five months ended 31 May 2019 HK\$'000
Operating profit before working capital changes	17,161	19,687	9,287	4,648
Net cash generated from operating activities	9,338	7,216	6,222	3,519
Net cash used in investing activities	(1,628)	(3,962)	(62)	(218)
Cash flows used in financing activities	—	(2,000)	—	(4,806)
Net increase/(decrease) in cash and cash equivalents	7,710	1,254	6,160	(1,505)
Cash and cash equivalents at the beginning of year/period	3,470	11,180	11,180	12,434
Cash and cash equivalents at the end of the year/period, represented by cash and bank balances	<u>11,180</u>	<u>12,434</u>	<u>17,340</u>	<u>10,929</u>

Summary of financial ratios

	FY2017 or as at 31 December 2017	FY2018 or as at 31 December 2018	Five months ended 31 May 2019 or as at 31 May 2019
Gross profit margin (%)	20.0	19.4	18.9
Net profit margin (%)	14.8	14.5	2.9
Return on equity (%)	68.0	60.6	7.7
Return on total assets (%)	46.0	40.1	4.6
Current ratio	3.0	2.9	2.4
Quick ratio	3.0	2.9	2.4
Gearing ratio (%) ^(Note)	0	18.6	6.8

Note: Gearing ratio is calculated as total borrowings (i.e. amounts due to directors and lease liabilities) divided by the total equity as at the respective reporting date.

Our revenue increased from approximately HK\$94.3 million for FY2017 to approximately HK\$111.2 million for FY2018, representing an increase of approximately 17.9% or approximately HK\$16.9 million. Our revenue increased because we have actively approached our existing and potential customers resulting in the increase in our number of

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customers with revenue contribution to us from five in FY2017 to seven in FY2018, which contributed to (i) an increase in number of projects with revenue contribution to us and an increase in our revenue derived from projects of relatively larger scale; and (ii) there were two projects (i.e. Project #02 and Project #03, details of which are set out in the paragraph headed "Business – Projects undertaken during the Track Record Period" in this document) which were at their initial startup stages during FY2017 resulting in less actual work done during FY2017.

Our revenue increased from approximately HK\$51.9 million for the five months ended 31 May 2018 to approximately HK\$75.3 million for the five months ended 31 May 2019, representing an increase of approximately 45.0% or approximately HK\$23.4 million. Our revenue increased because we have actively approached our existing and potential customers resulting in the increase in our number of projects with revenue contribution to us from 11 in the five months ended 31 May 2018 to 15 in the five months ended 31 May 2019. In particular the increase in our revenue was mainly due to: (i) an increase in number of projects with revenue contribution to us and an increase in our revenue derived from projects of relatively larger scale; and (ii) Project #03 (details of which are set out in the paragraph headed "Business – Projects undertaken during the Track Record Period" in this document) had less actual work done during the five months ended 31 May 2018.

Our gross profit margin slightly decreased by approximately 0.6 percentage points from approximately 20.0% for FY2017 to approximately 19.4% for FY2018, and slightly decreased by approximately 0.5 percentage points from approximately 19.4% for FY2018 to approximately 18.9% for the five months ended 31 May 2019, which was mainly due to the increase in our use of subcontractors having considered the availability of our own labour resources in FY2018 and the five months ended 31 May 2019. Our Directors consider that holding all else the same, the engagement of subcontractors would generally lead to a lower profit margin for our Group, as a profit markup is generally factored in the fees charged by subcontractors.

Our operating profit before working capital changes decreased by approximately 50.0% from approximately HK\$9.3 million for the five months ended 31 May 2018 to approximately HK\$4.6 million for the five months ended 31 May 2019. The decrease in our operating profit before working capital changes was mainly because we incurred approximately HK\$[REDACTED] million [REDACTED] for the five months ended 31 May 2019 which was one-off in nature. Our profit before income tax (excluding [REDACTED]) increased by approximately 40.1% from approximately HK\$9.0 million for the five months ended 31 May 2018 to approximately HK\$12.7 million for the five months ended 31 May 2019.

Non-HKFRS measures

We recognised non-recurring items in the Track Record Period. To supplement our consolidated financial statements which are presented in accordance with HKFRS, we also presented the adjusted net profits and adjusted net profit margin as non-HKFRS measures.

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We present these additional financial measures as these were used by our management to evaluate our financial performance by eliminating the impact of non-recurring [REDACTED] which is considered not indicative for evaluation of the actual performance of our business. We believe that these non-HKFRS measures provide additional information in understanding and evaluating our consolidated results of operations in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies.

The table below sets out the adjusted net profit and adjusted net profit margin in each respective year/period during the Track Record Period:

	FY2017	FY2018	For the five months ended 31 May	
			2018	2019
			<i>(Unaudited)</i>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit and total comprehensive income for the year/period	13,925	16,094	7,705	2,217
[REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
[REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

CONTROLLING SHAREHOLDERS

Immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme), Good Hill (which is wholly owned by Mr. Ho and Mr. Sieh in equal share) will be entitled to exercise or control the exercise of 30% or more of the voting power at general meetings of our Company, therefore, Good Hill is our Controlling Shareholder. On the basis that Mr. Ho and Mr. Sieh have decided to restrict their ability to exercise direct control over our Company by holding their interests through Good Hill, Mr. Ho and Mr. Sieh are a group of our Controlling Shareholders. Please refer to the section headed "Substantial Shareholders" in this document for details of the shareholding interest of our Controlling Shareholders.

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LITIGATIONS AND CLAIMS

During the Track Record Period and up to the Latest Practicable Date, we were involved in certain claims and potential claims that were arisen during our usual and ordinary course of business, which include (i) an ongoing common law personal injury claim; (ii) a settled employee's compensation claim; (iii) three potential employees' compensation claims; and (iv) three potential common law personal injury claims, in relation to workplace injuries. As at the Latest Practicable Date, our Group was also involved in a potential litigation in relation to our former employee who suffered heart attack during a break from work and was certified dead. According to a letter dated 4 December 2017 issued by the Labour Department, the Commissioner of the Labour Department considered that the deceased had likely died from natural causes. For further details, please refer to the paragraph headed "Business – Litigations and claims" in this document.

[REDACTED]

Number of the [REDACTED] [REDACTED]	:	[REDACTED] Shares (subject to the [REDACTED])
[REDACTED]	:	Not more than HK\$[REDACTED] per [REDACTED] and expected to be not less than HK\$[REDACTED] per [REDACTED] (excluding brokerage, Stock Exchange trading fee and SFC transaction levy)

	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] HK\$	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] HK\$
[REDACTED] ^(Note 1) Unaudited [REDACTED] adjusted consolidated net tangible assets of our Group attributable to equity holders of our Company per Share ^(Note 2)	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]

Notes:

1. The calculation of the [REDACTED] of the Shares is based on [REDACTED] Shares in issue and to be issued immediately after completion of the [REDACTED] but does not take into account any Shares which may be allocated and issued upon the exercise of the [REDACTED] or options which may be granted under the Share Option Scheme or Shares which may allotted and issued or repurchased by our Company pursuant to the issuing mandate and the repurchase mandate.
2. Please refer to Appendix II to this document for the bases and assumptions in calculating the figures.

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[REDACTED]

Our Directors estimate that the total amount of expenses in relation to the [REDACTED] is approximately HK\$[REDACTED] million. Out of the amount of approximately HK\$[REDACTED] million, approximately HK\$[REDACTED] million is directly attributable to the issue of the [REDACTED] and is expected to be accounted for as a deduction from equity upon [REDACTED]. The remaining amount of approximately HK\$[REDACTED] million, which cannot be so deducted, shall be charged to profit or loss. Of the approximately HK\$[REDACTED] million that shall be charged to profit or loss, [REDACTED], approximately HK\$[REDACTED] million and approximately HK\$[REDACTED] million has been charged for each of FY2017 and FY2018 and the five months ended 31 May 2019 respectively and approximately HK\$[REDACTED] million is expected to be incurred for the seven months ending 31 December 2019. Expenses in relation to the [REDACTED] are non-recurring in nature. Our Group's financial performance and results of operations for FY2019 will be affected by the expenses in relation to the [REDACTED].

FUTURE PLANS AND USE OF [REDACTED]

The net [REDACTED] to be received by us from the [REDACTED] based on the [REDACTED] of HK\$[REDACTED] per Share being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] per [REDACTED] to HK\$[REDACTED] per [REDACTED], after deducting related expenses in connection with the [REDACTED], are estimated to be approximately HK\$[REDACTED] million. Our Directors presently intend that the net [REDACTED] will be applied as follows: (i) approximately HK\$[REDACTED] million, representing [REDACTED]% of the estimated net [REDACTED] will be used for satisfying the applicable working capital requirement which is to maintain a minimum working capital of 10% of the combined annual value of uncompleted works on outstanding contracts for being a probationary contractor on the List of Approved Specialist Contractors for Public Works under the category of "Landslip preventive/remedial works to slopes/retaining walls"; (ii) approximately HK\$[REDACTED] million, representing [REDACTED]% of the estimated net [REDACTED] will be used for strengthening our manpower by recruiting additional staff, including project manager/site agent, site engineer, site foremen, safety officer/supervisor, labour officer, crane truck operator, site workers and administrative staff; (iii) approximately HK\$[REDACTED] million, representing [REDACTED]% of the estimated net [REDACTED] will be used for financing the acquisition of additional machinery, namely drilling rigs, grout pumps, shotcrete machine, pneumatic drill, crane truck, air compressors, generators and motor vehicles; and (iv) approximately HK\$[REDACTED] million, representing [REDACTED]% of the estimated net [REDACTED] will be used for increasing our reserve for financing the issue of performance guarantees in favour of our customers.

DIVIDEND

For each of FY2017 and FY2018 and the five months ended 31 May 2019, we declared dividends payables of nil, approximately HK\$10.0 million and nil, respectively to our then shareholders. The dividend was paid by setting off against the amount due from Mr. Sieh and Mr. Ho during FY2018. The declaration and payment of future dividends will be subject to the decision of our Board having regard to various factors including our operation and financial performance profitability, business development, prospects, capital requirements and economic outlook. It is also subject to the approval of our Shareholders as well as any applicable laws. The historical dividend payments may not be indicative of future dividend trends. We do not have any predetermined dividend payment ratio.

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RECENT DEVELOPMENT

As at the Latest Practicable Date, we had 18 projects on hand with an aggregate of approximately HK\$249.5 million yet to be recognised as revenue after the Track Record Period, among which, approximately HK\$108.7 million, HK\$134.0 million, and HK\$6.8 million are expected to be recognised as revenue in the seven months ending 31 December 2019, FY2020 and FY2021, respectively. For further details, please refer to the paragraph headed "Business – Projects on hand" in this document. Subsequent to 31 May 2019, we obtained (i) one project from Customer C with estimated contract sum of HK\$16.3 million; (ii) one project from Customer D with estimated contract sum of HK\$6.8 million and (iii) two projects from Geotech Engineering Limited with total estimated contract sum of HK\$69.0 million.

Our Directors confirm that, save for the expenses in connection with the [REDACTED], up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since 31 May 2019, and there have been no events since 31 May 2019 which would materially affect the information shown in our consolidated financial information included in the accountants' report set forth in Appendix I to this document.