

## **FUTURE PLANS AND USE OF PROCEEDS**

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### **FUTURE PLANS**

Please see the section headed “Business – Corporate strategies” of this [REDACTED] for a detailed description of our future plans.

### **USE OF PROCEEDS**

We estimate the net proceeds of the [REDACTED] which we will receive, assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range of HK[REDACTED] to HK[REDACTED] per [REDACTED]), will be approximately HK\$[REDACTED] million, after deduction of underwriting fees and commissions and estimated expenses payable in connection with the [REDACTED].

We intend to apply the net proceeds from the [REDACTED] within 12 months from the Listing Date for the following purposes:

- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED] million, will be used to fund the renovation works of a renovation term contract with an education institution that our Company is aiming to secure. As with every project, the Company would need to acquire insurance coverage for the project, materials or parts to commence the renovation work, provide initial funding for certain subcontractors (if required), and other preliminary cost incurred to initiate the project. Furthermore, this customer will only settle their last 20% payment after 3 to 6 months from work completion;
- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED] million, will be used to meet the funding requirement of DTC that our Company will bid for. For DTC, the Government will only pay us the last 30% of the value of the works done after final completion and upon certification by representative of the Government, which typically takes 3 to 6 months. Also, our Company will utilise the net proceeds to purchase sufficient insurance coverage, maintenance parts and materials depending on the nature of repair or maintenance, financial support to subcontractors (if required), and other initial expense in relation to the project;
- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED] million, will be allocated to fund a new renovation project of a private residential estate that our Company will bid for. In view of our track record and our established reputation in renovation sector, we expect to secure additional contracts from our private customers that would require us to purchase performance bonds, insurance and materials required to implement these renovation projects;
- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED] million, will be used as down payment or payment for the purchase of paints in relation to the redecoration works of a public housing estate, which will involve repainting of public housing buildings;

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- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED] million, will be applied towards our renovation project involving renovation and conversion of industrial buildings from industrial use to hotel use at Kwai Chung, New Territories, Hong Kong. This project with an estimated contract value of HK\$360 million will require substantial cash outlay to purchase lifts, sanitary fittings, air conditioning systems, window cladding, fire service fittings, partition walls, furnishing, carpet and other renovation materials, before any stage payment is collected;
- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED] million, will be used to enhance our operational efficiency and quality of service by upgrading our information technology applications;
- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED] million, will be used for repayment of our bank loans that were used for tax payment and general working capital. In particular, the SME tax loans provided to Sing Fat Construction is required to be settled upon Listing as Sing Fat Construction will no longer be qualified as an SME under the terms of the loans. Such loans currently bear interests rates ranging from approximately 2.5% to 4% per annum and the maturity dates are 10 July 2015, 31 October 2015 and 25 September 2017; and
- approximately [REDACTED]% of the net proceeds, or approximately HK\$[REDACTED] million, will be used for our Group’s general working capital.

The above allocation of the proceeds 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 mid-point of the estimated [REDACTED] range stated in this [REDACTED].

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

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit the net proceeds into short-term demand deposits with authorised financial institutions and/or licensed banks in Hong Kong.