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## **FUTURE PLANS AND [REDACTED]**

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### **REASONS FOR [REDACTED]**

Please refer to the section headed “History and development – Reasons for [REDACTED]” in this document for our reasons for [REDACTED].

### **FUTURE PLANS**

Please refer to the paragraph headed “Business – Business Strategies” in this document for our Group’s business strategies and future plans.

### **[REDACTED]**

The net proceeds to be received by us from the [REDACTED] based on the [REDACTED] of HK\$[REDACTED] per Share, after deducting related expenses of approximately HK\$[REDACTED] million in connection with the [REDACTED], are estimated to be approximately HK\$[REDACTED] million. Our Directors presently intend that the net proceeds will be applied as follows:

- approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated net proceeds, for partly financing the acquisition of an additional foreign worker dormitory at an estimated consideration of HK\$[REDACTED] (equivalent to approximately S\$[REDACTED], being the mid-point of our estimated range of consideration for the proposed acquisition), in connection with our plan to (i) cater to the accommodation needs of the additional foreign employees to be hired under our business expansion plan; and (ii) increase the scale of our dormitory service business; and
- approximately HK\$[REDACTED], representing approximately [REDACTED] % of the estimated net proceeds, for financing the acquisition of 10 additional lorries for us to cope with the expected increase in transportation needs from a larger size of our manpower in accordance with our business expansion plan.

### **Financing arrangements for the acquisition of foreign worker dormitory**

As discussed above, the estimated consideration for acquiring an additional foreign worker dormitory is approximately HK\$154.8 million (equivalent to approximately S\$[28.0] million, being the mid-point of our estimated range of consideration for the proposed acquisition).

Our Directors currently intend to finance the proposed acquisition (i) partly by using HK\$[REDACTED] from the net proceeds to be received by us from the [REDACTED]; and (ii) partly by obtaining a mortgage loan of approximately HK\$[REDACTED] from financial institutions.

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## **FUTURE PLANS AND [REDACTED]**

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Our Directors do not foresee any material difficulties in obtaining the aforesaid mortgage loan, considering that (i) our profit and other comprehensive income for each of FY2014, FY2015 and FY2016 amounted to approximately S\$4.2 million, S\$6.3 million and S\$6.6 million, which our Directors believe have illustrated the sustainability of our financial performance and profitability during the Track Record Period; (ii) our status of being [REDACTED] will smoothen the approval process of the mortgage loan by banks and financial institutions as they will have better access to our Group’s financial information which enables them to evaluate and monitor our Group’s financial position more effectively; (iii) the proposed mortgage loan amount of approximately HK\$[REDACTED] represents a loan-to-value ratio of approximately 56.2%, which is substantially lower than the ratio of up to 80% of loan financing offered by banks in Singapore; (iv) it is the current intention of our Directors that the loan tenor shall be approximately 10 years, which is far less than the maximum tenor of up to 30 years offered by banks in Singapore; and (v) based on the prevailing interest rate of approximately 2.0% applicable to similar mortgage loans as preliminarily indicated by banks in Singapore, the aforesaid assumptions regarding the loan amount and tenor, as well as our intended timing of the purchase of the additional dormitory in accordance with our expansion plan, the annual repayment obligations of our Group (including interest expenses and repayment of loan principal) are estimated to be approximately S\$0.4 million and S\$1.7 million for each of FY2017 and FY2018, which is not expected to lead to any material adverse impact on our cash flows and liquidity positions given that we had net cash generated from operations for each of FY2014, FY2015 and FY2016 that amounted to approximately S\$9.2 million, S\$10.1 million and S\$8.0 million respectively.

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 interest-bearing deposits or treasury products with authorised financial institutions and/or licensed banks in Singapore or Hong Kong.

We will issue an announcement in the event that there is any material change in the [REDACTED] of the [REDACTED] as described above.