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

- (i) approximately HK\$[REDACTED], representing approximately [REDACTED]% of the estimated net [REDACTED], 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
- (ii) approximately HK\$[REDACTED], representing approximately [REDACTED]% of the estimated net [REDACTED], 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.

## FUTURE PLANS AND [REDACTED]

In relation to the intended application of the net [REDACTED] described in (i) and (ii) above, the following table sets out the intended amount, nature and timing of the relevant investments in an additional foreign worker dormitory and 10 additional lorries:

**(i) For acquiring an additional foreign worker dormitory**

Timing	Approximate amount of capital expenditure	Nature
By FY2017	<p>HK\$[REDACTED] (being the mid-point of our estimated range of consideration for the proposed acquisition), of which:</p> <ul style="list-style-type: none"> <li>approximately HK\$[REDACTED] is expected to be financed by the net [REDACTED] from the [REDACTED]; and</li> <li>approximately HK\$84.9 million is expected to be financed by a mortgage loan to be obtained from financial institution (as discussed in the section headed “Financial Information – 11. Indebtedness – 11.7 Plan to obtain mortgage loan for intended purchase of additional dormitory”)</li> </ul>	One-off acquisition of a foreign worker dormitory with a capacity to house approximately 1,000 to 1,500 persons by around mid-October 2017

**(ii) For acquiring 10 additional lorries**

Timing	Approximate amount of capital expenditure	Nature
By FY2017	HK\$[REDACTED], expected to be fully financed by the net [REDACTED] from the [REDACTED]	Acquisition of eight lorries with an estimated total capacity to carry [344] passengers
By FY2018	HK\$[REDACTED], expected to be fully financed by the net [REDACTED] from the [REDACTED]	Acquisition of two lorries with an estimated total capacity to carry [86] passengers

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

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### **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\$[REDACTED] (equivalent to approximately S\$[REDACTED], 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 [REDACTED] to be received by us from the [REDACTED]; and (ii) partly by obtaining a mortgage loan of approximately HK\$84.9 million from financial institutions. 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\$84.9 million represents a loan-to-value ratio of approximately 52.4%, 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 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 [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit the net [REDACTED] into short-term interest-bearing deposits or treasury products with authorised financial institutions and/or licensed banks in Singapore or Hong Kong.

We estimate that the net [REDACTED] to the Selling Shareholder from the [REDACTED] (after deduction of proportionate underwriting fees and estimated expenses payable by our Selling Shareholder in relation to the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED].) will be approximately HK\$[REDACTED]. Our Company will not receive any of the [REDACTED] from the sale of the [REDACTED].

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