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This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. Since this is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks of investing in the Offer Shares are set forth in the section headed "Risk Factors" on pages 33 to 52. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are principally engaged in construction business in Hong Kong as a main contractor. With an operating history of over 37 years, we have been providing civil engineering construction services to the public and private sectors in Hong Kong which is our core business. We have been particularly active in waterworks projects. As a member of the Vantage Group, we have also undertaken two private residential building construction projects since four years ago. This is mainly due to the corporate strategy of the Vantage Group regarding diversification of risks, and establishing track records on different nature of construction projects, among its member companies. We sub-contracted the two projects to the Retained Vantage Group as it possesses more expertise and technical experience on building construction projects than us. One of the projects was completed in March 2011 while the remaining one, being TW7 Project, is expected to complete by mid-2014. We have also been undertaking certain building maintenance projects of relatively minor scale and value during the Track Record Period.

To ensure clear delineation of business activities between our Group and the Retained Vantage Group, we shall cease all building construction and maintenance business upon completion of TW7 Project, which is expected to be completed in mid-2014 and accounted for approximately 55.1%, 30.9%, 53.3% and 66.5% of our Group's revenue for the three years ended 31 March 2013 and the four months ended 31 July 2013 respectively. During the same period, our building construction and maintenance business accounted for approximately 0%, 5.2%, 9.3% and 18.7% respectively of our Group's gross profits. In comparison, our civil engineering construction business accounted for approximately 44.9%, 69.1%, 46.7% and 33.5% of our Group's revenue and approximately 100.0%, 94.8%, 90.7% and 81.3% of our Group's gross profits for the three years ended 31 March 2013 and the four months ended 31 July 2013 respectively. During the Track Record Period, we achieved a generally higher gross profit margin for our core civil engineering construction business, as compared to that achieved for our building construction and maintenance business.

We are an approved contractor for carrying out public works under the lists of approved contractors maintained by WBDB and Hong Kong Housing Authority, as well as a registered contractor under Buildings Department and Electrical and Mechanical Services Department. For details, please refer to the sections headed "Regulatory Overview" and "Business — Legal and Regulatory Compliance" on pages 93 to 96 and 159 to 161 respectively in this prospectus.

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With a team of experienced management and qualified professionals with many years of experience in the civil engineering construction industry, a systematic tender review procedure, and our quality management system, environmental management system and occupational health and safety management system that were accredited with ISO 9001, ISO 14001 and OHSAS 18001 certifications respectively, we believe we have established a strong reputation in civil engineering waterworks in Hong Kong. Over the years, we have completed major civil engineering construction works and have been able to secure contracts as main contractor for the construction and maintenance of various waterworks infrastructure. Further, we have also undertaken various utilities civil engineering works for HKT Group since 1983.

OUR BUSINESSES

We offer construction services that encompass procurement of materials and equipment, selection of sub-contractors to on-site supervision, work progress monitoring and overall coordination of day-to-day work of projects. Our civil engineering construction services are mainly applied to (i) waterworks; (ii) roads and drainage works; (iii) landslip preventive and remedial works to slopes and retaining walls; and (iv) utilities civil engineering works, for the public and private sectors in Hong Kong. Our building construction services are applied to carcass works for private residential development in Hong Kong. To a lesser extent, we are also engaged in building repairs and maintenance works.

Civil engineering construction works

Waterworks

Waterworks include construction and maintenance of water mains, service reservoirs, pumping stations, water tanks, treatment works, watercourses for distribution systems and other related construction works.

Roads and drainage works

Road works include construction of road interchange, carriageway and walkway, footbridge and traffic link bridge, road improvement and widening works, etc., while drainage works include flood prevention works, construction drainage channel, outfall pipe, box culvert and pumping station, etc.

Landslip preventive and remedial works to slopes and retaining walls

Landslip preventive and remedial works to slope involve slope stabilisation and upgrading works which include engineering inspection, retaining wall construction, cut and fill slope, soil nailing, surface drainage construction, slope surface treatment with high pressure grouting and spraying, landscaping, etc.

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Utilities civil engineering works

Utilities civil engineering works include trench work for cables and ducts laying, construction of jointing chambers and associated facilities for telecommunication and electrical cable networks.

Building construction and maintenance works

Our Group provides building construction services which are applied to carcass works for private residential development and building repairs and maintenance services. During our whole history of operation, we have only undertaken two private residential building construction projects since four years ago. Before considering the Spin-off, as a member of the Vantage Group, we were executing the overall strategy of Vantage in the establishment of our track record in building construction projects. The advantages of our historical arrangement to take up some building construction projects included enhancing our job reference and profile which was considered beneficial to us in increasing the opportunity in being awarded future tenders for building construction projects.

Given the fact that typical building construction projects have higher contract sums than civil engineering and waterworks projects, during the Track Record Period, the contribution from building construction and maintenance works accounted for approximately 55.1%, 30.9%, 53.3% and 66.5% of our Group's total revenue respectively. The substantial contribution to revenue from building construction projects and from projects related to R&R Programme during the Track Record Period are matters of strategy and resource allocation for us. Indeed, the contribution of building construction projects to our gross profit during the Track Record Period was relatively insignificant. As a matter of fact and as discussed in more detail in the "Industry Overview" section in this prospectus, there has been steady demand for civil engineering and waterworks in Hong Kong over the years. Apart from R&R Programme which has increased the needs for waterworks over the past few years, the continuing government spending in infrastructure and transportation sectors is expected to sustain growing demand for civil engineering works. Approximately HK\$939 million or approximately 31% of our Group's total revenue during the Track Record Period was generated from projects relating to R&R Programme. On the basis of the constant need for enhancing water services and its infrastructure and that a new replacement and rehabilitation programme of water mains is being planned by WSD for implementation after the current R&R Programme is completed, our Directors are optimistic about the future demand for waterworks after the expected completion of R&R Programme in 2015. Our Group has solid track record in civil engineering and waterworks through our 37 years of operating history in Hong Kong, well before R&R Programme commenced in 2000.

After the Spin-off, our Group will continue to focus on civil engineering construction business which is our core business and shall cease to engage in building construction and maintenance works except for TW7 Project which is expected to complete by mid-2014. However, our Group has managed to grow our principal business of civil engineering

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construction in its 37-years' track record and was able to generate the majority of our profit from our civil engineering construction business during the Track Record Period. In that regard, our Directors believe that our Group will be able to continue sustainable business development by focusing on our civil engineering construction business after the Listing.

CUSTOMERS AND OUR PROJECTS

Our customers include various departments of the Government such as WSD, Drainage Services Department and Highways Department as well as certain public utilities companies and non-governmental and private organisations in Hong Kong.

We completed a total of 9 projects during the Track Record Period. 8 of such projects were civil engineering construction projects while the remaining one was a building construction project, namely MOS Project. As of 31 July 2013, we had 13 significant projects in progress, including 5 projects in the public sector and 8 projects in the private sector, the largest of which by contract sum was a building construction project, namely TW7 Project. All such significant projects in progress, except TW7 Project, are civil engineering construction projects. The total contract sum of our projects in progress was approximately HK\$3,885 million as at 31 July 2013, of which the contract sum of our building construction project was approximately HK\$1,605 million and the contract sum of our civil engineering projects was approximately HK\$2,280 million.

The total amount not yet been recognised as revenue as at 31 July 2013 was approximately HK\$1,703 million, of which the amount not yet been recognised as revenue from building construction project was approximately HK\$494 million and the amount not yet been recognised as revenue from civil engineering projects was approximately HK\$1,209 million.

OUR COMPETITIVE STRENGTHS

Our Directors believe that our Group possesses the following competitive strengths:

- Established operating history and track record in civil engineering construction projects
- Well-positioned to capture the emerging business opportunities
- Consistent delivery of high quality services through stringent quality assurance and strong commitment to high safety standard and environmental impact control
- Systematic and effective tender review procedure
- Long-standing relationship with sub-contractors
- Experienced management team

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OUR BUSINESS STRATEGIES

Our business objectives are to achieve sustainable business growth and to create long-term shareholder's value. We aim to accomplish this through the following strategies:

- Strengthen our Group's growth in civil engineering construction businesses
- Further enhancement in work quality and project safety
- Maintain a disciplined financial strategy
- Attract, motivate and develop talented and experienced staff

SUPPLIERS

We act as main contractor and delegate parts of the construction works to our sub-contractors and will purchase certain construction materials and equipment for the use of our sub-contractors. The relevant costs of the materials and equipment will be deducted accordingly from the sub-contracting fees in accordance with the relevant sub-contracting agreements.

Our Group's five largest suppliers, being our sub-contractors, together accounted for approximately 96.2%, 95.0%, 98.9% and 99.4%, respectively, of our total cost of subcontracting fees charged to our Group for each of the three years ended 31 March 2013 and the four months ended 31 July 2013, respectively. During the same period, our Group's largest sub-contractor accounted for approximately 62.7%, 34.0%, 54.9% and 69.6% of the total sub-contracting fees charged to our Group respectively.

Able Contractors, which is a connected person of our Company by virtue of it being a wholly-owned subsidiary of Vantage, is our largest sub-contractor for each of the three years ended 31 March 2013 and the four months ended 31 July 2013. It is also the only building construction sub-contractor of our Group and will continue to undertake sub-contracting works from us in respect of TW7 Project after Listing. For further details of the existing sub-contracting arrangement with Able Contractors, please refer to the "Connected Transaction — Non-exempt continuing connected transaction" section on pages 168 to 172 in this prospectus.

The principal construction materials that are used by our sub-contractors for undertaking our civil engineering and building construction works include pipes and fittings, concrete and steel. During the Track Record Period, the largest material supplier which we purchased materials for the use of our sub-contractors accounted for approximately 29.1%, 26.2%, 36.8% and 38.5% of our Group's cost of construction materials purchased for the use of our sub-contractors for each of the three years ended 31 March 2013 and the four months ended 31 July 2013, respectively.

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COMPETITION

Since we shall cease our building construction and maintenance business upon completion of TW7 Project, we consider the companies engaged in civil engineering construction works in Hong Kong that have been approved by WBDB as Group C contractors under the “Waterworks” category to be our major competitors in the provision of civil engineering construction works. According to WBDB, there were a total of 36 approved contractors listed on the list of approved contractors under the categories of “Waterworks” for Group C as at the Latest Practicable Date. Approved contractors under other categories may also be our competitors depending on project nature.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS AND THE SPIN-OFF

Immediately after the completion of the Share Offer and assuming the Offer Price Adjustment Option is not exercised, Vantage will, through its wholly-owned subsidiary, Profit Chain, own 75% of our enlarged issued share capital. Mr. Ngai is beneficially interested in approximately 61.83% equity of the issued capital of Vantage. Vantage and Mr. Ngai will continue to be our Controlling Shareholders. As of the Latest Practicable Date, apart from the shareholding interests in our Group, Vantage does not own any shareholding interests in any other company which carries on a business that competes with the civil engineering construction business of our Group.

The proposed Spin-off involves the spinning-off of our Group from Vantage by way of separate listing of the Shares on the Stock Exchange. We consider that the reasons and benefits of the Spin-off include the following:

- (i) the Spin-off will provide a separate fund raising platform to fund the growth and expansion of the civil engineering construction business of our Group;
- (ii) the Spin-off will allow our Group and Retained Vantage Group to adopt different business strategies in order to better suit their respective businesses and enhance their ability to focus on opportunities specific to the respective businesses of the relevant groups;
- (iii) the Spin-off will allow our Group to finance its expansion based on its own growth plans and projects;
- (iv) our Group and Retained Vantage Group will be protected from each other’s risks; and
- (v) the proceeds expected to be received by our Group from the separate listing will enhance our business development potentials.

After Listing, the Retained Vantage Group will continue to engage in property investment and development and a wide range of public and private sectors building construction and maintenance works whereas our Group will engage in civil engineering construction business but not in any new building construction and maintenance works. In order to eliminate any future competing business with our Group, pursuant to the Deed of

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Non-competition entered into by Vantage in favour of us, Vantage undertakes that the Retained Vantage Group will not, inter alia, engage in civil engineering construction business and any business that is or is likely to be in competition with that of our Group. For further information, please refer to the section headed “Relationship with Controlling Shareholders” on pages 175 to 185 in this prospectus.

SUMMARY FINANCIAL INFORMATION

The following tables present a summary of our financial information during the Track Record Period and should be read in conjunction with our financial information included in the Accountants’ Report set forth in Appendix I to this prospectus, including the notes thereto.

Highlight of our combined statements of comprehensive income

The table below sets out an extract of our combined statements of comprehensive income during the Track Record Period, which is derived from the Accountants’ Report as set out in Appendix I to this prospectus:

	Year ended 31 March			Four months ended 31 July	
	2011 <i>HK\$'000</i>	2012 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
				(Unaudited)	
Revenue	673,168	690,043	984,296	326,719	653,993
Contract costs	<u>(627,650)</u>	<u>(641,086)</u>	<u>(928,785)</u>	<u>(313,999)</u>	<u>(629,611)</u>
Gross profit	45,518	48,957	55,511	12,720	24,382
Other income and gains	2,606	3,607	16,973	5,484	3,283
Administrative expenses	(18,264)	(18,839)	(22,678)	(6,202)	(11,248)
Finance costs	<u>—</u>	<u>(33)</u>	<u>(1,865)</u>	<u>(337)</u>	<u>(196)</u>
Profit before tax	29,860	33,692	47,941	11,665	16,221
Income tax expense	<u>(4,898)</u>	<u>(5,522)</u>	<u>(7,875)</u>	<u>(1,904)</u>	<u>(3,518)</u>
Profit and total comprehensive income for the year/period	<u>24,962</u>	<u>28,170</u>	<u>40,066</u>	<u>9,761</u>	<u>12,703</u>
Profit and total comprehensive income attributable to owners of the parent	<u>24,962</u>	<u>28,170</u>	<u>40,066</u>	<u>9,761</u>	<u>12,703</u>

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Revenue

We derive our revenues during the Track Record Period from contract works for civil engineering and building construction and maintenance. The tables below set out breakdowns of our revenue, contract costs and gross profit during the Track Record Period generated from our civil engineering works and building construction and maintenance works. For details on fluctuation of our revenue during the Track Record Period, please refer to the paragraph headed “Financial Information — Review of our Group’s Operating Results — Our revenue” on pages 210 to 211 in this prospectus.

	Year ended 31 March					
	2011					
	Civil engineering			Building		Total
	works			construction and		
maintenance			works		Total	
<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>		%
Revenue from contract works	302,166	44.9%	371,002	55.1%	673,168	100%
Contract costs	<u>(256,653)</u>	<u>40.9%</u>	<u>(370,997)</u>	<u>59.1%</u>	<u>(627,650)</u>	<u>100%</u>
Gross profit	<u>45,513</u>	<u>100%</u>	<u>5</u>	<u>—</u>	<u>45,518</u>	<u>100%</u>
Gross profit margin		15.1%		—		6.8%

	Year ended 31 March					
	2012					
	Civil engineering			Building		Total
	works			construction and		
maintenance			works		Total	
<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>		%
Revenue from contract works	476,902	69.1%	213,141	30.9%	690,043	100%
Contract costs	<u>(430,484)</u>	<u>67.1%</u>	<u>(210,602)</u>	<u>32.9%</u>	<u>(641,086)</u>	<u>100%</u>
Gross profit	<u>46,418</u>	<u>94.8%</u>	<u>2,539</u>	<u>5.2%</u>	<u>48,957</u>	<u>100%</u>
Gross profit margin		9.7%		1.2%		7.1%

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	Year ended 31 March 2013					
	Civil engineering works		Building construction and maintenance works		Total	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Revenue from contract works	459,389	46.7%	524,907	53.3%	984,296	100%
Contract costs	<u>(409,045)</u>	<u>44.0%</u>	<u>(519,740)</u>	<u>56.0%</u>	<u>(928,785)</u>	<u>100%</u>
Gross profit	<u>50,344</u>	<u>90.7%</u>	<u>5,167</u>	<u>9.3%</u>	<u>55,511</u>	<u>100%</u>
Gross profit margin		11.0%		1.0%		5.6%

	Four months ended 31 July 2013					
	Civil engineering works		Building construction and maintenance works		Total	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Revenue from contract works	218,873	33.5%	435,120	66.5%	653,993	100%
Contract costs	<u>(199,062)</u>	<u>31.6%</u>	<u>(430,549)</u>	<u>68.4%</u>	<u>(629,611)</u>	<u>100%</u>
Gross profit	<u>19,811</u>	<u>81.3%</u>	<u>4,571</u>	<u>18.7%</u>	<u>24,382</u>	<u>100%</u>
Gross profit margin		9.1%		1.1%		3.7%

Gross Profit and Gross Profit Margin

Our gross profit is calculated based on total revenue less total contract costs. The gross profit margin for our civil engineering works for our Group was generally higher than that for our building construction and maintenance works and, depending on the revenue mix for the relevant financial year, our overall gross profit margin percentage may vary accordingly. For details on fluctuation of our gross profit during the Track Record Period, please refer to the paragraph headed “Financial Information — Review of our Group’s Operating Results — Our gross profit” on pages 212 to 213 in this prospectus.

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After Listing, as we shall cease to engage in building construction and maintenance business other than TW7 Project currently in progress and will not take up any new contract works for building construction and maintenance, our Group will no longer record any revenue and profit (including our related management fee income received from the Retained Vantage Group) from the building construction and maintenance business other than as a result of TW7 Project.

However, our Group would be able to meet the minimum profit requirement under Rule 8.05(1)(a) even after excluding the major income and expense items directly attributable to our building construction and maintenance business (as set out in “Financial Information — Our building construction and maintenance business which shall be ceased” section on page 244 in this prospectus) from our net profits during the Track Record Period.

Highlight of certain items of our combined statements of financial position

	As at 31 March			As at 31 July
	2011	2012	2013	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current assets	219,545	438,032	628,567	530,027
Current liabilities	<u>145,390</u>	<u>335,066</u>	<u>485,069</u>	<u>373,666</u>
Net current assets	<u>74,155</u>	<u>102,966</u>	<u>143,498</u>	<u>156,361</u>
Net assets	<u>76,213</u>	<u>104,383</u>	<u>144,449</u>	<u>157,152</u>
Total assets	<u>221,782</u>	<u>439,535</u>	<u>629,531</u>	<u>530,836</u>

Key financial ratios

The following table sets out certain key financial ratios of our Group for the Track Record Period:

	Year ended 31 March			Four months ended 31 July
	2011	2012	2013	2013
Return on equity	32.8%	27.0%	27.7%	24.2%
Return on total assets	11.3%	6.4%	6.4%	7.2%
Current ratio	1.5	1.3	1.3	1.4
Gearing ratio	0%	17.9%	54.4%	0%

For calculation of the key financial ratios above, please refer to “Financial Information — Certain key financial ratios” section on pages 234 and 235 in this prospectus.

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RECENT DEVELOPMENT

As of 30 September 2013, we have continued to execute the projects in progress as disclosed in the section headed “Business — Our Projects — Projects in progress” on pages 132 to 134 in this prospectus. In October 2013, we were awarded with a new contract regarding the provision of civil works for cable circuit improvement for certain areas of the Central and Western District of the Hong Kong Island for Company C at a contract sum of approximately HK\$41.9 million.

Based on our Group’s unaudited management accounts, for the six months ended 30 September 2013, we recorded a revenue of approximately HK\$881.8 million and a gross profit of approximately HK\$34.4 million, achieving a gross profit margin of approximately 3.9%. The gross profit margin decreased from approximately 5.6% for the year ended 31 March 2013 to approximately 3.9% for the six months ended 30 September 2013, primarily due to the continual progress of TW7 Project which contributed a significant amount of our revenue during the six months ended 30 September 2013 and has a lower gross profit margin as compared to that of our civil engineering works projects generally. As of 30 September 2013, we had total current assets of approximately HK\$550.2 million and total current liabilities of approximately HK\$388.5 million. Please refer to the section headed “Financial Information — Net Current Assets” on pages 227 to 228 in this prospectus for further details. There was no adverse change in our financial position for the six months ended 30 September 2013 when compared to those for the year ended 31 March 2013.

LISTING EXPENSES

The estimated total listing expenses (excluding underwriting commission), which are non-recurring in nature and are mainly comprised of professional fees paid to the Sole Sponsor, legal advisors, the reporting accountants and other parties for their services in connection with the Share Offer, are approximately HK\$14 million. No significant listing expenses have been incurred by our Group during the three years ended 31 March 2013. For the four months ended 31 July 2013, listing expenses of approximately HK\$5.1 million was charged to profit or loss. For the remaining amount of approximately HK\$8.9 million, we expect to further charge approximately HK\$4.0 million to profit or loss, while approximately HK\$4.9 million is expected to be directly attributable to the issue of Shares and accounted for as a deduction from equity upon successful listing under the relevant accounting standards. The amount of listing expenses is a current estimate for reference only and the final amount to be recognised to the consolidated statement of comprehensive income of our Group for the year ending 31 March 2014 is subject to audit and the then changes in variables and assumptions.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since 31 July 2013 and there is no event since 31 July 2013 which would materially affect the information shown in our combined financial information included in the Accountants’ Report set forth in Appendix I to this prospectus.

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SHARE OFFER STATISTICS

	Based on an Offer Price of HK\$1.0 per Offer Share	Based on an Offer Price of HK\$1.2 per Offer Share
Market capitalisation of our Shares <i>(Note 1)</i>	HK\$200,000,000	HK\$240,000,000
Unaudited pro forma adjusted combined net tangible assets per Share <i>(Note 2)</i>	HK\$1.205	HK\$1.255

Notes:

- (1) The calculation of the market capitalisation is based on the respective Offer Price of HK\$1.0 and HK\$1.2 per Offer Share and 200,000,000 Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue but without taking into account of any Shares which may be issued upon exercise of the Offer Size Adjustment Option or any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates given to our Directors to allot and issue or repurchase Shares.*
- (2) The unaudited pro forma adjusted net tangible assets per Share is arrived at after the adjustments set forth in Appendix II to this prospectus and on the basis of the respective Offer Price of HK\$1.0 and HK\$1.2 per Offer Share and that 200,000,000 Shares were in issue immediately following the completion of the Share Offer and the Capitalisation Issue but without taking into account of any Shares which may be issued upon exercise of the Offer Size Adjustment Option or any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates given to our Directors to allot and issue or repurchase Shares. For details, please refer to Appendix II to this prospectus.*

DIVIDEND POLICY

Prior to the Reorganisation, EXCEL declared a one-off and non-recurring dividend of HK\$60 million to the then shareholder, Great Jump on 21 November 2013. On the same day, Great Jump declared the entire HK\$60 million as dividend to the then shareholder, Profit Chain. Such dividend will be funded by using our internal resources and paid before the Listing in December 2013. Investors in the Share Offer and persons becoming our Shareholders after the Listing will not be entitled to such dividend. After completion of the Share Offer, our Shareholders will be entitled to receive dividends only when declared by our Board. Save as aforesaid, no dividend has been paid or declared by companies comprising our Group or our Company during the Track Record Period and from 1 August 2013 up to the Latest Practicable Date. As at 31 July 2013, our Company did not have any distributable reserves available for distribution to the Shareholders.

USE OF PROCEEDS

The net proceeds from the Share Offer will strengthen our capital base and will provide funding for achieving our business strategies and carrying out our future plans as set out in the section headed “Business — Business Strategies” on pages 114 to 116 in this prospectus. As discussed in the “Regulatory Overview” and “Industry Overview” sections in this prospectus, there is a minimum requirement on employed capital and working capital for projects in the public sector in Hong Kong. Contractors for both public and private sector projects might be required to provide customers with retention money which generally ranges from 1% to 10% of the total contract sum or to take out performance or surety bonds (generally not exceeding 10% of the total contract sums) issued by a bank or an

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insurance company in favour of the customers according to the contract terms. It is therefore beneficial to our Group to strengthen its capital base through raising funds under the Share Offer so that our Group will be able to tender for a greater volume of projects and projects of larger contract sums after Listing.

Assuming that the Offer Size Adjustment Option is not exercised and assuming an Offer Price of HK\$1.1, being the mid-point of the proposed Offer Price range, our Directors estimate that the net proceeds to be received by our Company from the Share Offer will be about HK\$37.7 million, after deducting the underwriting commissions and other estimated expenses payable by our Company in relation to the Share Offer.

Our Directors presently intend to use the net proceeds from the Share Offer as follows:

- approximately 80% or HK\$30.1 million of the total estimated net proceeds will be used for the operation of the current projects and prospective projects;
- approximately 5% or HK\$1.9 million of the total estimated net proceeds will be used for the employment of additional staff for current and new projects and the expansion of the business of our Group;
- approximately 5% or HK\$1.9 million of the total estimated net proceeds will be used to support the increase of the performance bonds facilities available to our Group for satisfying performance bonds requirement of prospective projects; and
- approximately 10% or HK\$3.8 million of the total estimated net proceeds will be used for the working capital and other general corporate purposes.

For further details, please refer to the section headed “Future Plans and Use of Proceeds” on pages 247 to 248 in this prospectus.

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set forth in the section headed “Risk Factors” on pages 33 to 52 in this prospectus and we believe that some of the material risks are:

- Our business is concentrated on our major customers and our performance largely depends on our ability to tender for and us being awarded works from some of our major customers.
- Cessation of building construction and maintenance business by us upon completion of TW7 Project may have a material adverse effect on our business, operating results and financial condition.
- Expiration of R&R Programme may lead to a reduction of waterworks opportunities available for tender in Hong Kong in the future.
- We are subject to the risks associated with tendering process. Our contracts are normally awarded through competitive tendering process.

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- Failure to accurately estimate the overall risks, revenues or costs of our contracts, or to agree to the pricing of work done pursuant to change orders may lead to lower than anticipated profits or losses.

Impact of cessation of income generation from certain major customers and projects after Listing

Cessation of TW7 Project

In the past, the undertaking of building construction works by our Group was mainly due to the corporate strategy of the Vantage Group on diversification of risks, and establishing track records on different nature of construction projects, among its member companies. After the Spin-off, our Group shall cease all building construction and maintenance business upon completion of TW7 Project which accounted for approximately 55.11%, 30.89%, 53.33% and 66.53% of our revenue for the three years ended 31 March 2013 and the four months ended 31 July 2013 respectively. The outstanding amount yet to be recognised for TW7 Project as at 31 July 2013 was approximately HK\$494 million.

Our Group intends to maintain its position as one of the leading civil engineering construction companies in Hong Kong and to continue to build on its existing competitive strengths set out in the “Business — Our Competitive Strengths” section on pages 111 to 114 in this prospectus. The retention money receivables from TW7 Project amounted to approximately HK\$80.3 million and HK\$80.3 million as at 31 July 2013 and 30 September 2013 respectively. 50% of the final retention money will be settled upon project completion which is expected to be mid-2014 while the remaining 50% balance will be settled upon expiry of the maintenance period which is expected to be mid-2015 according to the relevant contract terms. Upon release of the retention money we have put up for TW7 Project, our Group will have more working capital and human resources available for tendering new civil engineering works. Given the scale of TW7 Project, it is possible that the total revenue of our Group in the few years after the completion of TW7 Project may reduce because contract sums of typical civil engineering works are smaller. However, our gross profit margin may increase on the basis that the gross profit margin for civil engineering works for our Group achieved during the Track Record Period was generally higher than that achieved for building construction works.

Cessation of R&R Programme

In relation to civil engineering waterworks which we are particularly active in, as of 31 July 2013, we had 5 significant projects in progress which are part of the R&R Programme launched by WSD with a total outstanding amount yet to be recognised as revenue as of 31 July 2013 of HK\$1,144 million, which represented approximately 67.18% of the total computable outstanding amount yet to be recognised of the significant projects that were in progress as at 31 July 2013 as shown in the table headed “Projects in progress” in the “Business” section on pages 132 to 134 in this prospectus. The total amount of revenue recognised during the Track Record Period of such 5 R&R Programme projects in progress together with the 2 R&R Programme projects which were completed during the Track Record Period amounted to HK\$939 million. The R&R Programme has already commenced its last stage and is expected to complete by 2015. Expiration of the R&R

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Programme may lead to a reduction of civil engineering waterworks opportunities available for tender in Hong Kong in the future. For details of the related risk, please refer to the paragraph headed “Risk Factors — Expiration of the R&R Programme may lead to a reduction of civil engineering waterworks opportunities available for tender in Hong Kong in the future” on page 35 in this prospectus.

On cessation of the R&R Programme, our Group plans to continue to tender for new waterworks projects from WSD. Besides the R&R Programme, there are plenty of waterworks civil engineering projects in the pipeline of WSD. According to the Report on the examination of the Estimates of Expenditure 2013 to 2014 issued in July 2013 by the Finance Committee of the Legislative Council of Hong Kong, a new replacement and rehabilitation programme of water mains is being planned by WSD for implementation after the current R&R Programme is completed. According to the WSD Annual Report, WSD is extending the sea water supply network and improving the existing sea water systems. According to a press release issued by WSD on 6 February 2013, a project is scheduled for commencement later in 2013 to enlarge the storage capacity of the existing Butterfly Valley Fresh Water Primary Service Reservoir in Kwai Tsing. Accordingly, our Directors believe that WSD will in the forthcoming years, invite for tenders to implement the projects as mentioned above. From a longer perspective, our Directors believe that WSD is targeting the production of reclaimed water for toilet flushing and other non-potable uses as well as liaising with other Government departments to implement trial schemes on recycling of grey water and harvesting rainwater. Further, with the Government’s policy of increasing public expenditure on infrastructure and NDAs projects, our Directors believe that such infrastructure projects will expectedly involve waterworks, roads and drainage and other civil engineering construction works at some stage which our Group possesses the requisite licences to tender for.

The retention money receivables from our R&R Programme projects in progress amounted to approximately HK\$11.7 million and HK\$12.4 million as at 31 July 2013 and 30 September 2013 respectively. The final amount of retention money as at completion of each project will be settled upon expiry of the maintenance period according to the relevant contract terms in each contract. With the freeing up of working capital and human resources of our Group upon completion of TW7 Project and the waterworks projects in the R&R Programme, our Group intends to actively tender for new waterworks, roads and drainage and other civil engineering construction works offered by various departments of the Government. Our Directors are of the view that on the basis of the extensive experience and expertise of our management team in civil engineering works and our track record of undertaking civil engineering projects for various Government departments, we are well positioned to tender for such projects in the future. Our Directors expect that our Group will continue to be awarded with new contracts from WSD in particular, in the event the new replacement and rehabilitation programme of water mains currently being planned by WSD is implemented, after cessation of the R&R Programme. Accordingly, the impact from the cessation of the R&R Programme on our Group’s revenue and profitability in future may be mitigated. So long as demand for civil engineering works exists, our Group shall continue to tender for appropriate projects, regardless of whether the R&R Programme is in place. Based on the commercial considerations and practical circumstances described, the Sole Sponsor confirms that it does not have a different

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assessment of our Group's focused strategy on the waterworks projects under the R&R Programme during the Track Record Period. In addition, on the basis of the long operating history and track record of our Group, and the nature of and demand for civil engineering and other works that our Group is positioned to tender for, the Sole Sponsor does not have concern on the future sustainability of the business of our Group after expiry of the R&R Programme.

Cessation of receipt of management fee income from the Retained Vantage Group

The management fee income received from the Retained Vantage Group during the Track Record Period consisted of (i) staff cost reimbursement from Able Contractors in connection with TW7 Project of approximately nil, HK\$1.3 million, HK\$9.9 million and HK\$2.5 million respectively for each of the three years ended 31 March 2013 and the four months ended 31 July 2013, and (ii) charging back of approximately nil, HK\$1.5 million, HK\$4.1 million and nil respectively for each of the three years ended 31 March 2013 and the four months ended 31 July 2013 from Able Contractors of the management fee paid to Vantage for sharing corporate expense of the Vantage Group attributable to MOS Project and TW7 Project on cost basis. For the staff cost reimbursement, we will no longer receive such part of management fee income from the Retained Vantage Group after the completion of TW7 Project which is expected to be in mid-2014. However, after completion of TW7 Project, staff members that were provided to the Retained Vantage Group for execution of TW7 Project will be available for assisting our Group in tendering and/or executing new civil engineering construction projects. On the condition that our Group's tenders for civil engineering works in future are successful, it is expected that our Group will generate more revenue from civil engineering works as more staff will be available for tendering and/or executing new civil engineering works and our gross profit margin in the future is also expected to increase as our Group has been receiving reimbursement in relation to the staff only on a cost basis from the Vantage Group. In addition, since April 2013, we have ceased to pay any management fee to Vantage for sharing certain corporate expense of the Vantage Group which mainly represented the salaries and bonus of Vantage's executive directors in relation to their overall management of Vantage Group. This made it unnecessary for our Group to charge back such corresponding amount from Able Contractors by way of management fee income since April 2013, and accordingly, our Directors believe that there will be no adverse financial effect to our Group in this connection.

With reference to the total number of projects tendered for by us as illustrated under the table headed "Business — Project Workflow — Preparation and submission of tender document — Tenders submitted during the Track Record Period" on page 123 in this prospectus as compared to the actual number of projects engaged by our Group during Track Record Period, our Directors consider that we did not encounter difficulty in finding suitable projects to tender for during the Track Record Period, and believe that we will have adequate opportunity to contemplate other projects in the market after cessation of TW7 Project and R&R programme.