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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS AND PROSPECTS

Please refer to the section headed “Business — Business Strategies” in this prospectus for a detailed description of our Group’s future plans.

### 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” 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 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 in order 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 at all 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.

Further information on the performance bonds of our Group is set out in the paragraph headed “Business — Performance bonds/Surety bonds” in this prospectus.

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If the Offer Size Adjustment Option is exercised in full, we estimate that we would receive additional net proceeds of approximately HK\$8 million, assuming an Offer Price of HK\$1.1 per Share, being the midpoint of the Offer Price range stated in this prospectus. The additional net proceeds received from the exercise of the Offer Size Adjustment Option will be applied pro rata to the above mentioned purposes. If the Offer Size Adjustment Option is exercised at the higher or lower end of the Offer Price range stated in this prospectus, we will adjust our allocation of the net proceeds for the above mentioned purposes on a pro rata basis. In such event, we will announce the net proceeds from the exercise of the Offer Size Adjustment Option.

To the extent that the net proceeds of the Share Offer 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 deposits with authorised financial institutions and/or licensed banks in Hong Kong.

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