
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS AND PROSPECTS

Our objective is to become a global fitting-out contractor having significant presence in other countries in addition to Hong Kong, Macau and China. We intend to achieve this through our business strategies, details of which are set out in the section headed “Business – Business strategies” in this prospectus.

USE OF PROCEEDS

The net proceeds from the Global Offering to our Company (after deduction of underwriting fees and estimated expenses payable by us in relation to the Global Offering, and assuming an Offer Price of HK\$3.76 per Share, being the mid-point of the indicative Offer Price range of HK\$3.33 to HK\$4.18 and the Over-allotment Option is not exercised) are estimated to be approximately HK\$412.2 million. We currently plan to use the proceeds from the Global Offering in the following manner:

- approximately HK\$123.7 million (equivalent to approximately 30% of the aforesaid estimated net proceeds) to finance our future fitting-out projects in the PRC, which will include procurement of equipment, hiring of additional staff, and payments of start-up costs for new projects such as prepayment of subcontracting fees and material purchase costs. As at the Latest Practicable Date, there were 11 pending tenders for fitting-out projects in the PRC having been submitted by us;
- approximately HK\$70.1 million (equivalent to approximately 17% of the aforesaid estimated net proceeds) to set up our own procurement and pre-fabrication facility and for our R&D as more particularised in the section headed “Business – Business strategies” in this prospectus;
- approximately HK\$61.8 million (equivalent to approximately 15% of the aforesaid estimated net proceeds) to finance our future fitting-out projects in the Middle East, which will include procurement of equipment, hiring of additional staff, and payments of start-up costs for new projects such as prepayment of subcontracting fees and material purchase costs. As at the Latest Practicable Date, our Group is in the stage of bidding for tenders and there were nine pending tenders for fitting-out projects in the Middle East having been submitted by us;
- approximately HK\$61.8 million (equivalent to approximately 15% of the aforesaid estimated net proceeds) as reserve for potential future acquisitions. Our Directors confirm that our Company has not entered into any agreement or negotiation nor did we have any definite plans at present in relation to any potential acquisition as at the Latest Practicable Date;
- approximately HK\$41.2 million (equivalent to approximately 10% of the aforesaid estimated net proceeds) to finance our fitting-out projects in Hong Kong and Macau;

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- approximately HK\$12.4 million (equivalent to approximately 3% of the aforesaid estimated net proceeds) for our marketing activities; and
- approximately HK\$41.2 million (equivalent to approximately 10% of the aforesaid estimated net proceeds) for working capital requirements and other general corporate purposes.

We will not receive any of the proceeds from the sale of Sale Shares by the Selling Shareholders. Assuming an Offer Price of HK\$3.76 per Share (being the mid-point of the indicative Offer Price range of HK\$3.33 to HK\$4.18 and assuming the Over-allotment Option is not exercised), the Selling Shareholders will receive approximately HK\$82.4 million, after deducting underwriting fees and other expenses relating to the Global Offering payable by the Selling Shareholders. Assuming that the Over-allotment Option is exercised in full, the additional net proceeds to be received by the Selling Shareholders are estimated to be approximately HK\$43.6 million, HK\$39.1 million or HK\$34.7 million, respectively (based on the maximum indicative Offer Price of HK\$4.18 per Share, HK\$3.76 per Share, being the mid-point of the indicative Offer Price range of HK\$3.33 to HK\$4.18 per Share, and the minimum indicative Offer Price of HK\$3.33 per Share, respectively).

If the Offer Price is determined at the highest point of the indicative Offer Price range, and assuming that the Over-allotment Option is not exercised, the net proceeds to our Company would be increased by approximately HK\$49.2 million. In such event, we have the present intention to apply the additional funding of approximately HK\$49.2 million to finance our fitting-out projects in the PRC. If the Offer Price is determined at the lowest point of the indicative Offer Price range, the proceeds to us would be decreased by approximately HK\$49.2 million. In such event, we will decrease each of the above planned usages on a pro-rata basis. We will finance any shortfall in the implementation of our plans by internal cash resources and/or additional bank borrowings, as and when appropriate.

Assuming that the Over-allotment Option is exercised in full, the additional net proceeds to be received by us are estimated to be approximately HK\$43.6 million, HK\$39.1 million or HK\$34.7 million, respectively (based on the maximum indicative Offer Price of HK\$4.18 per Share, HK\$3.76 per Share, being the mid-point of the indicative Offer Price range of HK\$3.33 to HK\$4.18 per Share and the minimum indicative Offer Price of HK\$3.33 per Share, respectively). We intend to use the additional net proceeds to finance our fitting-out projects in the PRC.

To the extent that any part of the net proceeds from the Global Offering is not immediately used for the above purposes, we may allocate such proceeds to short-term interest-bearing deposits with licensed banks or authorised financial institutions in Hong Kong.