You should carefully consider all of the information set out in this prospectus and, in particular, should consider the following risks before making an investment in our Company. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of the Offer Shares could decline due to any of these risks or other factors, and you may lose all or part of your investment.

RISK RELATING TO OUR BUSINESS

Inability to obtain foreign labour could materially affect our operations and financial performance

Our business is highly dependent on skilled, semi-skilled and unskilled foreign workers as the local construction labour is limited and more costly. Any shortage in the supply of foreign workers or increase in FWL for foreign workers, or any restriction on the number of foreign workers that we can employ for a project, will adversely affect our operations and financial performance. As at the Latest Practicable Date, approximately 81% of our workforce is made up of foreign workers. On this basis, our operations and financial performance may be adversely affected due to any shortage in the supply of foreign workers and any increase in the cost of foreign labour. The supply of foreign labour in Singapore is subject to the policies and regulations imposed by the MOM. For example, the MOM imposes a quota on the number of foreign workers that the main contractor and its subcontractors (including our Group and our subcontractors) can employ in respect of each construction project. Depending on the requirements of our projects, the tightening of such quota on the number of foreign workers that the main contractors and its subcontractors can employ could affect our operations and accordingly our business and financial performance could be adversely affected. Any changes in the policies of the foreign workers' countries of origin may affect the supply of foreign labour and cause disruptions to our operations which may result in a delay in the completion of our projects. The MOM also imposes FWL for foreign workers. In the Singapore Government's budget released in 2013, it was announced that FWL for unskilled foreign workers in the construction sector for the calendar years 2014 and 2015 will be increased to S$600 by July 2015. Any increase in FWL will increase our operating expenses and will affect our financial performance.

Our top five customers accounted for over 90% of our total revenue in each of the three financial years ended 30 June 2013 and any decrease in projects secured from any one of them could affect our operations and financial results

Our largest customer accounted for approximately 45.0%, 58.6% and 72.1% of our total revenue, and our five largest customers accounted for approximately 96.2%, 99.0% and 99.7% of our total revenue for the three financial years ended 30 June 2013, respectively. There is no assurance that these major customers will continue to use our services at fees acceptable to our Group or our Group can maintain its relationship with them in the future. In the event that our Group is unable to retain these customers, or seek replacement customers, our business, results of operations, profitability and liquidity may be adversely affected.

A failure to obtain continuity of our order book for new projects could materially affect our financial performance

We provide electrical engineering services to the Singapore construction industry on a project-basis, and the duration of our projects usually ranges between 24 and 48 months. As such, our revenue is not recurring in nature and we cannot guarantee that we will continue to secure new projects from our customers after the completion of the existing awarded projects. Our Group has to go through a competitive tendering or quotation process to secure new project works. In the event we are unable to maintain business relationship with existing customers or unable to price our tender or quotation competitively, our business and hence our revenue will be adversely affected. It is critical to our Group to secure new projects of similar or larger value on a continuous basis, and should we fail to do so, the financial performance of our Group will be adversely affected.

We are dependent on suppliers and subcontractors to implement certain contracts

Our five largest suppliers accounted for approximately 50.4%, 61.0% and 65.9% of our total purchases for the three financial years ended 30 June 2013, respectively. Our five largest subcontractors accounted for approximately 18.5%, 22.5% and 58.9% of our total cost of sales for the three financial years ended 30 June 2013, respectively. As our Group did not sign any long term contracts with our major suppliers and subcontractors, there is no assurance that they will be able to continue to provide supplies and services to our Group at prices acceptable to our Group or whether our Group can maintain its relationship with them in the future. In the event that any of the major suppliers and subcontractors is unable to provide the required services to our Group and we are unable to obtain alternative providers on similar or more favourable term to us, or if the costs for them to provide those required supplies and services increase substantially, our business, results of operations, profitability and liquidity may be adversely affected.

There is no assurance that we are able to monitor the performance of our subcontractors as directly and efficiently as with our own staff. If a subcontractor fails to provide services as required under a contract, we may be required to source these services on a delayed basis or at a higher price than anticipated, which could impact our profitability. If the subcontractor's performance does not meet our standards, the quality of the project may be affected, which could harm our reputation and potentially expose us to litigation and damage claims. We may also need to undertake reworks and therefore may adversely affect our costs, business and results of operations.

Cost overruns in our projects will affect our costs and materially affect our financial performance

The duration of our projects usually range between 24 and 48 months. Due to the long duration of the project, cost management is critical in ensuring that the project meets its budgeted profit margin. The risk of cost overruns increases with the duration of a project, due to possible increases in the price of materials and labour.

In our preparation of quotations, we will carry out internal costing and budgeting estimates of labour and supplies which are based on the quotations given by our suppliers and subcontractors, as well as our own estimation of costs to be incurred. Thereafter, the contract value, as quoted to the main contractor for a project, is arrived at by evaluating all related costs which include, *inter alia*, the indicative pricing of our suppliers and subcontractors. As the contract may be awarded (and hence, the contract valued committed) sometime subsequent to the date of quotation submission, there is a possibility that the actual prices obtained from our suppliers and subcontractors will be less favourable. We will normally issue a purchase order approximately within six (6) months from the date we obtained the contract for the project. Our contracts with our customers do not permit any adjustment for escalation in the price of supplies or labour. In the event prices required to be paid to our suppliers and subcontractors are higher than budgeted in our quotation, and we are unable to pass such cost increase to our customers, our profitability and financial performance will be adversely affected.

Our Group's success significantly depends on the key management and its ability to attract and retain additional technical and management staff

Our Group's success and growth depends on its ability to identify, hire, train and retain suitable, skilled and qualified employees, including management personnel with the requisite industry expertise. Our Group's growth is dependent on many factors, and one of which is the contribution by our key personnel. Mr Yeo and Mr Sim are responsible for our Group's overall business strategy and development, while Ms Chan Bee Fong, Mr Poon Hiu Chuin, Ms Goey Lee Eng and Ms Lim Poh Khim are the department heads of finance and administrative department, project department, contract and tender department and purchasing department respectively.

If any of these Executive Directors or senior management ceases to be involved in the management of our Group in the future and our Group is unable to find suitable replacements in a timely manner, there could be an adverse impact on the business and results of operations of our Group. The loss of service of any of the above mentioned personnel without a suitable and timely replacement or the inability to attract and retain other staff could adversely affect our Group's operations, and hence, our Group's revenue and results of operations.

Our cash flows may fluctuate due to the payment practice applied to our projects

Our projects normally incur net cash outflows at the early stage of carrying out our works when we are required to pay the setting up expenditures, prior to payment received from our customers. Our customers will pay progress payments after our works commence and such works and payments are certified by our customers. Accordingly the cash flows of a particular project will turn from net outflows at the early stage into accumulative net inflows gradually as the works progress. We undertake a number of projects at any given period, and the cash outflow of a particular project could be compensated by the cash inflows of other projects. Should the mix of the projects be such that more are at the initial stage, our corresponding cash flow position may be adversely affected.

A failure to complete our projects on a timely basis could materially affect our financial performance, reputation or we may be subject to resultant claims

Our revenue is recognised on the percentage of completion method, and billings are based on monthly progress claims. A delay in a project will therefore affect our billings, revenue, operational cash flows and financial performance. We are also required to pay our suppliers and subcontractors notwithstanding the delay in the project if the purchase orders or service requests have been fulfilled. A delay or cancellation of projects could also result in idle or excess manpower resources in the event that replacement projects cannot be secured on a timely basis. A delay in the project can be due to various factors, including but not limited to, shortage of manpower, delays by a subcontractor or factors attributable to the main contractor of the construction project. In addition, there may be a lapse of time between the completion of existing projects and the commencement of subsequent projects which may adversely affect our Group's financial performance and financial position. If the delay is caused by us, we are liable to pay our contracting parties for the liquidated damages stipulated in our contracts and our reputation could also be materially affected. Further, the estimated revenue relating to our projects secured from 1 July 2013 to the Latest Practicable Date and our projects in progress as at 30 June 2013 contained management estimates, which may be affected by other unforeseen factors which is out of the Group's control. The actual revenue outcome may be higher or lower than our estimation as set out in this prospectus.

A failure to receive progress payment on time and in full, or that retention money is not fully released to us after expiry of the defect liability period may affect our liquidity position

We receive monthly progress payment with reference to the value of the works completed. Generally, the value of the works completed is assessed by our customer who will verify our progress claims, and request us to issue an invoice for the amount of work completed. A portion of each progress claim, normally 10% is withheld by our customers as retention money, up to a maximum of 5% of the contract value. Half of this retention money shall be released upon practical completion and the remaining released upon final completion (which is after the defect liability period, usually 12 months from practical completion date). As of 30 June 2011, 30 June 2012 and 30 June 2013, retention money of approximately S$2.6 million, S$2.5 million and S$2.8 million respectively, was retained by our customers.

During the Track Record Period, we have not encountered any material delay in progress payment and retention money by our customers. However, there can be no assurance that such payment will be made on time by our customers in the future. Any failure by our customers to make payment to us on a timely manner may have an adverse effect on our future liquidity position.

The financial results of our Group would be affected by the listing expenses

Given that our Group's revenue and profits are primarily generated from projects which are of a non-recurring nature and on a transaction-by-transaction basis, the revenue and profitability of our Group are highly unpredictable. Our Directors are of the view that there would be a negative impact on the financial results, including the net profit of our

Group for the financial year ending 30 June 2014 due to the non-recurring listing expenses. The estimated listing expenses that will be borne by our Company are approximately S$2.6 million (equivalent to approximately HK$15.9 million), of which (i) approximately S$0.8 million (equivalent to approximately HK$4.8 million) are directly attributable to the issue of Offer Shares to the public and are to be accounted for as a deduction from equity; (ii) approximately S$0.4 million (equivalent to approximately HK$2.5 million) recognised in the profit and loss account during the Track Record Period; and (iii) approximately S$1.4 million (equivalent to approximately HK$8.6 million) will be charged to profit or loss account of our Group for the financial year ending 30 June 2014. Our Directors would like to emphasise that such listing expenses are estimates for reference only based on the latest available information of our Company and the final amount to be recognised to the profit or loss account of our Group for the year ending 30 June 2014 is subject to adjustment based on audit and any changes in variables and assumptions.

RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

A reduction in the pipeline of HDB projects could materially affect our financial performance

The projects for HDB are mainly contracted through main contractors of these projects, as electrical contracts are part of their construction contracts. As our Group is highly dependent on the pipeline of HDB projects, and any significant reduction in buildings by HDB may have a material adverse effect on our business. Moreover, the level of Singapore government's spending budget on public housing may change from year to year and any change or significant delay in the level of spending may affect the business and operation results of our Group. In the event that the level of spending on public housing is reduced and our Group fails to secure business from other sectors, the business and profitability of our Group could be adversely affected.

Inability to renew our existing qualifications, licences and permits or comply with new requirements could materially affect our operations and financial performance

Our business and construction activities in Singapore are regulated by the BCA and various other regulatory bodies. These regulatory bodies stipulate the criteria that must be satisfied before permits and licences are granted to, and/or renewed for, our business. The renewal of our permits and licences is subject to compliance with the relevant regulations. In particular, our Group has to meet the various requirements laid down by the BCA in order to maintain our BCA workhead categories. The requirements to maintain our workhead categories include (i) a minimum paid-up capital and net worth; (ii) qualified personnel with the necessary professional or technical qualifications and experience; (iii) the necessary performance track records; (iv) contracts' profile; and (v) the necessary licenses and certificates from the various authorities such as the EMA and IDA. Any non-renewal in our existing BCA workhead categories will result in us not being qualified to participate in certain projects, therefore reducing the number of project opportunities for our Group, and this may have an adverse impact on our Group's operations and financial performance.

Our Group has OHSAS 18001 and bizSafe Star certification since 2011. The OHSAS 18001 and bizSafe certification are valid for three years. In the event that we fail to renew our OHSAS 18001 certification upon its expiry on 3 December 2016, we will not be able to maintain our bizSafe Star certification and BCA "L6" grading and will be downgraded to BCA "L1" grading on the date of expiration of our OHSAS 18001 certification in December 2016. In the event that we are downgraded to a lower BCA grading, our business will be materially affected as our customers may lose confidence in us and stop inviting our Group to quote for new projects. In addition, our tender limit for public sector projects will decrease from unlimited amount to a lower limit, for instance to S$0.65 million for BCA "L1" grading. Our Group will also not be able to carry out projects which require BCA "L2" grading and above, and therefore such downgrading will materially affect our financial performance. The OHSAS 18001 certification is required for the renewal of our bizSafe certification. In the event that we are unable to renew our bizSafe Star certification, we will not be able to participate in projects which specifically requests for bizSafe Star certification.

The compliance with any new or changes to government legislation, regulations and policies in Singapore may also increase our costs and any significant increase in compliance costs arising from such new or changes to government legislation, regulations and policies may adversely affect our operating results. There is no assurance that any new or changes to government legislation, regulations and policies will not have an adverse effect on our financial performance and financial position. Please see the section headed "Regulatory overview" in this prospectus for further details.

Due to the nature of our business, failure to comply safety measures and procedures on worksites may lead to occurrence of personal injuries, property damage or fatal accidents

Due to the nature of our business, we cannot guarantee that parties at the worksites would comply the safety measures and procedures during execution of works. In the event of non-compliance, there may be occurrences of serious personal injuries, property damage or fatal accidents, which may lead to interruption of our operations and adversely affect our financial conditions and results of operations to the extent not covered by our insurance policies.

A cyclical fluctuation in the Singapore market, in particularly the construction industry, will affect our financial performance

During the Track Record Period, our revenue was derived solely from our operations in Singapore. Any unforeseen circumstances, such as natural disasters, economic recession, outbreak of an epidemic and any other incidents happened in Singapore may adversely affect our business, prospects, financial conditions and results of operations.

We provide electrical engineering services mainly for new construction projects in the Singapore public residential sector, which made up approximately 95.9%, 92.5% and 88.8% of our total revenue for the three financial years ended 30 June 2013, respectively. Therefore, our Group is dependent on the construction industry in Singapore, which is subject to cyclical fluctuations. A downturn in the Singapore construction industry is likely to have an adverse impact on our business and profitability due to the possibility of postponement, delay or cancellation of construction projects and delay in recovery of receivables. Our projects are mainly in the public residential sector, which our Directors believe, is more popular to Singapore permanent residents than the private residential sector. Nonetheless, the public residential sector is also affected by the economy and subject to cyclical fluctuations.

Low barriers of entry could increase competition in our industry that may affect our financial performance

Our business is not capital intensive nor involves areas of high technology and therefore has relatively low barriers of entry for new entrants. It is also relatively easy for customers to switch to our competitors as the electrical engineering sector in Singapore is fragmented. Therefore, if we fail to compete effectively or maintain our competitiveness in the market, our business, financial condition and results of operations will be adversely affected.

RISKS RELATING TO THE SHARE OFFER

Investors should not place undue reliance on facts, statistics and data contained in this prospectus with respect to the economies and our industry

Certain facts, statistics and data in this prospectus are derived from various sources including various official government sources that we believe to be reliable and appropriate for such information. However, we cannot guarantee the quality or reliability of such source materials. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Whilst our Directors have taken reasonable care in extracting and reproducing the information, they have not been prepared or independently verified by us, the Selling Shareholder, the Sole Sponsor, the Bookrunner, the Joint Lead Managers, the Co-Managers, the Underwriters or any of their respective directors, affiliates or advisers. Therefore none of them makes any representation as to the accuracy or completeness of such facts, statistics and data. Due to possibly flawed or ineffective collection methods or discrepancies between published information, market practice and other problems, the statistics in this prospectus may be inaccurate or may not be comparable to statistics produced for other publications or purposes and you should not place undue reliance on them. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such information or statistics.

There has not been any prior public market for the Shares and an active trading market may not develop

An active trading market for the Shares may not develop and the trading price of the Shares may fluctuate significantly. Prior to the Share Offer, there has been no public market for the Shares. The Offer Price is determined through negotiation between our Company (for ourselves and on behalf of the Selling Shareholder) and the Bookrunner (for itself and on behalf of the Underwriters), and the Offer Price may not be indicative of the price at which the Shares will be traded following the completion of the Share Offer. In addition, there is no assurance that an active trading market for the Shares will develop, or, if it does develop, that it will be sustained following completion of the Share Offer, or that the trading price of the Shares will not decline below the Offer Price.

The trading price of the Shares may also be subject to significant volatility in response to, among others, the following factors:

— variations in our operating results;

— changes in the analysis and recommendations of securities analysts;

— announcements made by us or our competitors;

— changes in investors' perception of our Group and the investment environment generally;

— developments in the Singapore property and construction industry;

— changes in pricing made by us or our competitors;

— the liquidity of the market for the Shares; and

— general economic environment and other factors.

The trading volume and share price of the Shares may fluctuate

The price and trading volume of the Shares may be highly volatile. Factors such as variations in our revenue, earnings and cash flow, announcements of business development, strategic alliances or acquisitions, new projects, industrial or environmental accidents suffered by us, loss of key personnel, changes in ratings by financial analysts and credit rating agencies or litigation could cause large and sudden changes in the volume and price at which the Shares will trade. In addition, the Stock Exchange and other securities markets have from time to time experienced significant price and volume fluctuations that are not related to the operating performance of any particular company. These fluctuations may also materially and adversely affect the market price of the Shares.

Shareholders' interests may be diluted as a result of additional equity fund-raising

We may need to raise additional funds in the future to finance further expansion of our business. If additional funds are raised through the issuance of new equity or equity-linked securities of us other than on a pro rata basis to existing Shareholders, the percentage of ownership of such Shareholders in us may be reduced, and such new securities may confer rights and privileges that take priority over those conferred by our Shares.

You should read the entire prospectus and we strongly caution you not to place any reliance on any information contained in press articles or media regarding us or the Share Offer

There may be press and media coverage regarding us or the Share Offer, which may include certain events, financial information, financial projections and other information about us that do not appear in this prospectus. We have not authorised the disclosure of any other information not contained in this prospectus. We do not accept any responsibility for any such press or media coverage and we make no representation as to the accuracy or completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this prospectus is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to subscribe for and/or purchase our Shares, you should rely only on the financial, operational and other information included in this prospectus.