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## HISTORY AND DEVELOPMENT

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### HISTORY

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 19 June 2013 and became the holding company of Strike Singapore pursuant to the Reorganisation completed on 29 June 2013. Our Group comprises our Company and Strike Singapore, a wholly-owned subsidiary of our Company. Our Group is founded by our Executive Director, Mr Yeo.

Our founder, Mr Yeo, began his career as an electrical apprentice in 1969 and gradually worked up the ranks to become a supervisor in 1977. In March 1983, he incorporated Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd) with an Independent Third Party with a share capital of S\$100,000, and Mr Yeo had 40,000 shares for a capital contribution of S\$40,000 financed by personal resources. Over the years, Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd) has built an established track record in HDB residential projects, and achieved a “L6” BCA grading in July 1997 for the provision of electrical engineering services. Our Executive Directors, Mr Yeo and Mr Sim, and our senior management built the business of Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd) to be one of the established electrical engineering companies in undertaking electrical engineering works for public residential projects in Singapore. On 3 October 1997, the name of Strike Electrical Pte Ltd (now known as Magnus Energy Group Ltd) was changed to Strike Engineering Pte Ltd. In 1999, Strike Engineering Pte Ltd (now known as Magnus Energy Group Ltd) changed its name to Strike Engineering Limited on 8 July 1999 and became a public company with its listing on the then Official List of the Stock Exchange of Singapore Dealing and Automated Quotation System (“SESDAQ”) (now renamed as “Catalist Board”). As part of the reorganisation undertaken by Strike Engineering Limited (now known as Magnus Energy Group Ltd) for its listing on the then Official List of SESDAQ in 1999, Victrad became a wholly-owned subsidiary of Strike Engineering Limited (now known as Magnus Energy Group Ltd), carrying on the business of electrical engineering works. In November 2004, Strike Engineering Limited was renamed as Magnus Energy Group Ltd, taking on a focus in energy-related businesses.

On 26 April 2006, 1,980,000 shares of Victrad was transferred from Magnus Energy Group Ltd to Kingbo Strike Pte Ltd (currently a dormant Singapore-incorporated company) as a form of management buy-out for a consideration of S\$2,070,000, based on a premium of 0.06% of the unaudited net asset value of Victrad as at 31 March 2006. S\$135,000 was paid by cheque on 26 April 2006 and settled on 27 April 2006, S\$1,015,000 was settled by cheque on 29 August 2006, and the remaining balance was set-off against amounts due from Magnus Energy Group Ltd. Before the management buy-out, Victrad was a wholly-owned subsidiary of Magnus Energy Group Ltd, carrying on the business of electrical engineering services. Victrad then continued to carry on the electrical engineering business after the management buy-out. Kingbo Strike Pte Ltd (currently a dormant Singapore-incorporated company) was then beneficially owned as to 124,999 shares, 124,999 shares, 1 share and 1 share by each of Mr Sim, Ms Chan Bee Fong, Mr Pang Cheng Jin and Ms Lim Poh Khim, respectively. Ms Chan Bee Fong and Ms Lim Poh Khim are the senior management of our Group. Mr Pang Cheng Jin is an Independent Third Party. Subsequently, on 1 June 2011, Kingbo Strike Pte Ltd (currently a dormant Singapore-incorporated company) transferred Victrad to Mr Sim and Mr Yeo for a consideration of

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S\$1,035,000 each based on the cost of investment of Kingbo Strike Pte Ltd. As advised by the legal adviser to our Company as to Singapore law, the abovementioned transfers had been properly and legally completed. Currently, 50% of the shareholding interests in Victrad is held by Mr Yeo and the other 50% held by Mr Sim.

Strike Singapore was incorporated in Singapore on 21 April 2009 with an issued share capital of S\$10,000 with 10,000 shares which was subsequently paid up on 18 May 2009, all of which are beneficially owned by Victrad. On 21 May 2009, an additional 1,500,000 shares were allotted and issued to Victrad for S\$1.5 million, in which S\$998,873.94 was paid by cheques and the remaining balance was held as a fixed deposit by Victrad on trust for Strike Singapore. The share capital of Strike Singapore remained unchanged after the aforesaid allotment and issue of shares. Strike Singapore became our wholly-owned subsidiary pursuant to the Reorganisation, details of which are set out in the section headed “A. Further information about our Company — 4. Corporate reorganisation” in Appendix IV to this prospectus.

Commencing from 17 July 2009, following our Group’s restructuring which was legal and valid, the electrical engineering business carried on by Victrad is carried on by Strike Singapore. Subsequent to the restructuring, Victrad became our investment holding company. Our Group’s key personnel including Mr Yeo, Mr Sim, Ms Chan Bee Fong, Mr Poon Hiu Chuin, Ms Goey Lee Eng and Ms Lim Poh Khim, along with the majority of its staff, were retained with us after the abovementioned restructuring. As such, the reputation that the founder and the key personnel had built remained with our Group, which is known as an established electrical engineering company in undertaking electrical engineering works for public residential projects in Singapore. As at the Latest Practicable Date, our Group has a work force of 25 local staff, including qualified management staff, engineers, technicians, electricians and mechanics, and 106 foreign workers.

As the construction industry and electrical engineering sector in Singapore, is fragmented and competitive, our Executive Directors undertook a strategic decision to support its employees who have the capability and desire to set up their own electrical engineering business. Therefore, on 1 November 2010, YL was incorporated with an issued share capital of S\$200,000 with 200,000 shares which was subsequently paid up on 15 November 2010. 100,000 shares were allotted and issued to each of Strike Singapore and Mr Loh Voon Sheng (an ex-employee and ex-director of Strike Singapore), which was paid by cheques of S\$100,000 each. On 10 April 2013, an additional 50,000 shares were allotted and issued to each of Strike Singapore and Mr Loh Voon Sheng, which was paid by cheques of S\$25,000 each. The respective shareholding of Strike Singapore and Mr Loh Voon Sheng in YL remained unchanged after the aforesaid allotment and issue of shares.

On 22 February 2011, NEK was incorporated with an issued share capital of S\$200,000 with 200,000 shares which was subsequently paid up on 11 May 2011. 100,000 shares were allotted and issued to Strike Singapore, 50,000 shares were allotted and issued to Mr Tan Chan Huat (who held shares in an ex-subcontractor of Strike Singapore) and the remaining 50,000 shares were allotted and issued to Mr Ng Eng Khim (an ex-employee of Strike Singapore), which was paid by cheques of S\$100,000, S\$50,000 and S\$50,000 respectively.

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On 8 April 2011, SRM was incorporated with an issued share capital of S\$100,000 with 100,000 shares which was subsequently paid up on 6 May 2011. 50,000 shares were allotted and issued to Strike Singapore, 30,000 shares were allotted and issued to Mr Low Tian Siang (an ex-employee of Strike Singapore) and 20,000 shares were allotted and issued to Mr Leong Fook Yew (an ex-employee of Strike Singapore), which was paid by cheques of S\$50,000, S\$30,000 and S\$20,000 respectively. On 30 January 2012, an additional 100,000 shares were allotted and issued to each of Strike Singapore, Mr Low Tian Siang and Mr Leong Fook Yew as to 50,000 shares to Strike Singapore, 30,000 shares to Mr Low Tian Siang and 20,000 shares to Mr Leong Fook Yew, which was subsequently paid by cheques of S\$50,000, S\$30,000 and S\$20,000, respectively. The respective shareholding of Strike Singapore, Mr Low Tian Siang and Mr Leong Fook Yew in SRM remained unchanged after the aforesaid allotment and issue of shares. Strike Singapore has neither board representation nor management control in each of YL, NEK and SRM. In connection with the setting up of YL, NEK and SRM, 20, 17 and 12 employees of Strike Singapore had joined YL, NEK and SRM respectively, with the consent of our management. Our Group had also subcontracted some electrical engineering works to YL, NEK and SRM, please refer to section headed “Business — Subcontractors” for further details of subcontracting arrangement between our Group and YL, NEK and SRM. Our Executive Directors considered our investment in YL, NEK and SRM to be favourable to our Group compared to the alternative situation whereby an employee resigns to set up his own business or to join a competing firm. Currently, YL has BCA “L4” grading, NEK has BCA “L1” grading and SRM has BCA “L1” grading in electrical engineering services. Further information about YL, NEK and SRM is set out in the section headed “Business — Our business strategies — Relationship with YL, NEK and SRM” in this prospectus.

The Company is seeking a listing in Hong Kong because it has a high level of internationalisation and maturity in the finance sector, with sufficient institutional capital and funds following the companies listed in Hong Kong. Therefore, the Company believes that there will be higher liquidity and valuation, and greater exposure to a broader analyst and investment community. The Group is not able to meet the listing requirements of the Mainboard of the Singapore Exchange Securities Trading Limited and to the best of the Directors’ knowledge and belief, there is no impediment for the Company to list on the Catalist Board of the Singapore Exchange Securities Trading Limited although no application has been made or attempted since the Company had decided on listing in Hong Kong from the onset.

### REORGANISATION

Our Company was incorporated on 19 June 2013 and purchased the shareholdings of Strike Singapore from Victrad on 29 June 2013 (please refer to the Reorganisation steps below), thus becoming the investment holding company of our Group. The legal advisers to our Company as to Cayman Islands law and Singapore law have confirmed that the change of shareholdings in Strike Singapore under the Reorganisation would not require any approval or permit from any relevant government authorities in the Cayman Islands or Singapore. Details of the Reorganisation are also set out in the section headed “A. Further information about our Company — 4. Corporate reorganisation” in Appendix IV to this

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prospectus. Save for the Capitalisation Issue and the Share Offer, no further changes in shareholding of our Company and its subsidiary will take place after the Reorganisation and at the time of Listing.

In preparation for the Listing, our Group has undergone the Reorganisation and the steps are as follows:

**(i) Incorporation of our Company**

On 19 June 2013, our Company was incorporated as an exempted company in the Cayman Islands with an authorised share capital of HK\$300,000 divided into 300,000 shares of HK\$1.00 each, of which one nil-paid share was allotted and issued to the first subscriber, Sharon Pierson, which was transferred to Victrad on the same day.

**(ii) Acquisition of Strike Singapore**

On 29 June 2013, pursuant to a sale and purchase agreement entered into between our Company and Victrad, the then shareholder of Strike Singapore, our Company acquired all the issued shares of Strike Singapore from Victrad, in the consideration of HK\$23,013,833 (being the consolidated net asset value of Strike Singapore of S\$3,749,647 as at 31 May 2013, based on the unaudited management accounts of Strike Singapore for the 11 months ended 31 May 2013 and the adopted exchange rate of SGD1 to HK\$6.1376 as at 31 May 2013), which was satisfied by (i) the crediting of the one nil-paid share of our Company which was registered in the name of Victrad as fully paid; and (ii) our Company allotting and issuing 299,999 new shares of HK\$1.00 each in the share capital of our Company to Victrad credited as fully paid. After completion of the above transaction, Strike Singapore is wholly-owned by our Company and our Company is wholly-owned by Victrad. The acquisition of Strike Singapore was properly and legally completed and settled.

**(iii) Subdivision of all issued shares and authorised but unissued shares and increase of authorised share capital of our Company**

On 9 December 2013, each authorised and issued share of a par value of HK\$1.00 in the capital of our Company was sub-divided into 100 Shares of a par value of HK\$0.01 each (the “Share Sub-division”).

On 9 December 2013, the authorised share capital of our Company was increased from HK\$300,000 divided into 30,000,000 Shares of HK\$0.01 each to HK\$50,000,000 divided into 5,000,000,000 Shares of HK\$0.01 each by the creation of an additional 4,970,000,000 Shares of HK\$0.01 each to rank *pari passu* in all respects with the existing Shares.

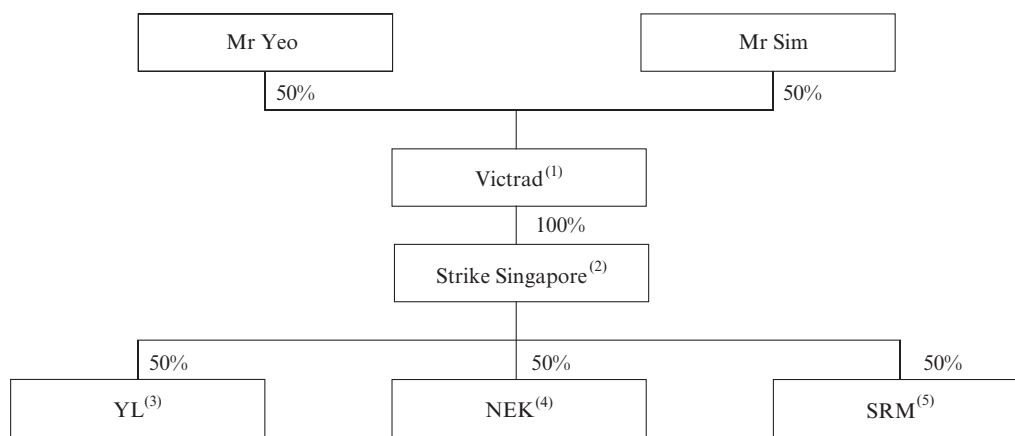
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### GROUP STRUCTURE

The following diagram sets forth our corporate and shareholding structure (including YL, NEK and SRM) immediately prior to the implementation of the Reorganisation:



*Notes:*

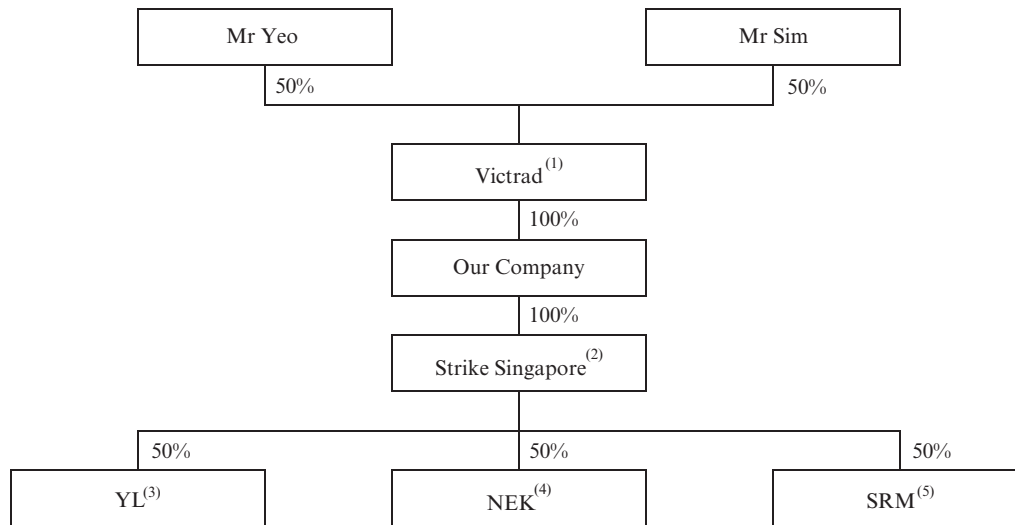
- (1) As at the Latest Practicable Date, the issued and paid-up share capital of Victrad comprised 1,980,000 shares of S\$1 each and the directors of Victrad are Mr Yeo and Mr Sim. Victrad is an investment holding company.
- (2) As at the Latest Practicable Date, the issued and paid-up share capital of Strike Singapore comprised 1,510,000 shares of S\$1 each and the directors of Strike Singapore are Mr Yeo and Mr Sim. Strike Singapore is the principal operating entity of our Group.
- (3) The other 50% equity interest of YL is held by Mr Loh Voon Sheng, who was an employee and director of Strike Singapore until 29 May 2013. The sole director of YL is Mr Loh Voon Sheng.
- (4) The other 50% equity interest of NEK is held by Independent Third Parties, of which 25% to Mr Tan Chan Huat (who held 50% shares in an ex-subcontractor of Strike Singapore) and 25% to Mr Ng Eng Khim (an employee of Strike Singapore until 31 December 2011). The directors of NEK are Mr Tan Chan Huat and Mr Ng Eng Khim.
- (5) The other 50% equity interest of SRM is held by Independent Third Parties, of which 30% to Mr Low Tian Siang (an employee of Strike Singapore until 30 September 2011) and 20% to Mr Leong Fook Yew (an employee of Strike Singapore until 31 July 2012). The directors of SRM are Mr Low Tian Siang and Mr Leong Fook Yew.

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The following diagram sets forth our corporate and shareholding structure (including YL, NEK and SRM) after the implementation of the Reorganisation but before the Listing:



*Notes:*

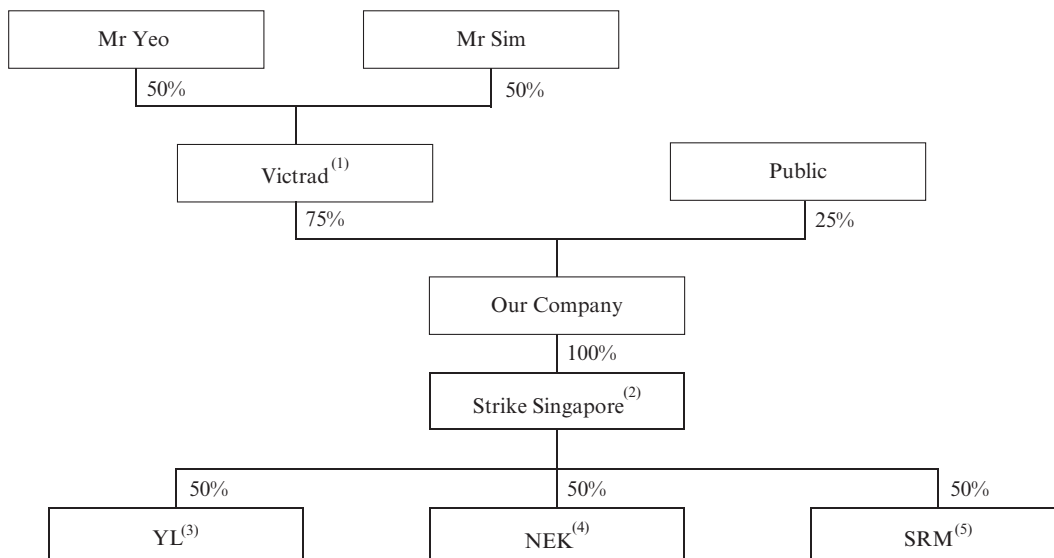
- (1) As at the Latest Practicable Date, the issued and paid-up share capital of Victrad comprised 1,980,000 shares of S\$1 each and the directors of Victrad are Mr Yeo and Mr Sim. Victrad is an investment holding company.
- (2) As at the Latest Practicable Date, the issued and paid-up share capital of Strike Singapore comprised 1,510,000 shares of S\$1 each and the directors of Strike Singapore are Mr Yeo and Mr Sim. Strike Singapore is the principal operating entity of our Group.
- (3) The other 50% equity interest of YL is held by Mr Loh Voon Sheng, who was an employee and director of Strike Singapore until 29 May 2013. The sole director of YL is Mr Loh Voon Sheng.
- (4) The other 50% equity interest of NEK is held by Independent Third Parties, of which 25% to Mr Tan Chan Huat (who held 50% shares in an ex-subcontractor of Strike Singapore) and 25% to Mr Ng Eng Khim (an employee of Strike Singapore until 31 December 2011). The directors of NEK are Mr Tan Chan Huat and Mr Ng Eng Khim.
- (5) The other 50% equity interest of SRM is held by Independent Third Parties, of which 30% to Mr Low Tian Siang (an employee of Strike Singapore until 30 September 2011) and 20% to Mr Leong Fook Yew (an employee of Strike Singapore until 31 July 2012). The directors of SRM are Mr Low Tian Siang and Mr Leong Fook Yew.

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The following diagram sets forth our corporate and shareholding structure (including YL, NEK and SRM) after the implementation of the Reorganisation and upon the Listing:



*Notes:*

- (1) As at the Latest Practicable Date, the issued and paid-up share capital of Victrad comprised 1,980,000 shares of S\$1 each and the directors of Victrad are Mr Yeo and Mr Sim. Victrad is an investment holding company.
- (2) As at the Latest Practicable Date, the issued and paid-up share capital of Strike Singapore comprised 1,510,000 shares of S\$1 each and the directors of Strike Singapore are Mr Yeo and Mr Sim. Strike Singapore is the principal operating entity of our Group.
- (3) The other 50% equity interest of YL is held by Mr Loh Voon Sheng, who was an employee and director of Strike Singapore until 29 May 2013. The sole director of YL is Mr Loh Voon Sheng.
- (4) The other 50% equity interest of NEK is held by Independent Third Parties, of which 25% to Mr Tan Chan Huat (who held 50% shares in an ex-subcontractor of Strike Singapore) and 25% to Mr Ng Eng Khim (an employee of Strike Singapore until 31 December 2011). The directors of NEK are Mr Tan Chan Huat and Mr Ng Eng Khim.
- (5) The other 50% equity interest of SRM is held by Independent Third Parties, of which 30% to Mr Low Tian Siang (an employee of Strike Singapore until 30 September 2011) and 20% to Mr Leong Fook Yew (an employee of Strike Singapore until 31 July 2012). The directors of SRM are Mr Low Tian Siang and Mr Leong Fook Yew.