
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CONTROLLING SHAREHOLDERS

Immediately upon completion of the Share Offer, our Controlling Shareholders, comprising Victrad, Mr Yeo and Mr Sim, are together entitled to control the exercise of the voting rights of 75% of the Shares eligible to vote in the general meeting of our Company. Mr Yeo and Mr Sim are brothers and were acting in concert during the Track Record Period. It is expected that they will continue to act in concert after Listing.

Save as disclosed above, there is no other person who will, immediately following the completion of the Share Offer, be directly or indirectly interested in 30% or more of the Shares then in issue or have a direct or indirect equity interest in any member of our Group representing 30% or more of the equity in such entity.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, we believe that our Group is capable of carrying on our business independently of our Controlling Shareholders and their respective associates (other than our Group) after the Share Offer.

(i) Financial independence

As at the Latest Practicable Date, our Group has no bank facility or borrowings. Our Group has been able to satisfy our working capital requirements from internal resources. On the basis of the above, our Directors are of the view that financially our Group does not rely on our Controlling Shareholders and/or their respective associates.

(ii) Operational independence

Our operations are independent of and not connected with any of our Controlling Shareholders. Despite the fact that we will have certain continuing connected transactions, particulars of which are set out in the section headed “Connected transactions” in this prospectus, having considered that (i) we have established our own organisational structure comprising individual departments, each with specific areas of responsibilities; (ii) our Group has not shared our operational resources, such as customers, marketing, sale and general administration resources with our Controlling Shareholders and/or their associates; (iii) our Controlling Shareholders have no interest in any of our customer, supplier or other business partner; and (iv) our Group may lease properties at other locations in substitution for and/or in addition to the said properties leased from Victrad, our Directors consider that our Group can operate independently from our Controlling Shareholders from the operational perspective.

(iii) Management independence

As at the Latest Practicable Date, no executive Director has overlapping roles or responsibilities in any business other than our business nor has any business which competes or is likely to compete, either directly or indirectly, with our business.

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Each of our Directors is aware of his or her fiduciary duties as a director which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her interest to exist. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant meeting of the Board in respect of such transaction and shall not be counted in the quorum.

(iv) Administrative independence

Our Group has its own capabilities and personnel to perform all essential administrative functions, including internal control and auditor monitor, financial and accounting management, invoicing and billing, human resources and information technology.

RULE 8.10 OF THE LISTING RULES

None of our Controlling Shareholders and our Directors has any interest in a business apart from our Group's business which competes or is likely to compete, directly or indirectly, with our Group's business, and would require disclosure pursuant to Rule 8.10 of the Listing Rules.

DEED OF NON-COMPETITION

Our Controlling Shareholders have entered into the Deed of Non-competition in favour of our Company, pursuant to which our Controlling Shareholders have jointly and severally, irrevocably and unconditionally undertaken to and covenanted with our Company (for ourselves and for the benefit of our subsidiaries) that it or he would not, and would procure that its or his associates (other than any member of our Group) would not, during the continuation of the Deed of Non-competition, directly or indirectly, either on its or his own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, principal, agent, director, employee or otherwise and whether for profit, reward or otherwise) any business which competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by our Group (including but not limited to the provision of electrical engineering services, in each case, to be more particularly described or contemplated in this prospectus), in Singapore and any other country or jurisdiction to which our Group provides such services and/or in which any member of our Group carries on such business from time to time (the "Restricted Business"). Such non-compete undertaking does not apply to:

- (i) any interests in the shares of any member of our Group;
- (ii) any interests in the shares of YL, SRM and NEK; or

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- (iii) interests in the shares of a company other than our Company whose shares are listed on a recognised stock exchange provided that:
 - (a) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of that company's consolidated turnover or consolidated assets, as shown in that company's latest audited accounts; or
 - (b) the total number of the shares held by our Controlling Shareholders and/or their respective associates in aggregate does not exceed 10% of the issued shares of that class of the company in question and such Controlling Shareholders and/or their respective associates are not entitled to appoint a majority of the directors of that company and at any time there should exist at least another shareholder of that company whose shareholdings in that company should be more than the total number of shares held by our Controlling Shareholders and their respective associates in aggregate; or
 - (c) our Controlling Shareholders and/or their respective associates do not have the control over the board of such company.

The Deed of Non-competition shall take effect upon Listing and shall expire on the earlier of:

- (a) the day on which the Shares cease to be listed on the Main Board of the Stock Exchange or other recognised stock exchange; or
- (b) the day on which our Controlling Shareholders and his/its associates, individually or taken as a whole, cease to own, in aggregate, 30% or more of the then issued share capital of our Company directly or indirectly or cease to be deemed as Controlling Shareholders and do not have power to control the Board.

Pursuant to the Deed of Non-competition, each of our Controlling Shareholders has undertaken that if each of our Controlling Shareholders and/or any of his/its associates is offered or becomes aware of any project or new business opportunity ("New Business Opportunity") that relates to the Restricted Business, whether directly or indirectly, he/it shall (i) promptly within ten Business Days notify our Company in writing of such opportunity and provide such information as is reasonably required by our Company in order to enable our Company to come to an informed assessment of such New Business Opportunity; and (ii) use his/its best endeavours to procure that such opportunity is offered to our Company on terms no less favourable than the terms on which such New Business Opportunity is offered to him/it and/or his/its associates.

Our Directors (including our independent Non-Executive Directors) will review the New Business Opportunity and decide whether to invest in the New Business Opportunity. If our Group has not given written notice of its desire to invest in such New Business Opportunity or has given written notice denying the New Business Opportunity within thirty (30) Business Days (the "30-day Offering Period") of receipt of notice from our Controlling Shareholders, our Controlling Shareholders and/or his/its associates shall be

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permitted to invest in or participate in the New Business Opportunity on his/its own accord. With respect to the 30-day Offering Period, our Directors consider that such period is adequate for our Company to assess any New Business Opportunity. In the event that our Company requires additional time to assess the new business opportunities, our Company may give a written notice to our Controlling Shareholders during the 30-day Offering Period and our Controlling Shareholders agree to extend the period to a maximum of 60 Business Days.

CORPORATE GOVERNANCE MEASURES

Our Company will adopt the following measures to manage the conflict of interests arising from competing business and to safeguard the interests of our Shareholders:

- the independent Non-Executive Directors will review, on an annual basis, the compliance with the non-compete undertaking by our Controlling Shareholders under the Deed of Non-competition;
- our Controlling Shareholders undertake to provide all information requested by our Company which is necessary for the annual review by the independent Non-Executive Directors and the enforcement of the Deed of Non-competition;
- our Company will disclose decisions on matters reviewed by the independent Non-Executive Directors relating to compliance and enforcement of the Deed of Non-competition in the annual reports of our Company; and
- our Controlling Shareholders will make confirmation on compliance with their undertaking under the Deed of Non-competition in the annual report of our Company.
- in the event that there is any potential conflict of interests relating to the business of our Group between our Group and our Controlling Shareholders, the interested Directors, or as the case may be, our Controlling Shareholders would, according to the Articles or the Listing Rules, be required to declare his/her interests and, where required, abstain from participating in the relevant board meeting or general meeting and voting on the transaction and not count as quorum where required.