The following is the text of a report on Kingbo Strike Limited, prepared for the purpose of incorporation in this prospectus received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong.

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

16 December 2013

The Directors
Kingbo Strike Limited

Grand Vinco Capital Limited

Dear Sirs,

We set out below our report on the financial information of Kingbo Strike Limited (the "Company") and its subsidiary (hereinafter collectively referred to as the "Group") comprising the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the three years ended 30 June 2011, 2012 and 2013 (the "Relevant Periods"), and the consolidated statements of financial position of the Group as at 30 June 2011, 2012 and 2013 and the statement of financial position of the Company as at 30 June 2013, together with the notes thereto (the "Financial Information"), prepared on the basis of presentation set out in Note 2.1 of Section II below, for inclusion in the prospectus of the Company dated 16 December 2013 (the "Prospectus") in connection with the listing of the shares of the Company on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 19 June 2013. Pursuant to a group reorganisation (the "Reorganisation"), as described in the subsection headed "History and development" in the Prospectus, which was completed on 29 June 2013, the Company acquired the entire issued share capital of Strike Electrical Engineering Pte Ltd ("Strike Singapore"), a company incorporated in Singapore, and became the investment holding company of the Group.

As of the date of this report, no statutory financial statements have been prepared for the Company as it is not subject to statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation. As at the end of the Relevant Periods, the Company has a direct interest in a subsidiary as set out in Note 1 of Section II below. All companies now comprising the Group have adopted 30 June as their financial year end date. The statutory financial statements of the subsidiary were prepared in accordance with the relevant accounting principles applicable to the company in the country in which it was incorporated. Details of the statutory auditors during the Relevant Periods are set out in Note 1 of Section II below.

For the purpose of this report, the directors of the Company (the "Directors") have prepared the Group's consolidated financial statements for each of the Relevant Periods (the "Underlying Financial Statements") in accordance with International Financial Reporting Standards ("IFRSs"), issued by the International Accounting Standards Board (the "IASB"). The Underlying Financial Statements for each of the years ended 30 June 2011, 2012 and 2013 were audited by us in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "IAASB").

The Financial Information set out in this report has been prepared from the Underlying Financial Statements with no adjustment made thereon.

DIRECTORS' RESPONSIBILITY

The Directors are responsible for the preparation of the Underlying Financial Statements and the Financial Information that give a true and fair view in accordance with IFRSs, and for such internal controls as the Directors determine are necessary to enable the preparation of the Underlying Financial Statements and the Financial Information that are free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

It is our responsibility to form an independent opinion on the Financial Information and to report our opinion thereon to you.

For the purpose of this report, we have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 *Prospectuses and the Reporting Accountant* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

OPINION IN RESPECT OF THE FINANCIAL INFORMATION

In our opinion, for the purpose of this report and on the basis of presentation set out in Note 2.1 of Section II below, the Financial Information gives a true and fair view of the state of affairs of the Group as at 30 June 2011, 2012 and 2013 and of the Company as at 30 June 2013 and of the consolidated results and cash flows of the Group for each of the Relevant Periods.

I. FINANCIAL INFORMATION

Consolidated Statements of Comprehensive Income

The following is a summary of the consolidated results of the Group for the Relevant Periods prepared on the basis set out in Section II:

		Year ended 30 June		
		2011	**2012**	**2013**
	Notes	*S$*	*S$*	*S$*
REVENUE	5	32,522,617	15,609,071	18,660,508
Cost of sales		(25,069,464)	(10,556,584)	(10,376,929)
Gross profit		7,453,153	5,052,487	8,283,579
Other operating income	6	20,344	47,116	45,513
Administrative expenses		(832,477)	(878,315)	(1,273,041)
Other operating expenses		(97,248)	(98,862)	(87,832)
Finance costs	7	(132)	(82)	(620)
Share of results of a jointly-controlled entity		126,733	130,590	579,104
Share of results of associated companies		—	27,726	195,920
PROFIT BEFORE TAX	8	6,670,373	4,280,660	7,742,623
Income tax expense	10	(1,083,953)	(611,092)	(1,201,053)
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,586,420	3,669,568	6,541,570

Details of the dividend for the Relevant Periods are disclosed in Note 11 to the Financial Information.

Consolidated Statements of Financial Position

		As at 30 June		
		2011	**2012**	**2013**
	Notes	*S$*	*S$*	*S$*
NON-CURRENT ASSETS				
Interest in a jointly-controlled entity	14	226,733	357,323	836,427
Interests in associated companies	15	150,000	227,726	423,646
Plant and equipment	13	152,772	148,957	130,466
Trade and other receivables	18	1,284,000	685,877	1,207,500
Total non-current assets		1,813,505	1,419,883	2,598,039
CURRENT ASSETS				
Gross amount due from customers for contract work in progress	16	10,357,491	5,499,240	6,855,403
Inventories	17	69,870	63,442	57,694
Prepayments		—	23,393	131,699
Trade and other receivables	18	2,730,641	2,201,290	2,822,189
Cash and short-term deposits	19	14,817,291	13,353,650	7,249,375
Total current assets		27,975,293	21,141,015	17,116,360
CURRENT LIABILITIES				
Income tax payable		1,083,472	671,697	1,190,632
Trade and other payables	20	21,539,629	16,489,936	14,717,534
Total current liabilities		22,623,101	17,161,633	15,908,166
NET CURRENT ASSETS		5,352,192	3,979,382	1,208,194
TOTAL ASSETS LESS CURRENT LIABILITIES		7,165,697	5,399,265	3,806,233
NON-CURRENT LIABILITIES				
Deferred tax liabilities	21	—	—	19,398
Net assets		7,165,697	5,399,265	3,786,835
EQUITY				
Share capital	22	—	—	48,880
Share premium	22	—	—	3,700,767
Retained earnings		219,697	3,889,265	2,276,835
Merger reserves	23	1,510,000	1,510,000	(2,239,647)
Final proposed dividends	11	5,436,000	—	—
Total equity		7,165,697	5,399,265	3,786,835

Consolidated Statements of Changes in Equity

		Attributable to owners of the Company					
		Share capital *(Note 22)*	**Share premium** *(Note 22)*	**Retained earnings**	**Merger reserves** *(Note 23)*	**Final dividends proposed** *(Note 11)*	**Total equity**
	Note	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
At 1 July 2010		—	—	2,334,277	1,510,000	—	3,844,277
Profit and total comprehensive income for the year		—	—	5,586,420	—	—	5,586,420
Dividends paid	11	—	—	(2,265,000)	—	—	(2,265,000)
Proposed final dividends	11	—	—	(5,436,000)	—	5,436,000	—
At 30 June 2011 and 1 July 2011		—	—	219,697	1,510,000	5,436,000	7,165,697
Profit and total comprehensive income for the year		—	—	3,669,568	—	—	3,669,568
Dividends paid	11	—	—	—	—	(5,436,000)	(5,436,000)
At 30 June 2012 and 1 July 2012		—	—	3,889,265	1,510,000	—	5,399,265
Profit and total comprehensive income for the year		—	—	6,541,570	—	—	6,541,570
Dividends paid	11	—	—	(8,154,000)	—	—	(8,154,000)
Adjustment resulting from the Reorganisation		—	—	—	(3,749,647)	—	(3,749,647)
Issuance of new ordinary shares on incorporation and the Reorganisation		48,880	3,700,767	—	—	—	3,749,647
At 30 June 2013		48,880	3,700,767	2,276,835	(2,239,647)	—	3,786,835

Consolidated Statements of Cash Flows

		Year ended 30 June		
		2011	2012	2013
	Notes	*S$*	*S$*	*S$*
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation		6,670,373	4,280,660	7,742,623
Adjustments for:				
Depreciation of plant and equipment	8	45,779	47,115	40,800
Share of results of associated companies		—	(27,726)	(195,920)
Share of results of a jointly-controlled entity		(126,733)	(130,590)	(579,104)
Interest income from bank deposits	6	(20,344)	(20,599)	(26,598)
Gain on disposal of plant and equipment	6	—	(25,933)	—
		6,569,075	4,122,927	6,981,801
(Increase)/decrease in the gross amount due from customers for contract work in progress		(3,126,856)	4,858,251	(1,356,163)
Decrease in inventories		63	6,428	5,748
Decrease/(increase) in trade and other receivables		231,816	1,127,474	(1,142,522)
Decrease/(increase) in prepayments		25,980	(23,393)	(108,306)
Increase/(decrease) in trade and other payables		6,031,906	(5,049,693)	(1,772,402)
Cash generated from operations		9,731,984	5,041,994	2,608,156
Interest received		20,344	20,599	26,598
Overseas tax paid		(424,451)	(1,022,867)	(662,720)
Net cash flows generated from operating activities		9,327,877	4,039,726	1,972,034

	Notes	Year ended 30 June 2011 S$	2012 S$	2013 S$
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in a jointly-controlled entity		(100,000)	—	(25,000)
Investment in associated companies		(150,000)	(50,000)	—
Dividend distribution from a jointly-controlled entity		—	—	125,000
Purchase of plant and equipment		(25,273)	(55,543)	(22,309)
Proceeds on sale of plant and equipment		—	38,176	—
Net cash flows (used in)/generated from investing activities		(275,273)	(67,367)	77,691
CASH FLOWS FROM FINANCING ACTIVITY				
Dividends paid	11	(2,265,000)	(5,436,000)	(8,154,000)
Net cash flows used in financing activity		(2,265,000)	(5,436,000)	(8,154,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		6,787,604	(1,463,641)	(6,104,275)
Cash and cash equivalents at beginning of the year		8,029,687	14,817,291	13,353,650
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	14,817,291	13,353,650	7,249,375
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	19	4,022,950	1,542,904	3,513,730
Non-pledged time deposits with original maturity of less than three months when acquired	19	10,794,341	11,810,746	3,735,645
Cash and cash equivalents as stated in the consolidated statements of financial position		14,817,291	13,353,650	7,249,375

Statement of Financial Position

	Notes	**As at 30 June 2013** *S$*
NON-CURRENT ASSET		
Interest in a subsidiary	24	3,749,647
Total non-current asset		3,749,647
CURRENT ASSETS		
Prepayments		90,827
Total current assets		90,827
CURRENT LIABILITIES		
Other payables	20	511,587
Total liabilities		511,587
NET CURRENT LIABILITIES		(420,760)
Net assets		3,328,887
EQUITY		
Share capital	22	48,880
Share premium	23	3,700,767
Accumulated losses	23	(420,760)
Total equity		3,328,887

II. NOTES TO THE FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Kingbo Strike Limited (the "Company") was incorporated in the Cayman Islands on 19 June 2013 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The Company's registered office address is Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company is an investment holding company. The Group is principally engaged in the provision of electrical engineering services.

As at the date of this report, the Company had a direct interest in the following subsidiary:

Name	Legal form, country and date of incorporation	Nominal value of issued and paid up capital	Proportion (%) of ownership interest 30 June 2011	2012	2013
Directly held:					
Strike Electrical Engineering Pte Ltd* ("Strike Singapore")	Private limited company Singapore 21 April 2009	S$1,510,000	100	100	100

* Statutory financial statements prepared in accordance with Singapore Financial Reporting Standards are audited by Ernst & Young LLP, Singapore (Chartered Accountants) for the year ended 30 June 2013 and audited by Patrick Tee & Co. (Chartered Accountants) for the years ended 30 June 2012 and 30 June 2011.

The Company and its subsidiary, now comprising the Group underwent the Reorganisation as set out in Note 2.1. The Company became the holding company of the subsidiary now comprising the Group upon completion of the Reorganisation.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is Victrad Enterprise (Pte) Ltd ("Victrad"), which is incorporated in Singapore.

2.1 BASIS OF PRESENTATION

In preparation for the Listing, the Group has undergone the Reorganisation, as explained in the subsection headed "History and development" in the Prospectus. Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 29 June 2013.

As the Reorganisation is undertaken to incorporate the Company as an intermediate holding company, the Group is a continuation of the existing group. The companies now comprising the Group were under common control of the controlling shareholder, Victrad, before and after the Reorganisation. Accordingly, for the purpose of this report, the Financial Information of the Group has been prepared by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the Relevant Periods.

The consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows have been prepared as if the current group structure had been in existence throughout the Relevant Periods. The consolidated statements of financial position of the Group as at 30 June 2011, 2012 and 2013 have been prepared as if the current group structure had been in existence as at the dates and to present the assets and liabilities of the subsidiary using the then carrying values from the controlling shareholder's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

All intra-group transactions and balances have been eliminated on consolidation.

2.2 BASIS OF PREPARATION

The Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprised of all standards and interpretation approved by the International Accounting Standards Board (the "IASB").

All IFRSs, which are effective for the financial year beginning on or after 1 July 2012, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Financial Information throughout the Relevant Periods.

The Financial Information has been prepared on the historical cost basis. The Financial Information is presented in Singapore Dollars (S$).

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE IFRSS

The Group has not applied the following IFRSs that have been issued but are not yet effective in the Financial Information:

	Effective date (annual periods beginning on or after)
IFRS 9 *Financial Instruments*	Refer to Note 1
IFRS 10 *Consolidated Financial Instruments*	1 January 2013
IFRS 11 *Joint Arrangements*	1 January 2013
IFRS 12 *Disclosure of Interests in Other Entities*	1 January 2013
IAS 27 (Revised) *Separate Financial Statements*	1 January 2013
IAS 28 (Revised) *Investments in Associates and Joint Ventures*	1 January 2013
IFRS 13 *Fair Value Measurement*	1 January 2013
IAS 19 (Revised) *Employee Benefits*	1 January 2013
Amendments to IFRS 1 — *First-time Adoption of International Financial Reporting Standards — Government Loans*	1 January 2013
Amendments to IFRS 7 — *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*	1 January 2013
Amendments to IAS 32 — *Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities*	1 January 2014
IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 — *Transition Guidance*	1 January 2013
Amendments to IFRS 10, IFRS 12 and IAS 27 (Revised) — *Investment Entities*	1 January 2014
Annual Improvements to IFRSs — 2009–2011 Cycle	1 January 2013
Amendments to IAS 36 — *Impairment of Assets — Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
Amendments to IAS 39 — *Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2014
IFRIC 21 *Levies*	1 January 2014

The Group expects that adoption of the pronouncements listed above will have no material impact on the Group's financial statements in the period of initial application.

Note 1: Since the impairment phase of the IFRS 9 project is not yet completed, the IASB decided that a mandatory effective date of 1 January 2015 would not allow sufficient time for entities to prepare to apply IFRS 9. Accordingly, the IASB decided that it would be necessary to have a later mandatory effective date and that the new effective date would be determined when IFRS 9 is closer to completion.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

As explained in Note 2.1 above, the acquisition of the subsidiary under common control has been accounted for using the merger accounting.

The merger accounting involves incorporating the financial statement items of the consolidating entities or businesses in which the common control consolidation occurs as if they had been consolidated from the date when the consolidating entities or businesses first came under the control of the controlling party. The net assets of the consolidating entities or businesses are consolidated using the existing book value. No amount is recognised in respect of goodwill or the excess of the acquirers' interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over the cost of investment at the time of common control consolidation.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

— de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;

— de-recognises the carrying amount of any non-controlling interest;

— de-recognises the cumulative translation differences recorded in equity;

— recognises the fair value of the consideration received;

— recognises the fair value of any investment retained;

— recognises any surplus or deficit in profit or loss; and

— re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

Joint ventures

The Group has an interest in a joint venture, which is a jointly controlled entity, whereby the venturers have a contractual agreement that establishes joint control over the economic activities of the entity. The arrangement requires unanimous agreement for financial and operating decisions among the venturers.

The Group's investment in a jointly-controlled entity is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and reserves of the jointly-controlled entity is included in the profit or loss and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its jointly-controlled entity are eliminated to the extent of the Group's investment in the jointly-controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill, if any, arising from the acquisition of jointly-controlled entity is included as part of the Group's investment in the jointly-controlled entity.

Associated companies

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's investments in associated companies are stated in the profit or loss at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and reserves of its associated companies is included in the profit or loss and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associated companies are eliminated to the extent of the Group's investments in associated companies, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill, if any, arising from the acquisition of associated companies is included as part of the Group's investments in associated companies and is not individually tested for impairment.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or jointly-controlled entity of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are jointly-controlled entity of the same third party;

(iv) one entity is a jointly-controlled entity of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Computer	—	3 years
Motor vehicles	—	6 years
Office and site equipment	—	8 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and cash equivalents and trade and other receivables, which are classified as loans and receivables.

Subsequent measurement of loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in the profit or loss. The loss arising from impairment is recognised in the profit or loss in "Other operating expenses".

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Subsequent measurement of loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories of the Group comprise of raw materials. Cost is based on a first in, first out basis and includes all costs in bringing the inventories to its present location and condition. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and at banks are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Contract revenue and costs

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the state of completion of the contract activity at the end of the reporting period ("percentage of completion method").

The outcome of a construction contract can be estimated reliably when: (i) total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) both the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, the stage of completion is measured by reference to the actual value of work done to-date based on physical completion to the proportion of total contract revenue (as defined below).

Contract revenue — Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured.

Contract costs — Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: subcontracting fees; site labour costs (including site supervision); costs of materials used in construction and depreciation of equipment used on the contract that is directly related to the contract.

At the end of the reporting period, the cumulative costs incurred plus recognised profits (less recognised losses) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as "gross amount due from customers for contract work in progress". Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as "gross amount due to customers for contract work in progress".

Progress billings not yet paid by customers and retentions by customers are included within "trade and other receivables".

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

(a) Contract revenue

Revenue from the rendering of electrical engineering services is recognised by reference to the stage of completion of the contract activity at year end (the percentage of completion method).

Please refer to note "Contract revenue and costs" for details on the accounting policy on contract revenue.

(b) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of goods.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

Income taxes

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax related to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investment in subsidiary, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investment in subsidiary, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would be recognised in profit or loss.

(c) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Employee benefits

(a) Defined contribution plans

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period.

Segment reporting

The Group is principally engaged in the provision of electrical engineering services. Information reported of the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

All revenue, operating expenses and assets and liabilities are derived from the operations in Singapore.

Dividends

Final dividends proposed by the Directors are classified as a separate allocation of retained profits within the equity section of the consolidated statements of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Foreign currencies

The Financial Information is presented in Singapore Dollars (S$), which the Company adopts as its functional currency and the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are recognised in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's Financial Information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Financial Information:

(a) Impairment of non-financial assets

The Group assesses at each reporting date whether there are any indicators of impairment for all non-financial assets, including its plant and equipment and its interest in jointly-controlled entity and associated companies at each reporting date. To determine whether there is any objective evidence of impairment, the Company considers external factors including decline in asset values, significant changes with an adverse effect in the market or economic or legal environment in which the entity operates and internal factors such as evidence from internal reporting.

Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

(b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(c) Interest in a jointly-controlled entity

The Group holds a 50% equity interest in the jointly-controlled entity. The Group does not have unilateral control over this entity as the Group does not have majority representation on the entity's board of directors. However, the Group has joint control since there are only two shareholders in the entity and all major decisions have to be jointly agreed by the two shareholders. Based on the facts and circumstances, management concluded that the Group has joint control over the entity.

(d) Interests in associated companies

The Group holds a 50% equity interest in each of the associated companies. The Group does not have unilateral control over these entities as the Group does not have majority representation on the entities' board of directors. The Group does not have joint control as well since there are more than two shareholders in each of the associated companies. Based on the facts and circumstances, management concluded that the Group does not have unilateral or joint control but is in a position to exercise significant influence on the associated companies.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Construction contracts

The Group recognises contract revenue and contract costs by reference to the stage of completion of the contract activity at the end of each reporting period, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that the value of work done to-date based on physical completion to the total contract value.

Significant assumptions are required to estimate the total budgeted contract costs and the recoverable variation works. In making these estimates, management has relied on past experience and knowledge of the project engineers. The carrying amounts of assets and liabilities arising from construction contracts at the end of each Relevant Periods are disclosed in Note 16 to the Financial Information.

If the estimated total construction cost increases/decreases by 10% from management's estimates, the Group's net profit after tax will be approximately S$861,000 (2012: S$876,000; 2011: S$2,081,000) lower/higher.

5. REVENUE

Revenue, which is also the Group's turnover, represents an appropriate proportion of contract revenue of construction contracts; the net invoiced value of goods sold, after allowances for returns and trade discounts during the Relevant Periods.

	Year ended 30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Contract revenue	32,509,489	15,571,169	18,628,674
Sale of goods	13,128	37,902	31,834
	32,522,617	15,609,071	18,660,508

Information about major customers

There are 3 (2012: 2; 2011: 3) customers which each contributed more than 10% of the Group's revenue. Revenue with these customers amounted to S$13,463,000 (2012: S$9,141,000; 2011: S$14,641,000), S$2,516,000 (2012: S$4,226,000; 2011: S$9,495,000) and S$2,038,000 (2012: Nil; 2011: S$4,286,000) respectively.

6. OTHER OPERATING INCOME

	Year ended 30 June		
	2011	2012	2013
	S$	*S$*	*S$*
Gain on disposal of plant and equipment	—	25,933	—
Interest income from bank deposits	20,344	20,599	26,598
Sundry income	—	584	18,915
	20,344	47,116	45,513

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 30 June		
	2011	2012	2013
	S$	*S$*	*S$*
Bank charges	132	82	620

8. PROFIT BEFORE TAX

	Year ended 30 June		
	2011	2012	2013
	S$	*S$*	*S$*
(a) The Group's profit before tax is arrived at after charging the following items:			
— Cost of services provided	25,059,974	10,472,747	10,336,319
— Cost of goods sold	9,490	83,837	40,610
— Depreciation of plant and equipment *(Note 13)*	45,779	47,115	40,800
— Auditors' remuneration	16,500	8,000	111,000
(b) Employee benefits (including directors' remuneration):			
— Salaries, wages and bonuses	3,899,784	3,158,139	3,629,310
— CPF contributions	200,371	192,248	147,711
— Other short-term benefits	98,873	74,796	24,769

9. DIRECTORS', CHIEF EXECUTIVE AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

(a) Executive directors, independent non-executive directors and the Chief Executive

Directors' and the Chief Executive's remuneration, disclosed pursuant to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (the "HKSE") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Year ended 30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Fees	—	—	—
Other remuneration:			
Salaries and bonuses	276,600	192,000	408,000
CPF contributions	21,178	10,136	20,475
Other short-term benefits	23,000	12,000	6,000
	320,778	214,136	434,475

(i) Independent non-executive directors

As at 30 June 2013, no independent non-executive directors had been appointed by the Company.

(ii) Executive directors

In respect of individuals, who acted as executive directors of the Company, the remuneration received or receivable from the Group during each of the Relevant Periods is as follows:

	Fees	Salaries and bonuses	CPF contributions	Other short-term benefits	Total
	S$	*S$*	*S$*	*S$*	*S$*
Year ended 30 June 2011					
Yeo Jiew Yew (Chief Executive)[(1)]	—	—	—	—	—
Sim Yew Heng	—	180,000	10,623	12,000	202,623
Loh Voon Sheng[(2)]	—	96,600	10,555	11,000	118,155
	—	276,600	21,178	23,000	320,778
Year ended 30 June 2012					
Yeo Jiew Yew (Chief Executive)[(1)]	—	—	—	—	—
Sim Yew Heng	—	192,000	10,136	12,000	214,136
Loh Voon Sheng	—	—	—	—	—
	—	192,000	10,136	12,000	214,136

	Fees	Salaries and bonuses	CPF contributions	Other short-term benefits	Total
	S$	*S$*	*S$*	*S$*	*S$*
Year ended 30 June 2013					
Yeo Jiew Yew (Chief Executive)[(1)]	—	210,000	8,775	—	218,775
Sim Yew Heng	—	198,000	11,700	6,000	215,700
Loh Voon Sheng[(3)]	—	—	—	—	—
	—	408,000	20,475	6,000	434,475

(1) Remunerated under Victrad Enterprise (Pte) Ltd; employment was transferred to Strike Singapore in July 2012

(2) Resigned as employee of subsidiary in May 2011, but remained as director of subsidiary

(3) Resigned as director of subsidiary in May 2013

(b) Five highest paid employees

The five highest paid employees of the Group during the Relevant Periods are analysed as follows:

	Year ended 30 June		
	2011	**2012**	**2013**
Directors (including Chief Executive)	2	1	2
Non-director employees	3	4	3
	5	5	5

Details of the remuneration of the directors are set out in (a) above.

Details of the remuneration of the highest paid employees, who are neither a director nor the Chief Executive of the Company, for the Relevant Periods are as follows:

	Year ended 30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Salaries and bonuses	224,128	271,920	199,650
CPF contributions	31,166	42,532	27,520
Other short-term benefits	24,565	35,570	12,800
	279,859	350,022	239,970

The number of non-director, highest paid employees whose remuneration fell within the following band is as follows:

	Year ended 30 June		
	2011	**2012**	**2013**
Nil to HK$1,000,000	3	4	3

During the Relevant Periods, no emoluments were paid by the Group to any of the persons who are directors (including Chief Executive) of the Company, or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. No director or the five highest paid individuals have waived any remuneration during the Relevant Periods.

10. INCOME TAX EXPENSE

The major components of income tax expense for the Relevant Periods are as follows:

	Year ended 30 June		
	2011	2012	2013
	S$	*S$*	*S$*
Current — Elsewhere:			
— Charge for the year	1,083,953	671,697	1,190,632
— Over provision in respect of previous years	—	(60,605)	(8,977)
Deferred *(Note 21)*	—	—	19,398
Total tax charge for the year	1,083,953	611,092	1,201,053

Relationship between tax expense and accounting profit

A reconciliation of the tax expense applicable to the profit before tax at the applicable statutory tax rate for the countries in which the Group and the subsidiary are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e. the statutory tax rates) to the effective tax rates for each of the Relevant Periods are as follows:

	Year ended 30 June			
	2011		2012	
	S$	*%*	*S$*	*%*
	Singapore		Singapore	
Profit before tax	6,670,373		4,280,660	
Taxation at statutory tax rate	1,133,963	17.0	727,712	17.0
Adjustments:				
Non-deductible expenses	4,347	0.1	2,652	—
Effects of partial tax exemption and tax relief	(31,417)	(0.5)	(35,871)	(0.8)
Over provision in respect of previous years	—	—	(60,605)	(1.4)
Share of results of a jointly-controlled entity and associated companies	(21,545)	(0.3)	(26,914)	(0.6)
Others	(1,395)	—	4,118	0.1
Income tax expense recognised in profit or loss	1,083,953	16.3	611,092	14.3

	Year ended 30 June 2013					
	S$	*%*	*S$*	*%*	*S$*	*%*
	Singapore		Cayman Islands		Total	
Profit/(loss) before tax	8,163,383		(420,760)		7,742,623	
Taxation at statutory tax rate	1,387,775	17.0	—	—	1,387,775	17.9
Adjustments:						
Non-deductible expenses	11,897	0.1	—	—	11,897	0.1
Effects of partial tax exemption and tax relief	(69,307)	(0.8)	—	—	(69,307)	(0.9)
Over provision in respect of previous years	(8,977)	(0.1)	—	—	(8,977)	(0.1)
Share of results of a jointly-controlled entity and associated companies	(119,154)	(1.5)	—	—	(119,154)	(1.5)
Others	(1,181)	—	—	—	(1,181)	—
Income tax expense recognised in profit or loss	1,201,053	14.7	—	—	1,201,053	15.5

No Hong Kong profits tax has been provided (2012: Nil, 2011: Nil) since no assessable profit arose in Hong Kong during the Relevant Periods.

The Company's profit is not subject to any tax in its country of incorporation, Cayman Islands. Income tax expense for the Group relates wholly to the profits of the subsidiary which were taxed at a statutory tax rate of 17% in Singapore.

The share of tax attributable to the jointly-controlled entity and associated companies amounting to S$34,410 (2012: S$17,300; 2011: Nil) and S$Nil (2012: Nil; 2011: Nil) is included in "share of results of a jointly-controlled entity" and "share of results of associated companies" in the profit or loss respectively.

11. DIVIDENDS

	Year ended 30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Declared and paid during the Relevant Periods:			
Dividends on ordinary shares:			
— Interim exempt dividend (2011: S$1.50 per share; 2013: S$5.40 per share)	2,265,000	—	8,154,000
— Final exempt dividend (2011: S$3.60 per share)	—	5,436,000	—
	2,265,000	5,436,000	8,154,000
Proposed but not recognised as liability as at 30 June:			
Dividends on ordinary shares, subject to shareholders' approval at AGM:			
— Final exempt dividend (2011: S$3.60 per share)	5,436,000	—	—

The dividends have been declared by Strike Singapore to its shareholders for the years ended 30 June 2011, 2012 and 2013, prior to the Reorganisation exercise. The dividend per share is calculated based on the number of ordinary shares issued by Strike Singapore. of 1,510,000 ordinary shares.

12. EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the presentation of the results of the Group for the Relevant Periods as disclosed in Note 2.1 above.

13. PLANT AND EQUIPMENT

	Computer	Motor vehicles	Office and site equipment	Total
	S$	*S$*	*S$*	*S$*
Group				
Cost:				
At 1 July 2010	29,571	156,138	31,893	217,602
Additions	4,553	—	20,720	25,273
At 30 June 2011 and 1 July 2011	34,124	156,138	52,613	242,875
Additions	12,659	38,454	4,430	55,543
Disposals/write-off	—	(25,824)	—	(25,824)
At 30 June 2012 and 1 July 2012	46,783	168,768	57,043	272,594
Additions	4,109	—	18,200	22,309
At 30 June 2013	50,892	168,768	75,243	294,903
Accumulated depreciation:				
At 1 July 2010	7,601	32,654	4,069	44,324
Charge for the year	10,458	29,832	5,489	45,779
At 30 June 2011 and 1 July 2011	18,059	62,486	9,558	90,103
Charge for the year	13,598	26,362	7,155	47,115
Disposals/write-off	—	(13,581)	—	(13,581)
At 30 June 2012 and 1 July 2012	31,657	75,267	16,713	123,637
Charge for the year	8,783	24,575	7,442	40,800
At 30 June 2013	40,440	99,842	24,155	164,437
Net carrying values:				
At 30 June 2011	16,065	93,652	43,055	152,772
At 30 June 2012	15,126	93,501	40,330	148,957
At 30 June 2013	10,452	68,926	51,088	130,466

14. INTEREST IN A JOINTLY-CONTROLLED ENTITY

	30 June		
	2011	2012	2013
	S$	*S$*	*S$*
Shares, at cost	100,000	100,000	125,000
Share of post-acquisition reserves	126,733	257,323	711,427
Share of net assets	226,733	357,323	836,427

The Group's amounts due from/to the jointly-controlled entity are disclosed in Notes 18 and 20 to the Financial Information.

Detail of the jointly-controlled entity is as follows:

Name	Legal form and country of incorporation	Principal activities	Proportion (%) of ownership interest 30 June 2011	2012	2013
Held through subsidiary:					
YL Integrated Pte Ltd	Private Limited Singapore	Electrical works and mixed construction activities	50	50	50

The aggregate amounts of each of current assets, non-current assets, current liabilities, income and expenses relating to the Group's interest in the jointly-controlled entity are as follows:

	30 June 2011	2012	2013
	S$	*S$*	*S$*
Share of the jointly-controlled entity's assets and liabilities:			
Current assets	259,760	477,189	1,972,542
Non-current assets	286,737	293,958	344,826
Total assets	546,497	771,147	2,317,368
Current liabilities	(319,764)	(413,824)	(1,480,941)
Total liabilities	(319,764)	(413,824)	(1,480,941)

	Year ended 30 June 2011	2012	2013
	S$	*S$*	*S$*
Share of the jointly-controlled entity's income and expenses			
Income	727,031	1,477,955	4,107,113
Expenses	(600,298)	(1,330,065)	(3,493,599)
Income tax expense	—	(17,300)	(34,410)

15. INTERESTS IN ASSOCIATED COMPANIES

	30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Shares, at cost	150,000	200,000	200,000
Share of post-acquisition reserves	—	27,726	223,646
Share of net assets	150,000	227,726	423,646

The Group's amounts due from/to the associated companies are disclosed in Notes 18 and 20 to the Financial Information.

Details of the associated companies are as follows:

Name	**Legal form and country of incorporation**	**Principal activities**	**Proportion (%) of ownership interest 30 June**		
			2011	**2012**	**2013**
Held through subsidiary:					
NEK Electrical Engineering Pte Ltd	Private Limited Singapore	Electrical works and mixed construction activities	50	50	50
SRM Electrical Engineering Pte Ltd	Private Limited Singapore	Electrical works and mixed construction activities	50	50	50

The summarised financial information of the associated companies, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Assets and liabilities:			
Total assets	300,000	651,676	1,772,715
Total liabilities	—	(196,224)	(925,423)

	Year ended 30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Results:			
Revenue	—	631,792	6,051,921
Profit for the year	—	55,452	391,840

16. GROSS AMOUNT DUE FROM CUSTOMERS FOR CONTRACT WORK IN PROGRESS

	30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	76,648,050	89,158,678	106,414,009
Less: Progress billings	(66,290,559)	(83,659,438)	(99,558,606)
	10,357,491	5,499,240	6,855,403
Presented as:			
Gross amount due from customers for contract work	10,357,491	5,499,240	6,855,403

As at 30 June 2011, 2012 and 2013, there were no advances received from customers for contract work in progress.

17. INVENTORIES

	30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Raw materials, at cost	69,870	63,442	57,694

Inventories recognised as an expense in cost of sales amounted to S$9,490, S$83,837 and S$40,610 in the years ended 30 June 2011, 2012 and 2013 respectively.

Raw materials relate mainly to electrical cables, switchboard and light fittings.

18. TRADE AND OTHER RECEIVABLES

	30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Trade receivables (non-current):			
Retention sum receivables	1,284,000	685,877	1,207,500
Trade receivables:			
Third party	1,228,068	283,712	1,172,184
Amount due from a jointly-controlled entity	864	6,747	6,680
Amount due from associated companies	—	11,190	6,578
Retention sum receivables	1,286,387	1,786,376	1,605,535
	2,515,319	2,088,025	2,790,977
Other receivables:			
Sundry receivables	—	7,256	—
Advances to staff	101,950	42,995	1,500
Deposits	83,960	37,500	29,700
Amount due from the immediate and ultimate holding company	29,412	25,514	12
	215,322	113,265	31,212
Total trade and other receivables (current)	2,730,641	2,201,290	2,822,189

Retention sum receivables refer to retention sum which will be partially billed upon the practical completion, and the balance shall be billed upon the final completion. Retention sum receivables are non-interest-bearing and on terms based on the respective contract's retention period.

Trade receivables

Trade receivables (excluding retention sum receivables) are non-interest-bearing and are generally on terms of 30 to 90 days.

An ageing analysis of the trade receivables (excluding retention sum receivables) as at the end of each of the Relevant Periods, based on the invoice date, and net of provision for doubtful debts, is as follows:

	30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Less than 30 days	1,202,240	279,916	1,161,350
30 to 60 days	17,027	439	—
More than 61 days	9,665	21,294	24,092
	1,228,932	301,649	1,185,442

As at 30 June 2011, 2012 and 2013, the Group's trade receivables were not impaired. The aged analysis of the trade receivables (excluding retention sum receivables) that are neither individually nor collectively considered to be impaired is as follows:

	30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Neither past due nor impaired	1,202,240	279,916	1,161,350
Less than 30 days past due	17,027	439	15,836
30 to 60 days past due	1,282	2,706	—
More than 61 days past due	8,383	18,588	8,256
	1,228,932	301,649	1,185,442

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

Amounts due from the jointly-controlled entity, associated companies, the immediate and ultimate holding company

These amounts are unsecured, non-interest-bearing, repayable upon demand and are to be settled in cash.

19. CASH AND SHORT-TERM DEPOSITS

	30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Cash at banks and on hand	4,022,950	1,542,904	3,513,730
Short-term deposits	10,794,341	11,810,746	3,735,645
Cash and short-term deposits	14,817,291	13,353,650	7,249,375

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying period of between one day and three months, depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates.

As at 30 June 2013, cash at banks and short-term deposits amounting to S$3,735,645 (2012: S$11,810,746; 2011: S$10,794,341) are held in trust on behalf of the Group by the Directors and key management personnel, and its immediate and ultimate holding company. Such amounts have been transferred to the bank accounts of the Group after 30 June 2013.

20. TRADE AND OTHER PAYABLES

Group

	30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Trade payables:			
Third parties	1,711,289	204,732	574,897
Amount due to the jointly-controlled entity	6,420	19,504	—
Amount due to associated companies	—	17,329	7,152
Amount due to the immediate and ultimate holding company	673,153	49,258	26,590
	2,390,862	290,823	608,639
Accruals for project costs	18,703,697	15,967,228	13,794,399
Other payables:			
Sundry payables	66,642	44,585	4,233
Accrued liabilities	84,422	110,849	239,970
GST payable	294,006	76,451	70,293
	445,070	231,885	314,496
Total	21,539,629	16,489,936	14,717,534

Accrued liabilities refer mainly to accrual for professional fees and employee benefits.

Trade payables/other payables

These amounts are non-interest bearing. Trade payables are normally settled on terms of 30 to 90 days while other payables have an average term of 30 days.

An aged analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Trade payables:			
Less than 90 days	2,390,862	285,967	607,676
More than 90 days and less than 180 days	—	4,856	963
	2,390,862	290,823	608,639

Amounts due to the jointly-controlled entity, associated companies and the immediate and ultimate holding company

These amounts are trade related, unsecured, non-interest-bearing, repayable on demand and are to be settled in cash.

Company

	30 June 2013 S$
Other payables:	
Amount due to subsidiary	511,587

21. DEFERRED TAX LIABILITIES

Deferred tax liabilities as at the end of each of the Relevant Periods relate to the following:

	30 June 2011 S$	30 June 2012 S$	30 June 2013 S$
Differences in depreciation for tax purposes	—	—	19,398

22. SHARE CAPITAL AND SHARE PREMIUM

	30 June 2013
Number of ordinary shares	
Authorised:	
Ordinary shares of HK$1* each	300,000
Issued:	
Ordinary shares of HK$1* each	300,000

* *HK$ — Hong Kong Dollar*

	Year ended 30 June 2013			
	No. of shares	Issued capital S$	Share premium S$	Total S$
At 19 June (date of incorporation)	—	—	—	—
Issuance of new share on incorporation	1	1	—	1
Issuance of new ordinary shares pursuant to the Reorganisation *(Note 2.1)*	299,999	48,879	3,700,767	3,749,646
At 30 June	300,000	48,880	3,700,767	3,749,647

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

23. RESERVES

Group

Merger reserves

Merger reserves of the Group represent the capital contributions from the equity holders of the subsidiary, Strike Singapore. The Group acquired Strike Singapore during 2013 from Victrad which was an acquisition under common control and has been accounted for by applying the principle of merger accounting and the merger reserves have been debited for the purchase consideration for Strike Singapore.

Company

	Year ended 30 June 2013		
	Share premium	Accumulated losses	Total
	S$	*S$*	*S$*
At 19 June (date of incorporation)	—	—	—
Net loss and total comprehensive loss for the year	—	(420,760)	(420,760)
Issuance of new ordinary shares pursuant to the Reorganisation *(Note 2.1)*	3,700,767	—	3,700,767
At 30 June	3,700,767	(420,760)	3,280,007

Loss attributable to owners of the parent

The consolidated profit attributable to owners of the parent for the year ended 30 June 2013 included a loss of S$420,760 which has been dealt with in the financial statements of the Company.

24. INTEREST IN A SUBSIDIARY

	30 June 2013
	S$
At cost:	
Strike Singapore	3,749,647

Pursuant to the Reorganisation on 29 June 2013, the Company issued 300,000 ordinary shares of HK$1.00 each in consideration and in exchange for the entire issued share capital of the above subsidiary. Upon completion, the subsidiary became wholly owned by the Company.

25. RELATED PARTY TRANSACTIONS

(I) In addition to the related party information disclosed elsewhere in the Financial Information, the following are the significant related party transactions entered into between the Group and its related parties that took place at terms and conditions agreed between the parties during the Relevant Periods:

		Year ended 30 June		
		2011	**2012**	**2013**
	Notes	*S$*	*S$*	*S$*
Management fee charged by				
— immediate and ultimate holding company	(b)(i)	1,154,582	1,154,928	182,915
— jointly-controlled entity	(b)(v)	6,000	91,656	79,184
— associated companies	(b)(v)	—	159,588	222,347
Sub-contractor fees charged by				
— immediate and ultimate holding company	(b)(ii)	—	—	50,288
— jointly-controlled entity	(a)(i)	—	86,556	2,183,575
— associated companies	(a)(i)	—	196,931	3,801,835
Project costs recharged by/(to)				
— immediate and ultimate holding company	(a)(ii)	101,230	119,726	63,062
— jointly-controlled entity	(a)(ii)	(397)	(2,178)	(75,102)
— associated companies	(a)(ii)	—	(21,133)	(62,097)
Progress billings raised on behalf by the immediate and ultimate holding company to customers	(b)(iv)	4,252	37,161	30,283
Operating expenses recharged by the immediate and ultimate holding company	(a)(iii)	38,810	43,048	41,124
Management fee charged to				
— jointly-controlled entity	(b)(vi)	—	(12,383)	(3,663)
— associated companies	(b)(vi)	—	(54,594)	(20,842)
Sale of materials to				
— jointly-controlled entity	(b)(vii)	(13,128)	(3,226)	(19,262)
— associated companies	(b)(vii)	—	(34,676)	(12,572)
Sale of motor vehicles to				
— jointly-controlled entity	(b)(iii)	—	(16,150)	—
— associated companies	(b)(iii)	—	(8,500)	—

(a) Recurring

(i) During the Relevant Periods, Strike Singapore had subcontracted some electrical engineering works to the jointly-controlled entity and associated companies.

(ii) In the course of subcontracting of projects, costs incurred on behalf or costs billed by customers for the relevant projects were recharged to the jointly-controlled entity and associated companies accordingly. Similarly, for projects which were transferred from

Victrad, during the transition period of the restructuring where Victrad became the immediate and ultimate holding company of Strike Singapore, such costs were recharged to Strike Singapore.

(iii) Operating expenses recharged by the immediate and ultimate holding company mainly refer to the utilities and telephone charges for the office premises, and upkeep expense on the motor vehicles which was paid on behalf by Victrad.

(b) Non-recurring

(i) During the Relevant Periods, management fee charged to the Group related mainly to the salaries of the management team and the project team whose salaries were recorded under Victrad during the transition period of the restructuring where Victrad became the immediate and ultimate holding company of Strike Singapore. As at 30 June 2013, the management team and the project teams have been transferred to Strike Singapore.

(ii) In the year ended 30 June 2013, Strike Singapore had subcontracted some electrical engineering works to Victrad as part of the group internal restructuring. This subcontracting service was subsequently terminated as the Group underwent the Reorganisation to prepare for listing.

(iii) In the year ended 30 June 2012, Strike Singapore sold to the jointly-controlled entity and associated companies the motor vehicles which were used by the ex-employees who were transferred to the jointly-controlled entity and associated companies.

(iv) During the Relevant Periods, Victrad raised billings to customers on behalf of Strike Singapore for certain projects that were transferred from Victrad. As at 30 June 2013, these projects had been completed.

(v) Subsequent to the incorporation of the jointly-controlled entity and associated companies, Strike Singapore continues to engage the services of the 3 ex-employees who resigned and became shareholders of these companies. Their services were engaged for projects which they were involved in while in employment with Strike Singapore.

(vi) In some projects subcontracted to the jointly-controlled entity and associated companies in a(i), Strike Singapore provided services of the related project teams to the jointly-controlled entity and associated companies. These project teams had prior involvement in the projects before the projects were subcontracted. Management fees were charged to the jointly-controlled entity and associated companies for the services of these project teams.

(vii) During the Relevant Periods, Strike Singapore sold some raw materials to the jointly-controlled entity and associated companies. Such transactions took place as and when the need arose for the jointly-controlled entity and associated companies.

(II) Other transactions with related parties

During the Relevant Periods, the immediate and ultimate holding company provided the warehouse and office premises to the Group free of charge.

Subsequent to year end, the immediate and ultimate holding company and the Group entered into an agreement for rental of the warehouse and premises at a monthly fee of S$9,500.

(III) Outstanding balances with related parties

(i) Details of the Group's balances with the immediate and ultimate holding company, the jointly-controlled entity and associated companies are disclosed in Notes 18 (Trade and other receivables) and 20 (Trade and other payables) to the Financial Information.

(ii) Details of the Group's balances of cash and short-term deposits held in trust by the Directors and key management personnel, and its immediate and ultimate holding company are disclosed in Note 19 (Cash and short-term deposits) to the Financial Information.

(IV) Compensation of key management personnel of the Group

	Year ended 30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Salaries and bonuses	393,000	321,500	572,975
CPF contributions	38,360	30,092	43,359
Other short-term benefits	32,600	21,600	20,200
	463,960	373,192	636,534

	Year ended 30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Related parties			
Remuneration paid to close family members of key management personnel	66,066	44,122	46,429

26. CONTINGENT LIABILITIES

At the end of the Relevant Periods, the Group had provided the following guarantees:

		30 June		
		2011	**2012**	**2013**
		S$	*S$*	*S$*
Security bonds to the Singapore government in relation to foreign workers	(i)	935,000	595,000	550,000
Share of joint indemnity with an associated company given to customers in respect of foreign workers employed by the associated company for a project	(ii)	—	—	26,000
		935,000	595,000	576,000

(i) As required by the Singapore Government for each foreign worker hired, companies must submit a security bond of $5,000 to the Controller of Work Passes. During the Relevant Periods, the Group has hired certain foreign workers and has arranged for an insurance company (the "Insurer") to provide insurance guarantee with the Singapore Government.

The Directors believe that no foreign workers of the Group has breached the relevant regulations during the Relevant Periods. Accordingly, the Group has not provided for any provision in relation to such law. During the Relevant Periods, the guarantees provided by the Insurer were S$935,000, S$595,000 and S$550,000 as at 30 June 2011, 30 June 2012 and 30 June 2013 respectively.

(ii) The Group was required to provide joint indemnity to the customer in respect of the customer's undertaking granted to the Singapore Government for the hiring of foreign workers by the associated company for a project. The Group has arranged for an insurer to provide such indemnity to the customer.

27. FINANCIAL INSTRUMENTS

(i) Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of the Relevant Periods are as follows:

Group

	30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Loans and receivables			
Trade and other receivables	4,014,641	2,887,167	4,029,689
Cash and short-term deposits	14,817,291	13,353,650	7,249,375
	18,831,932	16,240,817	11,279,064
Financial liabilities measured at amortised cost			
Trade and other payables (excluding GST payable)	21,245,623	16,413,485	14,647,241

Company

	30 June
	2013
	S$
Financial liabilities measured at amortised cost	
Other payables	511,587

(ii) Fair values of financial instruments

At 30 June 2011, 2012 and 2013, the fair values of the Group's financial assets and financial liabilities approximated to their respective carrying amounts.

Fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Management has determined that the carrying amounts of cash and short-term deposits, trade and other receivables, trade and other payables reasonably approximate their fair values because these are short term in nature or they approximate their fair value based on the market incremental rates for similar types of financial instrument at the end of the year.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments.

The Group's principal financial instruments comprise cash and bank balances and short-term deposits. The main purpose of these financial instruments is to manage funds for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and payables, which arise directly from its operations.

It is, and has been throughout the financial years under review, the Group's policy that no trading in derivative financial instruments shall be undertaken. The Group did not enter into any derivative financial instruments during the financial years and as at year end.

The main risks arising from the Group's financial instruments are liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's exposure to liquidity risk arises in the general funding of the Group's operating activities. The Group's cash and short-term deposits and operating cashflows are actively managed to ensure adequate working capital requirements and that repayment and funding needs are met.

The table below summarises the maturity profile of the Group's financial assets and liabilities at the statement of financial position based on the contractual undiscounted repayment obligations.

	30 June 2011 S$			30 June 2012 S$			30 June 2013 S$		
	Within one year	One to five years	Total	Within one year	One to five years	Total	Within one year	One to five years	Total
Group:									
Financial liabilities									
Trade and other payables (excluding GST repayable)	21,245,623	—	21,245,623	16,413,485	—	16,413,485	14,647,241	—	14,647,241
Total undiscounted financial liabilities	21,245,623	—	21,245,623	16,413,485	—	16,413,485	14,647,241	—	14,647,241
Company:									
Financial liabilities									
Other payables							511,587	—	511,587
Total undiscounted financial liabilities							511,587	—	511,587

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's main exposure to credit risk arises primarily from trade and other receivables and cash and short-term deposits. The credit risk on such trade and other receivables is minimal as the Group adopts the policy of dealing only with customers and counterparties of appropriate credit history. For cash and cash equivalents, the Group minimises credit risk by placing the surplus funds with reputable banks.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk was represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the individual profile of its trade receivables on an on-going basis. At the end of the reporting period, approximately 100% (2012: 98%; 2011: 100%) of the Group's trade receivables were due from the top 5 trade debtors.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired relate to creditworthy debtors with good payment record with the Group. Cash and short-term deposits are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18 (Trade and other receivables).

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2011, 2012 and 2013.

The Group had no loans or borrowings as at 30 June 2011, 2012 and 2013. The Group seeks to maintain a sustainable gearing ratio to meet its existing requirements. The Group will continue to apply prudent financial policies which are to finance the operations mainly through cash generated from the operating activities.

	30 June		
	2011	**2012**	**2013**
	S$	*S$*	*S$*
Trade and other payables	21,539,629	16,489,936	14,717,534
Less: Cash and short-term deposits	(14,817,291)	(13,353,650)	(7,249,375)
Net debt	6,722,338	3,136,286	7,468,159
Equity attributable to owners of the Company	7,165,697	5,399,265	3,786,835
Capital and net debt	13,888,035	8,535,551	11,254,994
Gearing ratio	48%	37%	66%

29. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or its subsidiary in respect of any period subsequent to 30 June 2013.

30. EVENTS AFTER THE REPORTING PERIOD

(i) On 9 December 2013, a deed of indemnity was entered into between Mr Yeo Jiew Yew, Victrad and the Company, pursuant to which Mr Yeo Jiew Yew and Victrad have executed the deed of indemnity in favour of the Group whereby they will jointly and severally indemnify each member of the Group against, among others, all expenses, payments, sums, outgoings, fees, demands, claims, damages, losses, costs (among others, but not limited to, legal and other professional costs), charges, liabilities, fines, penalties and tax which any member of the Group may incur, suffer or accrue, as a result of directly or indirectly or in connection with, or in consequence of any non-compliance with or breach of any applicable laws, rules or regulations in any jurisdiction by any member of the Group on or before the Listing.

(ii) On 9 December 2013, each authorised and issued ordinary share of a par value of HK$1.00 in the capital of the Company was sub-divided into 100 ordinary shares of a par value of HK$0.01 each.

On 9 December 2013, the authorised share capital of the Company was increased from HK$300,000 divided into 30,000,000 ordinary shares of HK$0.01 each to HK$50,000,000 divided into 5,000,000,000 ordinary shares of HK$0.01 each by the creation of an additional 4,970,000,000 shares of HK$0.01 each.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong